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## **Official Report of Debates (Hansard)**

**Wednesday 11 October 2006**

## **Journal des débats (Hansard)**

**Mercredi 11 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

Président : Tim Hudak  
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## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
ESTIMATESCOMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Wednesday 11 October 2006

Mercredi 11 octobre 2006

*The committee met at 1544 in room 151.*MINISTRY OF MUNICIPAL AFFAIRS  
AND HOUSING

**The Chair (Mr. Tim Hudak):** Good afternoon, folks and members of the standing committee on estimates. The meeting of Wednesday, October 11, 2006, is now in session.

We've heard from the minister as well as opening comments from both the official opposition and the third party. The minister waived his 30-minute rebuttal. We've gone through two 20-minute cycles, so according to our chart here we have 20 minutes for the government.

**Mr. Wayne Arthurs (Pickering–Ajax–Uxbridge):** Can I just ask, Mr. Chair, on a point of order, through to the minister, whether or not he asked to cede his time or simply stand it down, with the opportunity at the end to maybe pick up that time? From a procedural standpoint, I know that when we were dealing with our matters, our preference as the government's caucus was to stand our time down and not simply relinquish it. The minister may want to consider it. I'm not sure what his intent was at that point; I'm just asking the question procedurally. If you could give some clarification, that would be helpful.

**The Chair:** You know, I had an exhausting day as Chair yesterday and had to relinquish to the Vice-Chair, so I wasn't—

**Mr. Arthurs:** Sorry, yes.

**The Chair:** I appreciate Mr. Arthurs's interjection. My understanding is that the minister said he didn't want to use the 30 minutes. That means the government can still use those 30 minutes if they so choose. If they don't choose to do so, then I'll distribute it equally among the three parties. Does that sound fair enough?

*Interjection.*

**The Chair:** I think we are currently at the 20-minute cycle. The government has the floor. Beginning the 20 minutes, we have Mr. Wilkinson.

**Mr. John Wilkinson (Perth–Middlesex):** Thank you, Chair. Welcome, Minister, and thank you so much for spending time with us in estimates.

**Hon. John Gerretsen (Minister of Municipal Affairs and Housing):** It's good to be back again.

**Mr. Wilkinson:** I have no municipal experience; I came to Queen's Park without that. And I know that you, as a former mayor of Kingston, come with a great deal of experience. I have something like 11 different municipal

councils in my particular rural riding, and I distinctly remember meeting with them when I first got elected. I told them exactly what you told me to tell them, which was, and I remember this, that we wanted to have them as partners, that we viewed the municipal level of government as not some kind of constitutional creature of this place but rather as a partner, that we wanted to extend that hand. I can tell you that my mayors and councils said, "Listen, we've heard that from previous governments. We have spent years being downloaded on, and we will believe it when we see it." I just want to report to you, three years later, that as I work with, I believe, 13 different levels of government in my riding, each one has come back to me and said, "We appreciate the fact that you have taken a different tone."

Given that, what I wanted to ask you specifically is—I know that your priority going into this was to mend the government's relationship with municipalities, and I know that you believe in having strong, co-operative relationships with Ontario municipalities—first of all, how did you do that, and, second of all, are you committed to continuing to do that?

**Hon. Mr. Gerretsen:** I've been in and out of the municipal scene for the last 35 years, and I can tell you that every government around during my time always said that they were trying to establish a partnership relationship with municipalities. To a certain extent, it's a motherhood statement. I think it's the actions that a particular government takes that determine whether or not that really happens, and to a large extent, I suppose, it's the feeling at the end of a certain period of time that the municipal councils or individual councillors are left with as to how they've been treated by a particular government at that time.

We've certainly tried in our ministry to work as closely as we possibly can with the municipal sector, as I've already stated. We meet on a monthly basis through the AMO MOU process with AMO MOU members. They come from all the various different sectors of the municipal world, and by that I mean rural, large urban, small urban, northern communities. There are about 14 or 15 municipal reps on that process. We bring ministers to the table who may have legislation pending or a regulation pending or some financial programs they want input on from the municipal sector.

**1550**

We also obviously try to get to every municipal conference that occurs during the year, whether they're

regional conferences, whether they're our own MSO conferences. We have four municipal services offices around the province: in London for southwestern Ontario, in Kingston for eastern Ontario, here in Toronto for central Ontario, and in Sudbury for northern Ontario. They hold their annual conferences as well. We try to get to all of those conferences, as do many of the other ministers.

I think it's fair to say that over the years, some governments have been better than other governments at bringing ministers to various municipal conferences. It's for each individual council to decide which government has been better or not, but I can tell you just from my own experience that over the last three years, there have been more ministers going to these various conferences—and I'm not just talking about the AMO conference or the bear-pit sessions that they have as part of the conference—than I've ever seen before.

We've tried to deal with municipalities with respect. I think that's the first thing that the municipal world is looking for: that we regard their order of government as a legitimate form of government.

That was the whole notion behind extending to a four-year term. AMO has been after that for a long period of time. Some individuals who run for council don't like it, and they're entitled to their opinion, but we felt that since people at the provincial and federal levels are, generally speaking, elected for a four-year term, we owed that same respect to people who run for municipal council. Plus, it has the added advantage of allowing a longer period of time for councils to plan and actually initiate programs or projects in their community, without always having to worry about the electoral cycle.

Up until 1982, all of the terms were two years, and it was changed to a three-year term. We felt that the municipal world as a whole had matured to such an extent that there was no reason not to extend it to a four-year term. In the democratic world that we live in, there are some people who are in favour of that and some who aren't, but I think the vast majority of people who are running for council are in favour of it, and I think that the individuals in our individual municipalities are better served by it.

**Mr. Wilkinson:** Minister, I think, for me, historically, the turning point—again, as someone who comes without municipal experience, like so many of our members—was when Greg Sorbara, the Minister of Finance, asked me to go over and kind of ride shotgun the first time we were, as a government, over at ROMA; since I was a rural member, he thought that was a good idea.

There wasn't a municipality that didn't come in and say, "You've got to do something about the CRF"—the community reinvestment fund—"there is no one who understands that," and interestingly enough, as we went through the bowels of the government that we inherited, we couldn't find a lot of people who understood it either. It seemed to be almost set up as a system in which there was no transparency or accountability, and that was awfully convenient for the provincial government.

When we brought in the Ontario municipal partnership fund, the one thing that people said over and over again, including my own riding of Perth county, where we are a net beneficiary of that, is, "We know why we're getting the money we're getting. If we don't agree with the formula, we can deal with that because, together, collectively, as municipalities, if we feel that there's something that has to be done to the formula, it's not this one-off. We, together, can agree that there is some adjustment that has to be made"—and I know that in the second year we did make an adjustment with that feedback.

Lucan Biddulph is in my riding, and then I share north Middlesex with Maria Van Bommel, our member for Lambton-Kent-Middlesex. They're two almost identical municipalities, side by side, with the same number of people, but one got a whack of CRF and the other didn't, and there was no rhyme nor reason.

Under the new method, which is transparent and accountable, those communities are treated fairly. Do you think that is a pattern that we need to continue to have; that the best thing we can have is that transparency and accountability on both sides of the ledger so that we can have a mature relationship with municipalities?

**Hon. Mr. Gerretsen:** I think that's important, especially when it comes to the finances of the situation. The more transparent it is, the easier it is for the municipal leadership to figure out exactly why they're getting X number of dollars rather than another amount, the better it is all the way around.

Although there are certainly municipalities that did not do as well with OMPF funding as they did with CRF funding, I have never heard a complaint yet that the method in which it's now calculated is not much easier to understand compared to the way it was calculated before.

You've got to remember, too, that we've added an extra \$150 million. We've revved up the fund from, I believe, in the range of \$630 million per year to over \$765 million per year now, that's distributed province-wide, so the total amount of money that actually goes out in the programs has increased.

I mentioned a number of other different programs yesterday, as well, that funding has been put into.

**Mr. Wilkinson:** Thank you, Minister. I think my friend from Willowdale has a question.

**The Chair:** Your friend from Willowdale has the floor, and he has about 10 minutes left in this segment.

**Mr. David Zimmer (Willowdale):** Thank you, Mr. Chair, and thank you to my colleague.

As you know, I represent the riding of Willowdale. Back in September 2005, I guess it was, at that big city summit conference, the Premier committed to doing a City of Toronto Act review. That's been done.

How else have the points the Premier made at that conference been turned into some reality for the city?

**Hon. Mr. Gerretsen:** The big thing about the City of Toronto Act, which is very much similar to the Municipal Act that's going through the legislative process now, is that it basically gave the city permissive powers in a whole variety of areas where they had to get provincial approvals before.

There are a number of different benefits to it. Number one, the municipal leadership through its council, which is duly elected, will be making decisions directly for the people of Toronto to a much greater extent than was the case before.

There are also some additional ways in which the city of Toronto can obtain revenues that are not available to the rest of the municipal world, as set out in the Municipal Act. The main reason we didn't extend it to the rest of the municipal world is that we want to see what happens in the city of Toronto over the next two to three years, to see how the new revenue tools made available to the city of Toronto are being utilized and what the response to it is.

As I mentioned yesterday, there are varying amounts as to what could actually be raised by the city of Toronto, and it really all depends on what measures they want to introduce. Nobody can judge that at this point in time.

The whole idea behind the City of Toronto Act is to give them more authority and autonomy to deal with municipal issues directly, rather than having to get final approvals from the province.

As I mentioned yesterday, as well, there are about 15 different ministries that deal with the municipal world in one way or another, and we basically went to each one of the ministries and said, "What kinds of decisions that municipalities make are you involved with now, and what is the provincial interest in your involvement in those decisions?" And if there is no provincial interest, then those ministries shouldn't be involved in those kinds of decisions.

It goes all the way from environmental assessments being required previously for speed bumps on a local street, where we've said, "If it's a local street, it's not a provincial issue. It's up to the council to decide whatever process they want to put into place to gauge the opinion of the people in the neighbourhood." They're the people who are held accountable for those kinds of decisions.

There are a whole slew of issues like that. We've made the whole act more permissive in nature rather than prescriptive in nature, the way the Municipal Act and the City of Toronto Act had normally been.

The other thing we've done with the city of Toronto is this: There were about 300 different acts that applied to the city of Toronto in one way or another, that had been accumulated over the last 125 or 130 years, and we codified them all into one act so that now they can be looked at as one unit. We deleted an awful lot of acts that no longer applied, because the circumstances we live in have totally changed and they no longer had any application.

**1600**

Certainly from the reviews that have been given, particularly by Mayor Miller, whose office was intimately involved in the process that we went through, as well as the chief administrative officer, Shirley Hoy—he was well pleased with the act. Hopefully the new council, when it gets elected, will utilize it to its extent once it has been given royal proclamation, probably some time around the new year when the new council takes over.

**Mr. Zimmer:** Just on that point, you used the idea that the City of Toronto Act—you want to see how it's going to play out for a couple of years before you might do amendments to the Municipal Act that affect other municipalities. What's your sense of the reaction of the other municipalities outside of Toronto to the Toronto model or the Toronto template? Are you getting any early sense of what the thinking is out there?

**Hon. Mr. Gerretsen:** First of all, there is an automatic review required in the act, I believe at the end of two years, if I'm not mistaken, in the City of Toronto Act. At the end of two years, it will be reviewed.

Secondly, with respect to some of the revenue tools that were provided to the city of Toronto, there were some municipalities that would have liked to have seen them at this time as well. It was not something that AMO clamoured for. Once we decided to do it for the city of Toronto, I believe they wanted it for the rest of the municipal world as well, but we felt that Toronto, being the capital city, the largest economic driver in this province, was owed some special consideration at this point in time, so we decided not to put those revenue tools in the new Municipal Act.

**The Chair:** Five minutes, if you like, Mr. Zimmer, or any other of your colleagues. Mr. McNeely.

**Mr. Phil McNeely (Ottawa–Orléans):** Minister, I'm very pleased to see the development of the building code. It has been an interest of mine to see what part of our greenhouse gases are related to heating homes. I think it's probably getting, with all the appliances, etc., up to about one third of what we could do with greenhouse gases. Could you just go over the transition that is happening with the Ontario Building Code over the next few years?

**Hon. Mr. Gerretsen:** The biggest change, I suppose, that's taking place with respect to the Ontario Building Code is that it's going to be an objective-based code, whereas currently the building code is very prescriptive. It sets out in very minute detail as to how certain procedures are to be done with respect to construction, etc. What the new building code allows is if a designer, a builder, can indicate to a building inspector that an alternate method of construction is just as efficient, then that alternate method can be used. It's going to be an objective-based code. It's my understanding that most of the modern building codes around the world are going to that kind of model rather than the purely prescriptive code.

Now, let's be honest about it. There could also be, from time to time, disputes between the building industry and a particular builder and the building official as to how that works out in a particular situation, but I think it's the way to go. Sometimes very prescriptive rules may not make sense in certain situations, and that's exactly what the objective-based code is trying to overcome.

We do have some high and tough energy-efficiency standards built into the building code. By the year 2011, EnerGuide 80, which is not in operation anywhere in North America now, although some jurisdictions are moving toward it, will be in operation. To be honest with

you, the building industry would have liked to have seen it happen a little bit later. The energy efficiency industry and the environmental community would have wanted to see it happen a little bit sooner, but we felt that was the right way to go. It would give the building industry enough time to, in effect, get up to speed with respect to EnerGuide 80, etc.

Let me just give you some examples of what some of the building code amendments would allow in the new code that will come into effect on January 1 next year. It recognizes the use of green technologies, which will include solar, photovoltaic systems, gas-fired emergency generators that can contribute to the power grid directly, active solar hot water systems, waste water heat recovery systems, rooftop storm water retention systems, storm water and grey water use, and motion sensors for room and minimum lighting, etc.

It also talks about and will require increased insulation requirements for foundation walls, above-grade walls, ceilings and windows and requirements for the installation of high-efficiency gas or propane-fired furnaces, etc. Some of these will come on stream right away; some of them will come on stream in their totality when EnerGuide 80 becomes mandatory by 2011.

I think it's the way to go. There will be enough energy saved just from these changes to power, for example, all of the city of London, Ontario. I've forgotten the wattage exactly, but it's whatever it takes—what's the wattage again? Nobody's 100% sure on that, but I think it's 380,000 kilowatts, from what I remember.

These new energy code requirements in the building code are going to be something that we'll all benefit from.

**Mr. McNeely:** I think my time is up, so thank you, Minister.

**The Chair:** Thank you, Mr. McNeely. We'll have a chance to come back if you so choose after we hear from the official opposition and the third party. Mr. Hardeman, you have 20 minutes.

**Mr. Ernie Hardeman (Oxford):** Good afternoon again, Mr. Minister. I wanted to go back to our discussion yesterday about transparency and accountability. Of course that's very important to the people of this province. At the end of the day, that's what the legislation is meant to accommodate, not the wishes of local councils or the provincial government but to protect the interest of the average citizen in this province. We've heard a lot of discussion, particularly in the answers, Mr. Minister, that you have consulted with your stakeholders, the municipalities, and they like what you're doing, but is that based on that they are going to be able to accommodate the wishes of their people or because it will make life easier for municipal councils as opposed to the people of the province?

Yesterday when I asked about transparency and accountability and how it dealt with open and closed meetings in councils, and I read from Hansard now, "Transparency and accountability dealt with the issue of being"—and these are your comments, Minister—"able

to appoint officers similar to the officers we have here of the assembly. I'm more than willing and prepared to talk about this section and other sections as well, but the basic thrust of the legislation has much more to do with the notion of giving municipalities permissive authority to make a lot of decisions that they currently don't have."

I think from that you're saying that accountability and transparency apply to only that section of being able to appoint officers, such as the ombudsman and so forth, to deal with transparency if the ratepayers believe that they have exceeded their rights in closed council meetings; is that right?

**Hon. Mr. Gerretsen:** I think you have, with all due respect, mixed up two fundamental concepts that I talked about. They are not to be connected.

My first comment was the fact that the new Municipal Act gives municipalities more autonomy and more power, more authority to do things, and that is separate and apart from the whole open-and-closed-meeting situation.

Let me just review for you right now as to why meetings can be closed that is contained in the act currently—

**Mr. Hardeman:** We'll get to that, Minister. This is a point where, as opposition, I get to ask the questions and you get to answer them. You don't get to pose the questions. Thank you.

**Hon. Mr. Gerretsen:** I was trying to answer your questions, Mr. Hardeman.

**Mr. Hardeman:** I would go on—you're talking about me confusing the issue when in fact I'm reading from Hansard from from you said yesterday. I didn't add a word or take away a word. It's written right here in yesterday's Hansard, okay?

Now, the problem I have—

**Hon. Mr. Gerretsen:** What I said in yesterday's—

**Mr. Hardeman:** No, Minister. It's the problem—

**The Chair:** Folks, order. Mr. Hardeman has the floor. Mr. Hardeman, when you pose your question, Mr. Gerretsen please respond.

1610

**Mr. Hardeman:** The problem isn't with what you said yesterday; it's what you said in the Legislature, which was not the same thing. I read that in the Legislature, this was said on September 25: "For greater transparency, municipalities will be required to keep a record of all meetings, both open and closed." That's not referring to appointing an ombudsman. This is about open and closed meetings. Now you're saying that transparency applies to the open and closed meetings and that they must keep minutes.

**Hon. Mr. Gerretsen:** Transparency applies to the entire municipal process; we're trying to make the entire process more transparent than ever before. It applies both with respect to when a meeting can be a closed meeting—we've set out specific rules with respect to that—and it applies to the whole decision-making process of a council. It applies to a whole bunch, a variety of different interactions that a municipal council has on the issues before it.

**Mr. Hardeman:** If I go on, again, from your statement in the Legislature, it says, “Since there is an obligation to record minutes of these meetings, and these minutes are public documents, a person can use a municipality’s own words to question whether a municipality has, in effect, contravened the act.”

The problem is that if you look at section 239 of the act, “Record of meeting”—and this is in the act too: “A municipality or local board shall record without note or comment all resolutions, decisions and other proceedings at a meeting...” Recognizing that there will be no resolutions in the meeting because the law prohibits that, what is it the municipality is recording for the public to know and to have a say on what was conducted in that closed-door meeting?

**Hon. Mr. Gerretsen:** The section is quite clear: There are seven instances in which a municipality or municipal council can hold a closed meeting. They’re set out in the current act and they’re set out in the proposed act. The proposed act goes further, and I’ll just read the sections to you right from the act:

“A meeting may be closed to the public if, at the meeting, no member of the council or local board or committee of either of them, as the case may be, discusses or otherwise deals with any matter in a way that materially advances the business or decision-making of the council, local board or committee.”

It then goes on to say that of those particular meetings that are closed, the clerk shall keep a record: “A municipality or local board shall record without note or comment all resolutions, decisions and other proceedings at a meeting, whether or not the meeting is closed to the public.” In other words, there’s a record as to what issues may have been discussed at a closed meeting.

**Mr. Hardeman:** That’s my problem; that’s why I’m having concerns. Maybe I should put it on the record, first of all, that I’m not the only person to share this concern. I read it here in a news release from the Ombudsman of Ontario, who in fact is a person appointed to be the Ombudsman for all of Ontario, at arm’s length from the Legislature yet a servant of the Legislature. The thing that’s interesting about it is that the act allows municipalities to appoint an ombudsman of their own. If they do that, then the Ombudsman no longer is applicable in that municipality. So if a resident in that municipality, under this act that you’ve proposed, wants to challenge a council decision, all the council has to do is appoint an ombudsman—and it could be one of their own employees, a staff member—and that citizen no longer has the right to appeal to the Ontario Ombudsman. The Ombudsman has great concerns with that, and he doesn’t see it, at least according to this news release, the way you do, Minister.

**Hon. Mr. Gerretsen:** Just for the record, right now, the Ombudsman has absolutely no authority or say at all with respect to any decisions made by municipal council. This is a new power we’re giving the Ombudsman. He doesn’t have any power whatsoever.

**Mr. Hardeman:** I think he speaks very clearly to that new power: “While purporting to introduce a degree of

accountability into municipal administration”—these are the Ombudsman’s words, not mine—“this bill will result in an unfair, inequitable and unsustainable patchwork of quasi-oversight measures throughout Ontario,” remarked Mr. Marin.

“The citizens of Ontario deserve to have a strong, credible, and independent oversight body with full investigative powers, to ensure compliance with public meeting requirements as well as to deal with general complaints about municipal matters affecting them.”

“As Bill 130 is currently drafted”—and I believe this section is still drafted that way—“the Ombudsman’s office would act solely as a default for investigation of complaints about a municipality’s failure to hold public meetings. In lieu of the Ombudsman, municipalities are given the power to appoint an internal investigator to address such complaints, thereby ousting the Ombudsman’s authority. Municipalities could even appoint one of their own employees to do the job, something that completely defies the basic tenets of effective oversight. These municipal investigations would also be carried out without the full range of investigative authority ordinarily exercised by the Ombudsman’s office.”

“Bill 130 also proposes that municipalities would have the option to create their own ombudsman but there are no guarantees to ensure that they would be independent or impartial or have full investigative authority over municipal complaints. Mr. Marin indicated, ‘Independent oversight should not be treated as window dressing or a special add-on option to be selected only by those who want to have it.’

“Only the city of Toronto under the City of Toronto Act, 2006 is actually required to appoint an ombudsman.”

“However, Mr. Marin warned, ‘All of these municipal offices would lack the independence and strong investigative authority that is characteristic of an ombudsman. They would essentially be internal complaint departments run by municipalities and dressed up as ombudsmen.’

“Mr. Marin said the proposed amendments create an incentive for municipalities to avoid independent administrative oversight and leave the citizens of Ontario’s municipalities without an effective independent complaint mechanism with full investigative powers. ‘I have raised my concerns with the ministry and feel it is my responsibility, as Ombudsman for this province, to make it clear that these proposed amendments as they now stand fall far short of the mark in terms of the type of oversight and accountability which Ontario’s citizens both expect and deserve.’”

I would think that’s kind of a need for concern with the bill. If the Ombudsman of Ontario—who has no vested interest but who is interested in protecting the citizen’s right to a fair hearing on any issue—has that great a concern with what’s in this bill, I would ask the minister if you would not deem that sufficient to have a look at the bill and make sure that that was addressed to the satisfaction of our Ombudsman.

**Hon. Mr. Gerretsen:** As I indicated yesterday, as a result of that letter, I and my staff had a meeting with the

Ombudsman—a very successful meeting. We toured his offices as well to see what kind of an office he has on Bay Street. He has written another letter in which he's made some further suggestions, and we'll certainly take a look at that and see how it can be accommodated.

I think the point to remember is that right now, the Ombudsman only has the right to investigate matters relating to provincial governments, boards, commissions and agencies. The way it sits today, he has absolutely no authority to investigate anything with respect to municipalities. What we attempt to do in the bill is to allow municipalities, by way of permissive legislation, to appoint their own ombudsman and, in a default position with respect to the section on open and closed meetings, to make the Ombudsman of Ontario the ombudsman, thereby giving him brand new powers. He has a different idea as to how that can be expanded further, etc., and we're going to take a look at that and deal with it accordingly.

**Mr. Hardeman:** I'm not sure I heard that properly, but did you say that they can, as a default decision, make the Ombudsman of Ontario their ombudsman, or does that happen automatically? Is it written in the bill?

**Hon. Mr. Gerretsen:** I think that happens automatically with respect to the closed-meeting provision.

**Mr. Hardeman:** The reason I bring that up is that the Ombudsman doesn't have concern with those municipalities which do not avail themselves of the possibility to appoint their own non-arm's-length employee to be their ombudsman or investigator. He's quite happy with those who don't appoint him, because he feels it's quite appropriate, as do you, I'm sure, that the Ombudsman of Ontario could do an adequate job of being the ombudsman for municipalities too. I think that's the initial intent here.

**Hon. Mr. Gerretsen:** Yes, that's what he's saying.

**Mr. Hardeman:** I agree with that and you agree with that. The problem I have is that a municipality that doesn't want the stern eye of the Ontario Ombudsman to look at their operation can just appoint someone else and prevent the Ombudsman of Ontario from being involved. That's the concern I have and I think that's the concern the Ombudsman of Ontario has. I wonder if you could reply to that.

1620

**Hon. Mr. Gerretsen:** That's the concern that he has expressed in his letter. I have great faith in municipal governments that when they appoint an ombudsman, they will do so with all the right justification and with the right motives and everything else in mind etc. We're looking at his suggestions and we'll deal with them.

**Mr. Hardeman:** Could I ask again, Minister: Does "we'll deal with them" mean you are suggesting to this committee that you are going to look at changing that part of the bill?

**Hon. Mr. Gerretsen:** One of the reasons why bills like this come forward is so that we can get lots of input from lots of interested citizens, groups, councils, individuals, ombudsmen—anybody else who wants to

make a representation. I can tell you that within our ministry—as, I'm sure, it is within every other ministry—you take a look at all these letters and you discuss these issues and you deal with them by way of amendments, perhaps, or by way of—there are different ways in which you can deal with issues. But I can tell you this: Anybody who writes us a letter is taken very seriously. We certainly will take suggestions, particularly when it comes from an individual who is respected in the community. When he brings ideas forward, we take a good, close look at them, for sure.

**Mr. Hardeman:** I want to go back to the minutes of meetings. If you could enlighten me as to what—if I believe that my local municipality has held an improper in-camera meeting—I would use to go to an ombudsman, even the Ontario Ombudsman, and ask him to look into it. What evidence would there be whether they did or didn't? Obviously the council is going to say, "No, we didn't hold an improper one; we held a proper one. We discussed the topic that's on the sheet. We didn't further the event any further in the decision-making because we voted on it in the next council meeting." What would I use to hold council accountable for a properly held meeting?

**Hon. Mr. Gerretsen:** As in any situation, a person who brings an allegation forward has to be able to provide some sort of substantiation or proof for that.

**Mr. Hardeman:** But what would it be?

**Hon. Mr. Gerretsen:** The circumstances are going to be different in each and every case. Presumably, if you bring in information like that to your council that they did something wrong, in your opinion, you'd go first of all to the ombudsman, if they've appointed one. If they haven't, you'd go to the provincial Ombudsman. Those individuals will launch an investigation as to whether or not any of the rules of the act have been contravened.

**Mr. Hardeman:** How would I know whether any discussions had materially advanced the business or decision-making of the council?

**Hon. Mr. Gerretsen:** It's just like any other proceeding, I suppose. People will have to give evidence of some sort, and it's either believed by the individual who adjudicates this or it's not. I can't deal with hypothetical situations. Each individual case depends on its own situation.

**Mr. Hardeman:** I understand. It's not a hypothetical question, Minister. I think it's a real concern in the transparency of local government. The act does say what constitutes a proper closed meeting: as long as it doesn't deal with a matter "in a way that materially advances the business or decision-making of the council, local board or committee." But how would anybody know that? Because nothing advances until a decision is made, and they make the decision out of council; they had the total discussion in an in-camera meeting, and there were no minutes because your legislation prohibits minutes from being kept because we can't record anything except decisions being made.

**Hon. Mr. Gerretsen:** You know as well as I do that currently, with respect to any municipal minutes, other



than what may be done on an informal basis at a particular council, council minutes are only decisions that are made. They are not to be taken as a Hansard of everything that happened at a council meeting. It doesn't work that way at the local level. Only decisions are relevant, as such, but not how those decisions are arrived at.

**Mr. Hardeman:** I'll stop it there. I'll end up by saying, Minister, that that's why all council meetings are open to the public: so they can hear the debate. What we're talking about here is theoretically allowing every meeting of council to be totally conducted behind closed doors, and come out and council votes on the decisions, and the public will never know what the councillors individually had to say about the issue.

There is nothing in this bill that I can find, and so far in the whole discussion there's nothing that you've suggested that's in this bill, that will prevent that from happening. I think that's a concern.

If the public can sit there and watch, you don't need minutes to keep it for the record. But this here says there are no minutes of the meeting, and yet there is a predication on that that you can only conduct certain things in camera, but there'll be no minutes to say whether you did or didn't.

I think it's as far away from transparency as you're ever going to get with a piece of municipal legislation. I think you should look at that closely and get it changed.

**The Chair:** That will conclude this segment, Mr. Hardeman. We'll move to Ms. DiNovo. You have 20 minutes.

**Ms. Cheri DiNovo (Parkdale–High Park):** First of all, Mr. Chair, I'd like to make some general comments. I find it fascinating that we're talking about work with municipalities, building codes and transparency in meetings when 122,000 families are waiting for affordable housing. From our guesstimate, 3,000 to 5,000 are homeless in our city and many of them dying on the streets of Toronto.

I would like to take this conversation back to some housing estimate questions. I understand that yesterday you shared, Mr. Minister, with my colleague Mr. Prue that you have spent \$3 million to \$4 million on affordable housing. Is that correct?

**Hon. Mr. Gerretsen:** Three million dollars to \$4 million?

**The Chair:** I apologize. I'll make sure you get the extra time. I should have, at the beginning, recognized that Doug Barnes, Acting Deputy Minister and assistant deputy minister, housing division, and Pam Skinner, assistant deputy minister, business management division, are with us at the front bench, for the sake of Hansard. Sorry for the interruption. Ms. DiNovo.

**Ms. DiNovo:** I've asked the question.

**Hon. Mr. Gerretsen:** Yes, and they were all properly introduced yesterday.

**The Chair:** It's always good to see them, and I wanted to recognize them.

**Hon. Mr. Gerretsen:** It is, because they provide excellent, valuable service to the government of Ontario

but, what's even more important, to the people of Ontario on an ongoing basis. They do excellent work, each and every staff member and ministry individual who's here.

I don't know, with all due respect, where you're getting your numbers. The amount that is spent on affordable housing in different programs is much, much more than, I believe you said, \$3 million to \$4 million.

**Ms. DiNovo:** Actually spent, Mr. Minister.

**Hon. Mr. Gerretsen:** Well, actually spent—if you look at page 197, I believe, of the estimates, in 2005-06, \$16.2 million of Ontario provincial tax dollars were spent as the provincial contribution to the affordable housing program. This year, we estimate it to be \$18.08 million. That's just within the affordable housing area. We spent \$50 million per year on rent supplement programs. We have a housing allowance program that's going to spend \$80 million per year. What are some of the other programs we have? So it's much more than \$3 million to \$4 million.

**Ms. DiNovo:** Then perhaps you could clarify for us how much is budgeted, completely budgeted, for the affordable housing program for this fiscal year.

**Hon. Mr. Gerretsen:** For this fiscal year, the affordable housing program—

**Ms. DiNovo:** In total.

**Hon. Mr. Gerretsen:** —in total that's budgeted for, and it's outlined on page 197 of the estimates, is \$18 million for the provincial share. The federal share is \$44 million. That's just in the affordable housing area that was part of the agreement signed last year. That will contribute to the creation of 9,000 rental units, 4,500 home ownership units, 1,500 northern units and 5,000 housing allowance units. It also includes 500 units for victims of domestic violence.

Then we can talk about the rent supplement program, the rent bank, the housing allowance pilot project that we started here in Toronto—

**Ms. DiNovo:** But total. Excuse me, Mr. Minister, but I've totalled \$18 million plus \$44 million, which is \$62 million, as the total budget for the affordable housing program for this fiscal year. Why is it that on page 44 of your March budget it clearly states that your government is pocketing \$150 million in affordable housing money from the federal government this fiscal year? I have that here. There seems to be a bit of a discrepancy.

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**Hon. Mr. Gerretsen:** Oh, wait a minute. Yes, I think you're talking about the trust funds that were part of the so-called Layton–Martin budget that the federal government earlier this year or just recently put in a trust fund. We have not received that money as yet, and it hasn't been allocated as yet. That's additional money to the monies I was talking about earlier.

**Ms. DiNovo:** You're saying you haven't received that money yet from the federal government.

**Hon. Mr. Gerretsen:** I'll let Mr. Barnes answer that.

**Mr. Doug Barnes:** The federal government has announced the money in the trusts, but currently there is a dispute going on between the two ministers of finance—

Ontario and the federal government—in terms of the commitments under the federal and provincial agreement of a year and a half ago. Until that's resolved—then we'll be able to deal with the issues on housing.

**Ms. DiNovo:** So you haven't received the money yet.

**Mr. Barnes:** I can't say that. You'd have to ask that question of the Minister of Finance.

**Ms. DiNovo:** Okay. To ask you, then, a few questions about the on-the-ground accomplishments of the program: According to your website, affordable rental housing is one component of the overall program. I'd like to ask, Mr. Minister: How many units of affordable rental housing are presently occupied; that is, not planned or under construction but actually occupied?

**Hon. Mr. Gerretsen:** As our website clearly indicates, there are, I believe, 63 projects that are currently either occupied or in construction, etc. They're all identified with the number of units and what have you.

I noted that your colleague Mr. Prue, either the other day here or in the House, indicated that there were only 63 units. In fact, there are 63 buildings of variable sizes ranging anywhere from 27 units to 93 units to 40 units to 44 units, etc.

**Ms. DiNovo:** So total—how many total?

**Hon. Mr. Gerretsen:** The total number of units that we currently have occupied as of March 31, 2006, so that's about six months ago: 1,635 units are occupied; under construction and with a building permit, 2,939 units.

**Ms. DiNovo:** Actually, I asked how many units of affordable rental housing are presently occupied, not planned or under construction.

**Hon. Mr. Gerretsen:** Sixteen hundred and thirty-five units. There could be more, because by the end of next March 2007, it will be 4,130.

**Ms. DiNovo:** But currently you have 1,635 units?

**Hon. Mr. Gerretsen:** As of March 31 of this year.

**Ms. DiNovo:** Okay. I just bring it to attention for the record that this is a government that promised 20,000. But moving right along, how many affordable rental housing units will be occupied by the end of your first term in October 2007?

**Hon. Mr. Gerretsen:** We've got 5,000 housing allowances currently that have been allocated to the different service managers around the province. It's my understanding that 499 of those units are actually occupied right now. The rest of them are under contract with the various housing providers in the different communities—non-profit, for-profit, etc. Hopefully they will be occupied as soon as possible, putting every press on that as we possibly can.

In the existing rent supplement program—when we took over as government, there were 3,400 units which, on average, received a subsidy of \$600 per month, occupied. Currently, we have 6,690 units occupied, so an increase of slightly less than 3,500 units.

**Ms. DiNovo:** But just to continue on—I didn't mean to interrupt—we've got 1,635 units that are occupied now, so that's the solid figure. To move on, then, what

percentage of those 1,635 occupied units are for-profit projects and what percentage are non-profit projects?

**Hon. Mr. Gerretsen:** These are all affordable units. Some have been built by the private sector; some have been built by non-profit groups and co-op groups, etc. What happens in each particular case is that a service manager will send out a request for proposal. Whether or not the for-profit sector or the non-profit sector builds the affordable units depends upon what kind of interest comes back to them and what kinds of projects have been approved by the local councils to whom the service managers report.

**Ms. DiNovo:** Okay, but what percentage of these occupied units are for-profit projects? We have that solid figure of 1,635. What percentage of those are for-profit units?

**Hon. Mr. Gerretsen:** You mean units within for-profit buildings or—

**Ms. DiNovo:** Yes, for-profit units. Somebody's making a profit on those units.

**Hon. Mr. Gerretsen:** We don't have that exact detail, but Mr. Barnes indicates that it's about a third in the for-profit sector, a third non-profit sector and a third municipal non-profits.

**The Chair:** What I might suggest, if Ms. DiNovo is interested in a more detailed answer, is that the deputy minister could get back through the clerk, who will then inform members of the committee of the details of that question.

**Ms. DiNovo:** I would very much appreciate that. Thank you, Mr. Chair.

So we've got about a third of these units that are for-profit units. What's a typical rent? I'm not interested in the few units with rent supplements at this point; just the advertised rents. I'd like you to maybe just walk this committee through the rent structure for a bachelor, a one-bedroom, a two-bedroom and a three-bedroom in a typical for-profit project, let's say, in Toronto. What would those rents look like in the one third of those units that are for-profit?

**Hon. Mr. Gerretsen:** The amount of subsidy would depend upon where it's located in the province, first of all, but I'll turn this over to the assistant deputy minister for housing, who may be able to give you a more complete answer.

**Mr. Barnes:** We don't have the actual rents here, so I can tell you by program area what the targets are. Under the first part of the pilot program that we went out with, rental rates had to be lower than the CMHC market for every size of unit. So if the rate in Toronto for a one-bedroom unit was \$650, the rent had to be below that, if that was the average.

On the new program that we signed with the federal government, for projects which come out as rental units, the target is 20% below. With the municipal contribution, in many cases we're achieving 30% below market.

**Ms. DiNovo:** I would be interested in actually what those rents are. The hard facts and figures would be interesting. Mr. Chair, if I can, I would like to get those hard facts and figures at some point.

To continue on, the Ontario Non-Profit Housing Association reports that over 48,000 households are on the city of Toronto housing waiting lists. How many of those currently on the housing waiting lists in Toronto can you say would afford those rents? We're talking about the for-profit. I bring your attention to somebody, for example, working 40 hours a week earning minimum wage. Based on 30% of income—this is again from ONPHA's 2006 report—they could afford a rent of \$372 a month. First of all, because we don't have the hard facts on the units and their costs, I would need to know how many of those units rent for less than \$372 and then I'd like the minister, if you could, to answer that question or at least take it away and bring it back.

**Hon. Mr. Gerretsen:** We can take it away and bring it back, that's for sure. But just so there's no misunderstanding, the way the program basically works is that an individual pays 30% of their income towards the rent of these units, so it depends, in a particular case.

**Ms. DiNovo:** Again, we're talking about for-profit units, that one third. You gave me the figures of a third, a third and a third, so the for-profit units, not the non-profit units.

**Hon. Mr. Gerretsen:** We don't draw a distinction whether it's a for-profit unit, a non-profit or a municipal non-profit unit. We are concerned as to what the individual who's in that unit ends up paying. Whether that building is owned by a for-profit agency or a non-profit or a co-op is kind of immaterial to us. I have my own personal preferences. I'd like to see many of these units in the non-profit sector or the municipal non-profit sector. But our approach is, we want to get the units up as quickly as possible. We have the service managers come up with RFPs. They select the best fit for the number of units that are allocated to that particular area. They then, obviously, enter into agreements with that particular agency, whether it's a for-profit or a non-profit agency, so that the units can be built as quickly as possible and so that the people you and I care about can be accommodated in those units at affordable rents as quickly as possible. But we're not dogmatic as to whether or not those units should be owned by a non-profit organization or a municipal non-profit or a for-profit agency. That's of no concern to us.

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**Ms. DiNovo:** It's difficult to assess without actually knowing the rents on these units, but once we get that information maybe we could continue along that line.

I just bring your attention to the fact that in the Golden report 18,000 units were a target set for Toronto, and in this last year not a single new affordable home was built in 23 of Toronto's 44 wards. My question is a very general one: Of the 20,000 units promised in 2003 by your government, when are we going to see homes in the city of Toronto in accordance with those modest, I think, targets by Golden?

**Hon. Mr. Gerretsen:** Which Golden report are you referring to? What is the date of that report?

**Ms. DiNovo:** This is going back a few years—

**Hon. Mr. Gerretsen:** I was going to say, that's about 10 years ago.

**Ms. DiNovo:**—which is pretty sad, that we still don't have those targets met. This is a modest target by today's standards. Considering there are 122,000 people on the waiting lists, 18,000 new units is not asking a lot.

**Hon. Mr. Gerretsen:** I totally agree with you. It was very sad that both the federal government and the previous provincial government basically went out of the affordable housing business for almost 10 years. It has taken a while to get back into it. We're determined to do it, and we're doing it in a number of different ways, not only the affordable housing program. We think something that is just as valid is the housing allowance programs. There are empty units sitting out there right now that we feel could be occupied by individuals at reasonable rents. That's why we've made the housing allowance funding available. We believe that once those 5,000 units are occupied, subject to agreements with all the service managers and the different landlords in the different areas, the individuals who live in those units will be just as satisfied from a housing viewpoint as if they were to live in an affordable housing project.

**Ms. DiNovo:** To ask you about those 5,000 units, when will those be occupied?

**Hon. Mr. Gerretsen:** There are already 499 occupied. An allocation was made to each service manager. They range all the way from 1,800 for the city of Toronto to as few as 10 for, for example, the Parry Sound, Kenora and Rainy River DSSABs. It was done on a population basis, but also taking into account the extent of the waiting list, etc.

**Ms. DiNovo:** So less than 10% are occupied?

**Hon. Mr. Gerretsen:** That's right—currently. It has taken much longer than I would have liked to have seen, but we're working with the service managers to make it happen as soon as possible. We now have an agreement with all the service managers. I understand that they have contracts or agreements out with different landlords in their communities for vacant units. I think we're going to see a significant improvement in that in the next little while.

**Ms. DiNovo:** So we're seeing just over 2,000 units out of a possible 20,000-unit promise that was made in 2003?

**Hon. Mr. Gerretsen:** But that's only one program. There are 5,000 units in the housing allowance program. There are an additional 3,500 units—

**Ms. DiNovo:** Excuse me, Mr. Minister, you said that only 499 are currently occupied. This is three years later.

I think I'm out of time. Thank you.

**Hon. Mr. Gerretsen:** Excuse me, it's only one year later. We signed the agreement with the federal government last year, in April.

**The Chair:** Minister, thank you. Ms. DiNovo, you still have time for a last question if you like, or you can come back to it in your next rotation.

**Ms. DiNovo:** I'll come back to it in my next rotation, thank you.

**The Chair:** I just remind committee members, too, of procedure. If a member of the committee is dissatisfied

with an answer and wants more detail, the research assistant, the hard-working Jerry Richmond, will look through Instant Hansard, and that member can check with research to make sure that the proper question is being asked as follow-up.

I will now go to the government members. Mr. Arthurs, you have 20 minutes.

**Mr. Arthurs:** Mr. Chairman, I can assure you that the minister, in his thoroughness in his responses to questions that are being asked—I'm probably not going to have to ask research for additional information. I know that if I just keep querying him, I'll get the information I need.

**Hon. Mr. Gerretsen:** Well, you don't know whether that's going to happen or not, but try me.

**Mr. Arthurs:** No, I'm convinced.

**The Chair:** Throw him the curveball, Wayne. Go ahead.

**Mr. Arthurs:** What I would like to chat a bit about with you and have some response to—since we've spent some time talking about Toronto, I'd like to talk about the other 2.8 million people in the greater Toronto area, the four regions, primarily, at this stage, located in the Golden Horseshoe surrounding Toronto and some of the type of work you've been undertaking with the regions, through either the MOU process or the work you did with Brampton and Mississauga as they were busy doing their restructuring initiatives that you see coming about, such as Seaton, which you've got a big responsibility for, with provincial lands.

In my riding, in my former hometown—well, it's still my hometown—the former town that I was the mayor in, with Seaton and the activity going on there, you're going to see 75,000 new constituents in the province of Ontario. Looking at some very forward planning from that standpoint, looking at 21st-century growth opportunities, there are challenges there, but I think the ministry, under your leadership and guidance, is working through those with that particular municipality. But there are challenges in probably each of those municipalities.

I think the work that's been going on over the past couple of years has gone a long way to build a high degree of confidence among municipal leadership and, by virtue of that, a high degree of confidence in their constituents with respect to what they can expect from their councils and what they can expect from the provincial government from the standpoint of working in a co-operative fashion with positive outcomes—certainly Places to Grow, which is primarily through Minister Caplan, PIR. I know your interest in that and, obviously, input and processes in regard to that. So, I'd be interested in hearing your thoughts on how things are unfolding in that regard, respecting the fact that it's Minister Caplan's primary area.

But what I'm really keenly interested in: What's happening, from your perspective, with those constituencies, with those municipalities that represent probably now—I'd be interested in the population. I know you won't have that on hand; I may have to ask research for that,

but I can probably look it up somewhere. I think we're probably pushing, though, 2.5 million to three million people in the four regions around the 905.

Talking to Mr. Delaney, I think Peel is over a million now. York region has to be pushing up to 800,000 to 900,000-plus. Durham is looking in the neighbourhood of 700,000. Halton has to be around a half-million. So that's a pretty substantive population base. Maybe we don't talk about it quite enough in the context of its influence on both the future growth and accommodating those who need to find affordable housing, and/or the economic drivers in the province of Ontario, because clearly that population size and its growth and employment base become a significant driver in the province of Ontario's economic activity and its economic sustainability.

So I'm interested in what you're seeing, what you're hearing, your experiences with our colleagues municipally and with constituents in the 905 belt that borders the city of Toronto.

**Hon. Mr. Gerretsen:** Thank you very much for that question, because it's certainly one that the government as a whole has been very much interested in over the last three years. I think we realized when we came into government that not enough planning had been done in a centralized way for the GTA.

Everyone expects the population of the province of Ontario to grow by at least four million people over the next 25 years, and the greatest number of these people will settle in the Golden Horseshoe area. So we felt it was absolutely important to start off with, first of all, determining what should be saved, from an agricultural and an environmental viewpoint. That was basically the greenbelt process that our ministry was involved in.

At the same time, Minister Caplan was involved in, first of all, formulating the legislation for the Places to Grow Act, which is basically enabling legislation, and then determining the actual growth plan for the GTA. As you know, a certain number of nodes were indicated as to where that growth of some 3.5 million people that will be coming to the GTA area is going to go.

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The area that you're from—one of the other interesting involvements that we had was the whole Seaton plan. As you know, this was the first plan that was put on by the province anywhere in Ontario at all, the first time that the process had been used that created the central Pickering development plan. I don't want to say too much about it because, as you know, it's the subject of a court action right now. But certainly the process of planning for this area, together with the local and regional municipality there, was an exciting process because it will provide not only for residential accommodation but also for employment lands in that particular area.

The government announced recently the establishment of the GTTA, which is basically going to deal with the transportation and transit needs in the area. Hopefully soon a board of directors will be either chosen or appointed. I think everyone recognizes that in order for us to deal with the transportation and transit issues in the

overall GTA, it's absolutely essential that it be done in a coordinated way. I think that the municipalities and the regions in this area have started to do that.

In Durham, for example, just last year, if not the year before, all the different transit systems that operated in Durham came under one jurisdiction. I think that's a very positive step. The kind of funding that the province has made available through the extension of the subway system north into York region is a very advanced move that is necessary and will deal with some of the transportation issues there. The same thing with respect to the funding of the two transit systems in Brampton and Mississauga. I think they're all part of trying to deal with the current gridlock situation that we have, but also with the anticipated growth that's going to take place over the next 25 years.

So yes, we have been very much involved in setting out the overall parameters as to what the planning will look like for this part of Ontario, but always realizing that the final decisions with respect to how that particular growth is to be accommodated within each municipality and within each region should be a local responsibility and should be done by the local councils and the regional councils. We've set the broad guidelines, the parameters, through the provincial policy statement, the GTTA plan, the greenbelt and Places to Grow, but it will be up to the local and regional municipalities to actually see this implemented. I think this is the way to go if you're going to plan for an additional 3.5 million to four million people in this area.

**Mr. Arthurs:** This morning I had the opportunity to attend, for a couple of hours, a one-day—for all practical purposes—conference hosted in Durham region by multiple players, including the Greater Oshawa Chamber of Commerce as one of the principals to co-host, and the Mackie Group, which is a very significant business enterprise that has grown over the years from a local entity. They called it the Durham Economic Prosperity Conference and they had a number of speakers there today. They're looking at economic opportunity on a go-forward basis. They identified, really, four primary drivers for them right now, including:

—the automotive sector, and General Motors has a very significant play in that;

—energy, and obviously OPG, with two nuclear facilities. About one third of provincial power comes out of Durham region. The lights would probably go off in Toronto if we didn't have those power plants up in Durham region; and

—agriculture and tourism as two other very significant industries.

Interestingly enough, on the agricultural side, about 63%, I think was their number, of farms are still privately owned, as opposed to land that is being rented for farming purposes. As I understand it, in the other 905 regions, that's really flipped. More and more of the land is coming under rental activity and probably less and less of it is directly owned. I'm sure that's not the case in other parts of Ontario, but it's the essence of the property surrounding Toronto.

Municipalities are key partners in all of those activities. As the discussions were going on today about economic opportunity, whether it be the regional municipality of Durham or each of the eight lower-tier municipalities or the other orders of government, depending on how one looks at it—three or four orders, depending on who you talk to on a given day, I guess—certainly municipalities like to be thought of as an order of government as opposed to a level of government, because it positions them well to work with their partners at the province and you, under your leadership, with the MOU that was established early on, the entrenching of that MOU into legislation to ensure that we, as a provincial government, had our municipal partners directly at the table with us on various matters of interest throughout Ontario. That was one of those key elements, along with things like four-year terms, as to how municipalities fulfill their objectives on working on economic opportunities as well.

Those are some of the things that are going on in one of those regions, and I know that similar things are happening throughout the regions. The greenbelt, as you said, is a landmark piece of legislation, establishing, for generations to come, opportunity. When you established the greenbelt, you put in place a Greenbelt Council, and one of those members happens to be the member from one of my constituent municipalities out of Uxbridge, Mr. Howie Herrema. His father used to be the regional chairman, and he follows in good footsteps in that regard as a member of the Uxbridge council as well. Any sort of update on the activities of the council, some initiatives that they're undertaking that would be of interest to this committee?

**Hon. Mr. Gerretsen:** They meet on a monthly basis. It's very capably and ably chaired by Dr. Elgie, who, of course, was a prominent physician and a member of the Davis government, I believe, and maybe the Miller government as well, after that—an individual who certainly believes very strongly in the notion of a greenbelt. It's composed of eight members. Currently, we do have one vacancy and, hopefully, that will be filled soon. In addition to Dr. Robert Elgie, we have, as you mentioned, Howie Herrema on there. I, too, used to know his father quite well when he was the regional chair there a number of years ago. Then we have Russ Powell, Donna Lailey and Dr. Clay Switzer.

There's also a committee on the greenbelt in the Niagara region specifically dealing with the grape-growing industry there. The committee includes Dr. John Middleton and Rebecca Wissensz, who I believe is the president of the Hamilton Chamber of Commerce, if I'm not mistaken.

In February of this past year, the Ontario Greenbelt Alliance issued a report entitled Greenbelt Report Card: Grading Implementation and Progress in Year 1. You may be interested in knowing that it grades the provincial government in five key areas. Protecting the top 10 greenbelt hot spots: We were given a B minus; dealing with challenges from municipalities; making the green-

belt greener: We were given a B plus; expanding and building highways: D; and ensuring adequate resources: A. The Greenbelt Council deals with all the various issues that come before the ministries that relate to the greenbelt, and they give us advice as to how to deal with the various issues that confront us.

**Mr. Arthurs:** You also mentioned Dr. Robert Elgie at the beginning as the chair of the Greenbelt Council.

**Hon. Mr. Gerretsen:** Yes.

**Mr. Arthurs:** You mentioned that he served with Premier Davis and Premier Miller. Was he one of our appointees?

**Hon. Mr. Gerretsen:** Oh, yes. We wanted to make sure that the best possible person was appointed to that position. We were very pleased to appoint Dr. Elgie.

**Mr. Arthurs:** In light of some discussion today that went on during question period in regard to appointees—I think it was the leader of the official opposition who was taking some exception to appointees and having them adequately acknowledged in some form of per diem or salary if it's a full-time activity. Many of these positions are also volunteer positions. So they actually gain nothing from it, save and except good public service. They're not really looking for anything in particular. In respect to Mr. Elgie, it may be some compensation per diem; it may be just his expenses. Nonetheless, I find it interesting and appropriate that we look to the best possible people available to us to be able to provide service to the province of Ontario. It's interesting that we're having this conversation at estimates today in light of what transpired in the House just a couple of hours ago.

1700

**Hon. Mr. Gerretsen:** You may be interested in knowing that all of these individuals do not get any compensation other than the expenses that are involved in coming to various meetings, but they're all extremely dedicated to making sure that the greenbelt works. They believe in it.

In this part of Ontario, we're extremely fortunate to have the features of the Oak Ridges moraine, the Niagara Escarpment and the greenbelt that adjoins those two very distinctive features as part of our natural landscape. We look forward to further reports from them. As a matter of fact, I believe I'm meeting with them next week sometime.

**Mr. Arthurs:** My former colleague and good friend Roger Anderson, chair of Durham region, has recently completed his two-year mandate as president of AMO. Roger can be brusque at times and pretty direct along the way, and I think probably you found that in dealing with him, as have others. Once you get beyond that tough outer skin, there's a soft underbelly to him in many ways.

**Hon. Mr. Gerretsen:** Well, you want to know something? I never found out that aspect of Roger's character. We always got along in a most friendly fashion. I don't want to speak for him, but he knows that this government wants to deal with the municipalities in a respectful and forthright manner and that this government

has absolutely the best interests not only of municipalities but, what's even more important, has municipal residents in mind. We always got along extremely well and I never saw that side of him. I'd be very surprised if he was really like that.

**Mr. Arthurs:** There have been occasions at Durham regional council where probably there would be those who would disagree with you on a given day, whether they were members of regional council or deputants. Nonetheless, having served his time both from that standpoint and turning his attention back to the region more directly for now, although sitting on FCM, you now have a new president of AMO and I would anticipate that you're expecting great things from the new president during his mandate.

**Hon. Mr. Gerretsen:** That's Mr. Doug Reycraft, who's the mayor of Strathroy. He's a former—isn't it Strathroy?

**Mr. Wilkinson:** Yes.

**Hon. Mr. Gerretsen:** Yes, it is Strathroy. He is also, of course, a former member of the Legislature, so he knows how the provincial side of things work as well. But, you know, Mr. Anderson will still be part of the AMO MOU committee as the past president, and we look forward to working with him and the rest of the committee for the next two years.

**Mr. Arthurs:** I think one of the most significant accomplishments in that process, from my perspective—because we've talked about downloading and uploading so often—was the uploading of ambulance. I recall during the 2005 AMO conference—in which we were taking deputations; I was taking some deputations on behalf of the Minister of Finance at that point in time—the consistent call we heard during that process, and prior to that, was that the downloading of ambulance was really killing the municipalities and their financial capacity to provide a level of service that was expected by their constituents, and be able to finance that. I think that was a very significant move we made to rectify that situation and a very significant upload of fully shared responsibility as it first was anticipated.

**Hon. Mr. Gerretsen:** It's a commitment of \$300 million over the next three years to make sure that it's back to a 50-50 cost-shared basis. It was always intended to be a 50-50 cost share, but as you and I know, the previous government decided to put a limit on the increase in the yearly amounts it was going to provide for the service. This caused the 50-50 split to be sidetracked in a lot of cases to being a 60-40 split: 60 for the municipalities and 40 for the province.

**The Chair:** Folks, we're now on our last round of this day, so 20 minutes to the official opposition. Mr. Hardeman.

**Mr. Hardeman:** I too agree that the current president and the past president of AMO are both fine individuals and well versed in the municipal field and also very capable of representing municipalities in the province. I commend them both.

I just wanted to clarify that the point made during question period today had nothing to do with the good

citizens of this province, regardless of their political affiliation, who are serving free, gratis, on behalf of their communities, as the ones on the greenbelt board are doing. That was talking about where the government has decided, for some people who are not doing it gratis, their wages will be increased by over 300%. That was the question, not people who were volunteering their time to help us provide a better community for our people. I want to make sure that no one assumes that anyone in this Legislature, from either side of the House, would condemn people who are willing to volunteer their time to improve their community. I wouldn't want that to be there.

I would like to, if I could—and I know I haven't done a very admirable job of this—get to the figures on the estimates. I think it was pointed out by my colleague from the New Democratic Party that we should talk about the estimates somewhat, so if we could go to the actual financial statement.

First of all, I just want to ask a general question. In the estimates, where would I find the amount of money allocated to help municipalities in the training for implementation of all this new legislation? I think you spoke of 12 new pieces of legislation since you've been minister. Where would I find in the estimates how much is being spent to help municipalities cope with these dramatic changes?

**Hon. Mr. Gerretsen:** Of course, not all 12 pieces of legislation affect each and every municipality. I think that's the first point that should be made. I do not believe, other than perhaps some training funding with respect to the building code and issues like that, that there is a specific line set up for municipal support dealing with new legislation that's come forward. But I don't think any government has done that in the past at all. It may be that in isolated cases they have, but you will not find any specific line that compensates municipalities for implementing the new legislation that may affect them.

**Mr. Hardeman:** If we go to page 4 of your estimates, ministry administration program, the first section starts with salaries, employee benefits, transportation, and then services for \$12,652,000. Could you tell me how much of that cost is for communication consultants and advertising?

**Hon. Mr. Gerretsen:** You're talking about page 4. I'm just wondering what you're referring to. I've got the estimate book here.

**Mr. Hardeman:** Well, it's got a little "4" just above where it says "the estimates." I expect mine is a copy of the actual page. It's the ministry administration program, vote 1901, standard accounts classification.

**The Chair:** This is ministry administration, 1901-1, right? In the official copy, you're looking at page—I'm just getting to the numbers.

**Hon. Mr. Gerretsen:** Page 57?

**The Chair:** His is more detailed. So 1901-1—

**Mr. Hardeman:** The subheading is 1901-1; the vote item number is 1901-1.

**The Chair:** This is ministry administration, operating expenses?

**Mr. Hardeman:** Yes.

**The Chair:** I think the problem is that Mr. Hardeman's copy is in a different order than the copy I have. We're talking about 1901-1, which is ministry administration, operating expenses, total expenses.

**Mr. Hardeman:** The first page is 1901. If we go four pages beyond that—the front page is not itemized; it's the total expenditures. The next one is 1902, then 1903 and 1901-1. That's where we start with the breakdown of the ministry's expenses.

**Hon. Mr. Gerretsen:** Okay. What was the question?

**Mr. Hardeman:** In the first section—salaries and wages, employee benefits, transportation and communication, and then services—we find that that's kind of a catch-all. I wonder if you could tell me how much of those services in that category are for communication consultants and advertising.

**Hon. Mr. Gerretsen:** I can tell you, first of all, that there is a difference of about \$6 million, because the OPTA system has transferred to the Ministry of Finance. That's why you see a change from the estimates of 2005-06 in the amount of \$5.9 million. I'll turn it over to the assistant deputy here as to whether or not he's got the actual figures with respect to communication contracts.

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**Mr. Barnes:** We don't have that kind of detail in terms of how the estimates are actually produced. Communications dollars will flow into different programs, and they're covered—you're right—but if it is a purchased service, it'll be in the services line.

**Mr. Hardeman:** To the deputy minister: Is that answer going to be the same for the services in every one of these categories, that that's the catch-all and we don't know what it's for until we spend it?

**Mr. Barnes:** The largest component in services would be if we wanted to purchase a service, such as consultants and so on. That's exactly where research or undertakings like that would be.

**Mr. Hardeman:** Not having the information here, then, is it possible to get that information? I think it's rather important. If you look at the categories, that one is the second-highest category, exceeded only by salaries and wages. I think if we're going to discuss whether the money is being properly spent, we should be able to have the second-highest category broken down to understand what it's going to be spent on.

**Hon. Mr. Gerretsen:** We can endeavour to get that information for you and file it with the committee.

**Mr. Hardeman:** If we could go down that same page, we get to communication services—

**Hon. Mr. Gerretsen:** Sorry, you want a breakdown of the item called "Services" for \$12,652,000?

**Mr. Hardeman:** Yes.

**Hon. Mr. Gerretsen:** We'll get that.

**Mr. Hardeman:** I think we're likely going to run into the same on the next question. If we go down to communication services, the \$492,600—

**Hon. Mr. Gerretsen:** Sorry, you're now on what page?

**Mr. Hardeman:** The same page.

**Hon. Mr. Gerretsen:** I don't see any \$492,000 figure anywhere.

**Mr. Hardeman:** Am I working on last year's estimates?

**The Chair:** No, because the number you reported was accurate. I just think the way it's presented on your page is slightly different from the way it's presented on ours.

**Mr. Hardeman:** You mean somebody made a special copy just for me?

**The Chair:** I think they may have amalgamated some charts or something. But certainly when you spoke about the \$12.6 million in services, that reflects what I have in my book.

**Mr. Hardeman:** Okay, now we go straight down the page to sub-items, main office. Maybe that's where I'm wrong. Maybe this is the breakdown of the top of the page.

**The Chair:** Regardless of the level of expense, you're asking a particular question about a line item.

**Mr. Hardeman:** Yes. I guess just for clarification, we need to know we're all on the same page so we know what question I'm asking.

The line item for communication services: The subtitle is "Services." It starts with salaries and wages, employee benefits, transportation and communication, and then services again for \$492,000. The question is, is that part of the \$12 million or is that added on?

**Ms. Pam Skinner:** I believe you're looking at a different document than what we have in terms of the estimates briefing book. You've got a detailed breakdown that we don't have in front of us. I'm assuming, then, that what you have is a subcomponent of the larger figure. In the estimates briefing book, we have the rolled-up figure but not the breakdown you're referring to.

**Mr. Hardeman:** The question is, if this is not a page out of the briefing book, where did I get it?

**Hon. Mr. Gerretsen:** Well, maybe you've got sources that I'd like to have too.

**Mr. Hardeman:** I didn't create this. The ministry doesn't have two sets of books, does it? This is getting confusing.

**Hon. Mr. Gerretsen:** Not since we've been the government. I have no idea what it was like in your day.

**Mr. Hardeman:** I guess I could maybe just generalize, then. I would like to know, as it goes down the list of the total administration of the ministry, in each category we have services listed, and I'd like the breakdown of how much of those services from combined departments go to communications consultants and advertising. I think that would solve the problem.

**Hon. Mr. Gerretsen:** We'll endeavour to get that for you.

**Mr. Hardeman:** This is another question, an extension of the same page. I don't know if you can find it in any documents, but it's under "Legal Services." "Salaries and wages" is at \$48,100. I know some of the legal services in your ministry, Minister, and you're not going to hire many of them at \$48,000 in the aggregate, so I'd

like to know how we're paying the good folks. In fact, in the phone book, there are 19 people working in that department. If we split the \$48,000, that's not going to be a lot of money for them.

**Hon. Mr. Gerretsen:** It's my understanding that you may be looking at the public accounts and that it's a misquote of what was paid to a part-time lawyer at the time on a contract basis.

**Mr. Hardeman:** Are you suggesting that I'm not looking at the estimates?

**Hon. Mr. Gerretsen:** I have no idea what you're looking at. I have in front of me the Results-Based Plan Briefing Book for estimates. I've no idea what the legal requirements of this committee are or what documentation we have to provide to the members, but I've just followed the rules of the normal procedures. If you have some further inside information, I would like to have that as well. Can you share it with us?

**Mr. Hardeman:** Yes, Minister. Anyone, not only at this committee but in the public, is welcome to the information I have. I'm just somewhat surprised that you don't have it, because it is entitled, "Ministry of Municipal Affairs and Housing: Ministry Administration Program, Standard Accounts Classification." I didn't create it.

**Hon. Mr. Gerretsen:** What year have you got there? Is it 2006-07?

**Mr. Hardeman:** It says 2006-07.

**The Chair:** Do you want to move on and come back?

**Mr. Hardeman:** Okay. I guess for clarification we do need to find out what books I've got and what I haven't got so I can ask questions that may be relevant.

To leave that for a while, to leave the actual estimates, I have questions on some of the arm's-length involvement the ministry has.

On MPAC, we all know the government this year has frozen the assessment. I can assume, from freezing the assessment, that we don't have MPAC out there doing the assessments and then throwing away the results just because they can't send them to the municipalities. I'm going to assume that they are not doing reassessments this year. How does that reflect in the ministry's spending or in MPAC's spending as it relates to all the staff they have who were prepared to do a reassessment each year and now they're not going to do it?

**Hon. Mr. Gerretsen:** There is no direct relationship or otherwise between the Ministry of Municipal Affairs and Housing and MPAC. MPAC, the way I understand it, is a separate organization that the municipal world pays into, and it operates by the rules and regulations as set out by the Ministry of Finance. I know that within the municipal world there is this notion around that somehow Municipal Affairs and Housing is involved with MPAC, but we're not. I believe at one time we may have been, years and years ago, and that it has sort of circulated back and forth between Finance and Municipal Affairs and Housing. But we are not directly involved in the assessment process or how MPAC operates. We have no relationship with them, really, which is different from the



perception that's out there, because I know we get a lot of questions about that as well.

1720

**Mr. Hardeman:** I appreciate the answer. I know that the financial documents for MPAC are available for 2005, but they're not available for 2006. The question then is, can we get that through the Minister of Finance, or is it an arm's-length company? The reason I ask—I understand how MPAC is structured, but it was reviewed by the Ombudsman of Ontario and that's what precipitated the freezing of the assessment and the review being done on the operations of MPAC at present. If it's being monitored and looked at by our Ombudsman, does that mean our government has some financial information on it? Where would I get it if I was, say, looking at the estimates for the province? Would I get it from the estimates for finance or—where would we get that information?

**Hon. Mr. Gerretsen:** The way I understand it is that MPAC is an arm's-length organization that serves the municipal world. It was set up when your party was in power a number of years ago. The reason the Ombudsman got involved is because it is regarded as a crown agency, board or commission and therefore he has jurisdiction to look into the affairs of that organization, the same way he has jurisdiction to look into the affairs of different ministries etc. That's the only connection I'm aware of that exists there. We don't have any connection with them as such.

**The Chair:** The governing legislation for MPAC actually falls under the purview of the Ministry of Finance, so the act is actually under another minister.

**Mr. Wilkinson:** Just to help my colleague Mr. Hardeman, who, I believe, like me, is a former vice-chairman of MPAC, I'm sure he'll recall that it is the Ministry of Finance that has line responsibility and that MPAC is responsible to its stakeholder, which is the municipalities of Ontario, not the government of Ontario.

**The Chair:** We'll continue, Mr. Hardeman. You have another three minutes or so in this particular round.

**Mr. Hardeman:** On that, I will leave MPAC. I appreciate the comments from the members opposite. Yes, I do know the structure. I was just wondering what authority was used to freeze the assessment. Obviously, it had a great impact on municipalities. It changed how they do their business. Did you, Minister, have any input into whether that was good or bad for the municipalities?

**Hon. Mr. Gerretsen:** Did I have any input into that? No. It was a decision, I believe, that the government took as a whole. It was a government decision.

**Mr. Hardeman:** Chair, I just got here something that came off the Internet and it has the heading of "The Province of Ontario." This is the document from which I was asking the question, so I would ask if the ministry could—

**Hon. Mr. Gerretsen:** Oh, you got that off the Internet.

**Mr. Hardeman:** Another copy was just presented here to me. I'm not computer-literate, but it says, "This is

the version you have and it's publicly available," so I presume the ministry has it too and I would ask if the ministry could get the copies so we could ask the questions and be on the same page.

**The Chair:** With the assistance of my hard-working bench here, I think I've gotten to the bottom of it. Their estimates are also printed in a different format in the Expenditure Estimates 2006-2007 prepared by the Minister of Finance. They're the same numbers, except they have a greater level of detail. That's what Mr. Hardeman was quoting from. We'll make sure that copies of this go to the minister and his colleagues and the members here at the table so they're aware of this other presentation that exists in the finance document.

Unfortunately, Mr. Hardeman, your time has expired for this round. Hopefully, there will still be time to come back to some of those particular questions. In the meantime, we'll share with the minister and colleagues around the table the different presentation. It was, in fact, the same numbers, but there's just a bit more detail in certain areas.

With that, I'll go to Ms. DiNovo for her 20 minutes.

**Ms. DiNovo:** I find it astounding that with a housing crisis in the province of Ontario, we've been speaking in this go-round of transit systems, suburban development, greenbelt, old friends, capable individuals, implementation of legislation and budget lines. So back to housing.

First of all, my esteemed researcher has provided me with some details that I'm afraid were lacking from Mr. Minister and his staff here. I'm looking at the for-profit units, the third-third-third that you gave me, so we have over 500. Apparently, almost none of the units are aimed at those who can afford to pay 30% of their income. I will give you an example of this: On September 7 of this year, the Ministry of Housing announced a project that was developed in Toronto by Verdiroc Development for lower- to moderate-income families and single persons. This is an example of a type of housing being provided under the program. The project consists of 232 supposedly affordable rental apartments—that's almost half of those for-profit apartments—and receives \$6.7 million from the federal and provincial governments combined, about \$28,200 per unit. Affordable rent is considered on par with the average market rent as determined by the Canada Mortgage and Housing Corp. In the case of the Verdiroc development, rent prices are at par with the market average and are as follows: A bachelor is \$726 per month; single bedroom, \$889 per month; a two-bedroom, \$1,060 per month; a three-bedroom, \$1,265 per month. They say they have some rent-geared-to-income units. But clearly, as advertised, most of the units in Verdiroc are well above the rent of \$372 a month. Remember, we based this on a person making minimum wage, assuming a 40-hour week; or, say, a single senior earning a basic pension who could afford a rent of \$376 per month; or even a single person receiving Ontario disability support program, who would be allowed a maximum of \$427 per month; or certainly a single person receiving Ontario Works, where they are permitted only a

maximum of \$335 per month. So none of those individuals could afford most of the units at Verdiroc.

Again I would ask, Mr. Minister: When it comes down to it, how many units that are actually occupied, that have been built and occupied, are actually available to those who are on these incomes and can only afford to pay 30% of their wage to rent?

**Hon. Mr. Gerretsen:** It's all part of the affordable housing program. It's my understanding that these units for the city of Toronto are below market rent. These are projects that were advanced to us by the city of Toronto; is it Cityhome? It's part of the corporate part of the city of Toronto council that approves these projects. They fall within the guidelines of affordable housing. Some of them have much deeper subsidies than other housing. I could refer you to Lester B. Pearson Place, for example, which is a seniors' project, or to the St. Clair Multifamily Housing Society. They have deeper subsidies than that, units that are occupied as well. They are below market rent and they come within the affordable housing area.

**Ms. DiNovo:** But, excuse me, Minister, hardly affordable to the people who are earning the least and hardly affordable to the 122,000 households that are waiting for these now getting fewer and fewer in our estimates actual units.

Again I ask the minister: What are you planning on doing about the housing crisis in this province and in this city? How are you going to address this: 122,000 households? This represents children. We have one in six children in this province who are living in poverty. We have people dying on the streets of Toronto. What are you going to do about it?

**Hon. Mr. Gerretsen:** As I mentioned before, for 10 years nothing happened in this province. We're back in the affordable housing business. We have an agreement with the federal government that basically allocates some \$602 million towards affordable housing. We've got a number of different programs. They're all contained in our information booklet that I'm sure you have, or if you haven't, we'd be more than happy to supply it to you. It's got a housing allowance program, a rental and supportive housing program, a home ownership program—

**Ms. DiNovo:** But no actual units available for people who need them at this level of income.

1730

Just to move on from there, I understand that your government has an incredible surplus—you've announced it to the press—so obviously money is not the problem. Is it will?

**Hon. Mr. Gerretsen:** You'd have to talk to the Minister of Finance with respect to any surplus that we may have at any given moment.

The will is certainly there, as has been indicated, with the kind of allocation of funding that we've made available, together with our partner, the federal government. We hope that the housing trust the current federal government has set up to protect the money that was announced by the previous federal government will be available as soon as possible as well. It's an issue, and

we're doing absolutely the best we can on an ongoing basis. But as you well know, there are all sorts of different priorities in government.

**Ms. DiNovo:** And unhoused children are not part of those priorities.

**Hon. Mr. Gerretsen:** Children definitely are a priority. I think that the housing component is only one part of that. The smaller class sizes that we have for particularly younger children in the education system are a priority as well.

**Ms. DiNovo:** Excuse me, Mr. Minister; just to get back to housing—

**Hon. Mr. Gerretsen:** Well, don't—

**The Chair:** Minister, it's the member's time to ask questions and give you a chance to respond to the questions.

**Hon. Mr. Gerretsen:** I was just trying to respond to the question.

**The Chair:** I think we've gone a bit beyond the estimates, so the floor is Ms. DiNovo's.

**Hon. Mr. Gerretsen:** She made the comment that children were not a priority and I just wanted to counteract that. I do not agree with the sentiment that she expressed at all.

**The Chair:** You answered it just fine.

**Hon. Mr. Gerretsen:** As long as she doesn't put words in my mouth, that's fine.

**The Chair:** Minister, thank you very much. I gave you plenty of time. Please respect the committee member's time to ask questions. Ms. DiNovo.

**Ms. DiNovo:** Maybe we'll get onto easier turf here. I believe also that there's an affordable home ownership component to the program. Is that correct?

**Hon. Mr. Gerretsen:** That's correct.

**Ms. DiNovo:** How many homes have been built under this component?

**Hon. Mr. Gerretsen:** Five hundred sixty units have actually been built. The total number that has been approved is 3,940, so there are about 3,400 under construction right now. As well, there is a northern housing component to it of 1,350 units, which basically will be used to upgrade the existing social housing units in northern Ontario.

**Ms. DiNovo:** Are these mainly condos?

**Hon. Mr. Gerretsen:** Are they condos? They're all different housing types: condos, townhouses. In rural areas, they tend to be single-family homes or duplexes.

**Ms. DiNovo:** What would the typical price of homes under this component be?

**Hon. Mr. Gerretsen:** Do you have that information?

**Mr. Barnes:** Of the homes that we've built, the home ownership ones in Toronto, the most recent one is Wave. I believe they start in about the \$200,000 range. But all of these projects have different ways of dealing with it. There's also a take-back mortgage by the developer that provides additional subsidy. We also have one project in Scarborough, one in Markham and one in Pickering that have been developed by Options for Homes, which is non-profit. That organization has a take-back mortgage of their own as well.

So there is more than just the current subsidy that's being looked at when you ask for the sale price. In fact, what they try to do with this is to drive down the actual mortgage cost that an individual has to pay. Part of what they do in the Options for Homes one is that you pay off the mortgage first, then you come back to the Options for Homes component. So you do build equity on your own mortgage to start, and that's based on a rent-geared-to-income proposal that they use.

**Ms. DiNovo:** Supposing you get 100% mortgaging. With everything else thrown in, what would be your monthly payments on a \$200,000 unit?

**Mr. Barnes:** If you were paying a mortgage on \$200,000, it would probably be just less than about \$1,800 a month.

**Ms. DiNovo:** So \$1,800 a month. Again, I draw your attention back to the person making minimum wage, 40 hours a week, and needing to pay 30% of that. Again, these figures—\$372, \$376, \$427, \$335—this is not affordable housing for them.

Moving right along, there was a wonderful article in the *Globe* not long ago written by Gary Mason. He looked at the innovative programs that are happening in New York city to help with the homeless. I'm talking about people at the very lower echelons of income, those who are living on our streets and dying on our streets every year, and who need supportive housing—not just affordable housing, but supportive housing. He discovered in his study that it actually cost more for folk to be on the street. This is dollars and cents; this has nothing to do with ethicality. In his study, he figured it cost about \$40,000 a year in terms of police, health, shelter costs etc. to keep somebody on the street, whereas even in the worst budget scenario, it costs about the same to house them. It seems to me, in terms of tax dollars, it makes a lot more sense—not to mention morality—to house people rather than to pay for them to be on the street. I was wondering, Mr. Minister, if you could comment on that study and on that reality.

**Hon. Mr. Gerretsen:** I haven't seen the study. I agree that for some individuals—because I, too, am familiar with the fact that quite often shelters get \$45 to \$50 a night for an individual. If an individual is there for a month, you'd say to yourself, "Wouldn't we be better off if we paid the individual \$1,500 rather than paying it to a shelter?" The individual would probably make better use of that money. But I think all of the problems you indicate—and they're very severe and they're certainly something that we as a society and as a government should look after; I totally believe that—are more of an income problem rather than a housing problem. I suppose to the individual who needs the housing, it makes no difference.

The reality of the situation is that any new housing we create—yes, in some rural parts of Ontario it may be cheaper than it would be in downtown Toronto, because of the land costs and all the various associated costs therewith—to actually carry that housing, even if it's a \$130,000 or a \$140,000 unit that you're creating some-

where, is going to cost a lot more than what an individual of limited income can afford. That's an income problem—not so much a housing problem, but an income problem. Maybe there are other ways of dealing with that issue, and certainly we need to do that. That's one of the reasons we got involved in the housing allowance program. Those are the units that are out there right now. They're not being occupied and we're trying to get people in there by, in effect, subsidizing the rents. The subsidy dollars obviously go to the landlord, but it also allows a person to be in that unit at a lesser cost. Those units are available right now.

With any new program that you start up, when you look at the planning, the approvals that you need to get and the actual building etc., you're looking at two to three years from the time a project is in the concept stage to the time when it actually gets built. Had we wanted to move along with this program quicker than we have? Absolutely. We're doing our best to move it along as quickly as we can, and we certainly hope that over the next year or two many more units will become available, the units that are currently in planning or under construction etc.

**Ms. DiNovo:** Again, I go back to the figures you've admitted yourself and which I've hopefully shed some light on. Really we only have a matter of probably less than 1,000 affordable housing units—much less, most likely, although we can't know for sure until you get back to us—built in three years that could conceivably be afforded by the poorest in our society, those 122,000 households that are waiting on waiting lists of five to 10 years, moving slowly, yes—an understatement, I think—absolutely moving slowly, perhaps not moving at all. New York city is a classic example. They decided they had 20,000 or thereabouts homeless or underhoused and they built 20,000 housing units. Again, I've just pointed out that it costs as much to keep someone on the street as it does to house someone who is homeless. So why aren't we building housing? I come back to that: Why are we not building housing?

1740

**Hon. Mr. Gerretsen:** We are building housing, but it takes longer when you take the planning and the actual building into account etc. I think the fact that we've got 3,500 more units of additional rent supplement units in existence right now than we had before—I mean, those 3,500 units are occupied by individuals and families who didn't have that housing available for them at the more affordable rates than it currently is, and they're being subsidized, by the way, at a rate of about \$600 per month on average.

**Ms. DiNovo:** I only have a few minutes left, Mr. Minister, and thank you for sharing with us.

Just perhaps a suggestion: I represent the Parkdale-High Park riding. We have a lot of gentrification. It's pretty typical of a big city. We are thrilled of course that old houses are being fixed up, but at the same time they're being fixed up, we're losing affordable housing. We're losing affordable housing in high-rises that again

are fixed up by developers who then have to raise the rents. Immigrant families, refugee families, families with many children are finding themselves homeless and in shelters because of this.

Vancouver, I hear, has a very innovative program where 25% of any new developed property has to be given over to affordable housing. Do we have any plans like this under way in Toronto or in Ontario?

**Hon. Mr. Gerretsen:** Let me put it this way: We certainly have set out in our provincial policy statement strong statements with respect to intensification, particularly along transit and transportation routes. I know that the former government, namely the NDP government, had set out specific targets for affordable housing in newly built areas and maybe redevelopment areas as well, but they didn't meet any of those targets.

We are doing it proactively, encouraging municipalities to utilize the PPS in their own official plan policies in order to make it happen. The city of Toronto also has the ability to stop condo conversions of existing housing now, as a result of the new City of Toronto Act, once it's proclaimed etc., which it didn't have before. I think all of these methods are a way in which we're giving local councils the ability to start dealing with these issues. As well, we have to at the provincial level, through the various housing funding programs.

**The Chair:** You still have time for one last question, if you so choose.

**Ms. DiNovo:** I just thank you for sharing on behalf of the 122,000 people and their children who are waiting for housing. I'm sure your words will come as pretty cold comfort this winter when many of those children are looking at shelters, looking at less-than-optimum housing situations, particularly recent immigrants and the homeless in my riding, many of whom may very well die on the streets this winter. Thank you.

**The Chair:** Government members, you have about 16 minutes this session, which you can carry forward to the next day. Mr. Delaney.

**Mr. Bob Delaney (Mississauga West):** I just wanted to make a comment or two on the last very interesting discussion, follow-ons to some remarks that you made.

In the fourth quarter of 2005, I moved into a new home in Mississauga. I was listening to you describe the lead time to get affordable housing built and I thought, "Okay, this is kind of familiar." I remember we purchased the home in the second quarter of 2004, and in getting to know the developer as we watched it go up, I knew they had been working on that project since about 2002. This is a profit-driven developer who is highly motivated to deliver projects on time and has, in fact, a reputation for delivering the project on time. In our case, they were two weeks late, with our consent. So even among the most efficient, effective and profit-driven developers, there seems to be a lead time to completion of greater than three years. That didn't include land acquisition lead times, with which I was somewhat familiar in my long-time friendship with our local councillor,

which would certainly take that particular project back to about the 1999 or 2000 time frame.

Personally, looking at the situation with regard to affordable housing in the region of Peel, I found it remarkable that assisted and low-income housing starts have gone as quickly as they have. We still have a long lead time to get access to Peel non-profit housing. However, I do know that the shovels are in the ground, the trades are actually at work and those units are either under construction or beginning, in some cases, to come on stream. The difference these days is that people who need affordable housing have one thing they haven't had in very many years, and that is hope, because you can look at sites and you can watch the units coming together. The people who sit there and deal with folks who come in and say, "Look, this is all I can afford," can say, "We know when the next group of affordable housing units are coming on stream and we have a reasonable estimation of when you may occupy some of them."

I have one or two other questions, but just in dealing with the lead-time issue, I am looking at this and saying that in only three years it's kind of remarkable, given that you had to go from a standing start in affordable housing. Can you talk a little bit more about some of these lead-time issues?

**Hon. Mr. Gerretsen:** What I can say about that is that when you're interested in developing a project, it always takes longer than you anticipate because of the approval process and everything else that goes along with that.

One of the changes that we did make was the fact that under the new—it's not the building code, but you may recall that we now have individuals who need to be qualified in order to present plans to a municipality, and building officials have to be qualified as well. The theory behind making sure that everyone involved in the building process is qualified to deal with plans is that municipalities will issue the building permits quicker than has been the case. That was the quid pro quo. If everyone who is involved in the approval process is qualified and certified etc., then the municipalities can turn around the building permit application. We've had some results on that as a result of the changes that were made earlier this year—and the name of the act escapes me right now. It wasn't the building code. It was Bill 124, which dealt with BRRAG etc. The whole idea was to expedite the building process. But it's basically a local function. The local community has needs that it wants to see met when an application is made, and all we can do is set out the parameters for that and then let the local function take place as far as their planning is concerned.

All of these issues usually take longer than we all like to see, especially for individuals who are looking for affordable housing.

**Mr. Delaney:** And even when they don't take longer than you'd like to see, they still take a long time. I'd like to switch the topic to—

**Hon. Mr. Gerretsen:** Could I just add one other thing?

**Mr. Delaney:** Go ahead.

**Hon. Mr. Gerretsen:** I think that there are some housing service managers who are much more proactive in this province than others, and certainly the region of Peel is one of the leaders in that regard. Peel, Kitchener-Waterloo and the city of Toronto are very proactive in developing non-profit projects etc. The reality is that some housing service managers are much more proactive. They know what to do. They get on to it. They know how to deal with the non-profit communities within their jurisdiction and they can just do it a lot quicker than others. They're probably the projects that are up and running right now, quite frankly. We need to be vigilant with the others to make sure that it keeps going.

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**Mr. Delaney:** Historically, actually, that philosophy has borne fruit. In one of the areas I used to live a number of years ago, at the four corners of Aquitaine and Montevideo in Meadowvale in Mississauga, one finds on the northeast corner modest starter homes that are semis, on the northwest corner townhouse complexes that were, in their day, and still are, very affordable, on the southwest corner Peel Housing, and on the southeast corner the biggest, fanciest homes in the entire neighbourhood. They all exist in peace and harmony and certainly contradict any form of NIMBYism with regard to the location of either high-density or non-profit housing.

To move on, during the past few years the government has reviewed the Municipal Act, circa 2001, and in fact has done that ahead of the legislatively mandated schedule. Could you describe for me, please, some of the progress that municipal affairs and housing made in that particular review?

**Hon. Mr. Gerretsen:** We basically went through the same process as we had earlier with the City of Toronto Act. We worked very closely together with AMO as far as the Municipal Act is concerned. AMO wanted to delay the process somewhat to see what would happen to the City of Toronto Act, so the City of Toronto Act was almost used as a guide to deal with a lot of the issues that are in the new Municipal Act.

You're right that the act was initially reviewed in 2001, and it was going to be reviewed in five years. We started the process about two years before that. As you know, it's going through second reading right now and, as I stated yesterday, we hope the new act will be in place by the end of the year, but that of course is always subject to the will of the Legislature.

The review that was conducted by the ministry basically consisted of three phases. It catalogued and collected all the various submissions that were made, not only by municipalities but by individuals, organizations, business groups, environmental organizations etc. It analyzed the issues with municipal and business stakeholders in working groups and developed options for change. This was a fairly lengthy process and, as a result of that, the legislative changes that are set out in the act were sort of put together.

Some of the issues that were raised during the consultations were that new spheres of jurisdiction should be included for matters relating to health, environment and emergencies. One of the issues I can specifically remember was the authority of business development corporations, particularly in downtown areas of many of the municipalities. It was felt that the rules and regulations that operated in setting up these business corporations were simply too restrictive, so we made sure, in the new spheres that we opened up or that we allowed in the new act, that the business development corporations not only in the downtowns but also in some of the other industrial areas of our communities would have as broad powers as possible.

The new act will deal with notice requirements, for example, that municipalities will be required to give in various activities that they're involved in. The municipality can set out those notice requirements, but it has to do so in bylaws rather than going to each individual act that deals with that particular subject matter, which sets out the notice requirements right now.

We've already talked about strengthening the ethics and the accountability framework, with the potential—and again in a permissive way—of appointing an integrity commissioner, a lobbyist registrar and a local ombudsman.

Municipalities will be given much greater authority with respect to business licensing. It will also be giving broader powers to local boards or what are commonly referred to, at least in some circles, as community councils. Right now, particularly in the city of Toronto, a community council is very restricted as to what it can actually do, and all the decisions have to be brought before city council. In the City of Toronto Act we gave the city the authority to delegate some of these powers directly to a community council. We've done exactly the same thing in the Municipal Act by allowing municipalities to delegate certain powers—not taxation powers but certain other powers—to local boards and commissions etc.

These are just some of the issues. I could go into some of the other issues as well that we've dealt with in the Municipal Act, but the whole tenor of the act is that it will be much more permissive legislation that municipalities will be involved in than is currently the case, but it's always on the theory that it's purely permissive. They're not obligated to make any of the changes that are set out in the Municipal Act.

**Mr. Delaney:** Chair, I have how much?

**The Chair:** Three minutes.

**Mr. Delaney:** Three minutes. Chair, I believe the government side will stand down but not cede its remaining time, unless any of my colleagues—

**Mr. Wilkinson:** It being very near 6 of the clock—

**The Chair:** It is very near, so this will leave you with seven minutes on the clock as we begin the session next week, as part of that.

**Mr. Hardeman:** On a point of order, Mr. Chairman: On the great discussion on whose documents and whose

books we should believe, I would just point out to the minister that the information from which I was asking the question is in fact a direct link from the Ministry of Municipal Affairs and Housing website to the Ministry of Finance. Further, it is pages 291 to 304 in your briefing binder. So from that, hopefully, as we proceed the next time, we will be able to get back to your documents and get some answers on it.

**The Chair:** Those copies have been shared through the clerk with all members of the committee, so we'll have those charts—

*Interjection.*

**The Chair:** Oh, they had them in the binder, yes.

**Mr. Hardeman:** They had them before because they were in the book.

**The Chair:** I'm new here as Chair.

Thank you to the minister and his staff, and members of the committee.

I'm going to now adjourn the committee until Tuesday, October 17, at 3:30 p.m. or following routine proceedings. We're planning to meet right here, in room 151. There will be one more round for each of the three parties, plus the last seven minutes of the government side. Folks, thank you very much and have a good evening. We're now adjourned.

*The committee adjourned at 1758.*



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