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

**Tuesday 6 October 2009**

## **Journal des débats (Hansard)**

**Mardi 6 octobre 2009**

**Standing Committee on  
Estimates**

Ministry of Municipal Affairs  
and Housing

**Comité permanent des  
budgets des dépenses**

Ministère des Affaires municipales  
et du Logement

Chair: Garfield Dunlop  
Clerk pro tem: William Short

Président : Garfield Dunlop  
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

## STANDING COMMITTEE ON ESTIMATES

## COMITÉ PERMANENT DES BUDGETS DES DÉPENSES

Tuesday 6 October 2009

Mardi 6 octobre 2009

*The committee met at 0900 in room 151.*

### MINISTRY OF MUNICIPAL AFFAIRS AND HOUSING

**The Chair (Mr. Garfield Dunlop):** We'll call the meeting back to order, ladies and gentlemen. Members of the committee, welcome back this morning, and welcome to Minister Watson and all the staff from the Ministry of Municipal Affairs and Housing.

When we left off, we had finished up with the third party. This morning we'll start with the government members. They have 20 minutes on their rotation. Mr. Delaney and your colleagues, have you got someone to start?

**Mr. Bob Delaney:** Jim, do you want to start?

**The Chair (Mr. Garfield Dunlop):** Mr. Brownell, you have questions to start?

**Mr. Jim Brownell:** Yes. Thank you, Mr. Chair.

**The Chair (Mr. Garfield Dunlop):** You've got 20 minutes.

**Mr. Jim Brownell:** Twenty minutes. It's certainly a pleasure to be here. This is really my first time having a chance to ask a question. I got the appointment and attended one meeting but didn't have a chance to speak. Then I had to leave, and I'm back.

I know that our government has certainly done a lot of work in the social housing programs across the province. Even in my riding of Stormont-Dundas-South Glengarry—if I could just say a few words about the affordable housing programs that have been in place—they help to expand programs and to make sure that the best is there in affordable housing.

In my riding, a lot of work has been done. Mr. Minister, you've been down on a number of occasions. Just in the past year I believe you were down twice, and you made a great announcement there with regard to affordable housing, the upgrades and the work to affordable housing.

This is all part of what we planned when we first decided that this was going to be a key component of our work within this year and in previous years. You, Minister, have certainly taken the bull by the horns and made sure that we are investing wisely and making the best use of the resources, and I think this is showing in communities all across the province.

As I said, in my riding, we have a number of projects that have been the beneficiaries of work from your ministry, of allocated funds from your ministry, and we're appreciative of that. We know there's a waiting list in all our ridings, and that's one of the things that we constantly get as members: individuals at our doors and those who work for folks who need affordable housing—we get those people at our doors, wanting those supports. I have to say that the help that has been given is good and has been very helpful to us.

I'm looking to get some details of the programs that are in place across the province. I know you've made announcements and the previous ministers have made announcements, but I just wondered if you could elaborate on some of the programs that are in place and provide the details and how they're being implemented. This is really what I'd like to know. I think it's important that we here, as the committee, understand and know what's in place and how these funds are being spent.

**Hon. Jim Watson:** Thank you, Mr. Brownell. I'm delighted to answer the question and very proud to. I'm proud of the fact that our government did get back in the affordable housing business.

To go back a few years, it was my predecessor, Minister Gerretsen, who signed the Canada-Ontario affordable housing agreement with the then-federal housing minister, Joe Fontana. That was a very good deal for Ontario and it was a very good deal for Canada. It created thousands of new, affordable housing units and repaired other housing units. It certainly helped with the wait list; there's no question about that. As a result of the success of that program, we quickly realized that the clock was ticking out on the five-year agreement, and it would expire March 31 this year.

I started working relatively quickly after being appointed minister in October two years ago by Premier McGuinty to work with my provincial and territorial housing ministers. We had a number of meetings, including one that was actually held in a gymnasium in a wonderful community in my riding of Foster Farm where we brought all of the housing ministers together with the goal of developing strategy to convince the federal government to get back in the housing business.

Early on in my term, we were to have a federal-provincial-territorial ministers' meeting, a so-called FPT meeting. Regrettably, we could not convince the federal minister to attend. We finally did get a commitment by

the federal minister, who, at the time, was Monte Solberg.

It was a bit of a strange situation. He wasn't calling it a formal FPT meeting; he was calling it a gathering. We met in the evening in his office in Gatineau. It was not really a public event, but it was a chance for the provincial and territorial ministers to actually have a frank discussion with the federal government to recognize that while the federal government philosophically didn't seem to be inclined to support affordable housing, we felt that it was in the nation's best interest to have a national affordable housing strategy; that we have federal support, because CMHC still plays a vital role in housing in this country; and that he commit to sitting down with us to develop an extension to the Canada-Ontario affordable housing program. The other ministers have their own affordable housing agreements, PEI-Canada and so on.

We didn't really get a firm commitment on that. Subsequently, there was an election, and a new minister was brought in. We had another FPT meeting that the minister didn't show up at, and then we had our most recent FPT meeting in Newfoundland this summer. The federal minister didn't show up, but she did give a commitment that we would have bilateral meetings this fall and eventually, before the end of the year, a formal FPT meeting. We're hoping that Minister Finley follows through on that, and we believe she will.

In the interim, the economic stimulus packages started to be announced by the federal government. To our great surprise and delight, the federal government, I believe, listened to us and many not-for-profit and municipal leaders across the province, including the FCM, the Federation of Canadian Municipalities, and AMO, and put \$622 million into the federal budget for affordable housing programs.

That money was divided into a couple of categories. It was an extension of the Canada-Ontario affordable housing program for five years, but the commitment for funding was for two years. There was money for housing repairs because we know that a lot of the housing stock in Ontario and throughout Canada is showing its age. I've been to your community, Mr. Brownell, and we've seen a number of social housing units that were not in great shape because they were built maybe 40 years ago and not enough life-cycle maintenance was put into them in some instances. As well, the building materials, I suspect, at the time, because it was so-called social housing, were not the best quality. There was a stream of money that would be put into repair and retrofit and a stream of money to build new units, with a special emphasis on affordable units for the disabled and low-income seniors.

I was very pleased when Minister Duncan, in his budget, matched the funding from the federal government to the tune of \$622 million. We signed the agreement; I had the opportunity to sign the agreement along with Minister Finley. The total money we have to spend is \$1.2 billion. It's a good investment. In fact, it's the single-largest investment in that short a period of time in Ontario's history. While we're appreciative and we

commend the federal government for their investment, we also realize that we need more than a two-year fix; we need a longer-term affordable housing strategy. For that reason, I'm pleased that we've launched our own long-term affordable housing strategy in Ontario and we look forward to bringing that forward to cabinet in late spring of next year.

**0910**

**Mr. Jim Brownell:** If I could just, in a supplementary—

**The Chair (Mr. Garfield Dunlop):** Go ahead. You've got 11 minutes left in this round.

**Mr. Jim Brownell:** How many?

**The Chair (Mr. Garfield Dunlop):** You have 11 minutes.

**Mr. Jim Brownell:** Certainly, when you came to my riding, Minister, you saw some work that had been done on affordable housing units—a project in the east end of Cornwall. It was wonderful to see. As we toured that project, we could see more.

You mentioned \$622 million from both levels of government now, and I wonder if you could tell us a little more about the rollout and how it's going. I imagine there are many projects across the province that are shovel-ready—or not shovel-ready, but infrastructure-ready. For shovel-ready, you don't put a roof on a house and talk about it being shovel-ready. That's what we saw in my riding: new roofs being put on, we saw new doors, windows and all those energy retrofits. I'm just wondering how things are rolling out and if you're seeing an early start to some of this work, and what you envision in the future and how things will unfold as we move forward with the funding.

**Hon. Jim Watson:** Well, certainly the direction I've given to our staff, who are working very hard to get the money out to service managers across the province, is that we have to spend all of the money that we've been allocated from the federal government, because if we don't, we lose the money and it goes back to the federal government, and I'm not interested in that exchange of funds. I want the money to stay in Ontario and build houses and repair houses.

Before I answer your direct question, Mr. Brownell, I'll just give you a little sense, ministry-wide, of the funding—which I know you've worked very hard to attract and advocate for—that has gone to the city of Cornwall. Some of these are infrastructure dollars and some of them are housing dollars. One of the good things about infrastructure dollars going to municipalities is that it does free up other infrastructure dollars for other priorities that the municipality may be interested in. One of those may in fact be housing.

In the Investing in Ontario Act, which every municipality benefited from, the city of Cornwall—I know there's more to your riding than Cornwall; you remind me of that all the time, but I'll just give you the Cornwall numbers as the largest community in your riding.

**Mr. Jim Brownell:** Yes, service delivery is through the city to the rural area.

**Hon. Jim Watson:** That's right. So \$4.3 million in Investing in Ontario, in the MIII, which is the municipal infrastructure investment fund; \$1.2 million in social housing repair. I saw evidence of that money in the east end of Cornwall; it was \$774,000.

I should comment that when I do go and visit these communities, one of the things that certainly comes to mind is the sense of appreciation the residents have that finally, someone is actually helping them out, because in many ways, they've been left on their own and the municipalities have not had the money, obviously, to invest. So there is a real, deep sense of appreciation and certainly a sense of community in these neighbourhoods. The community we visited was a beautiful setting, with lots of green space, kids running around, and senior citizens. It was really quite nice.

Provincial gas tax in 2007-08, \$550,000; in 2008-09, \$558,000; total gas tax since 2004 in the city of Cornwall for public transit, \$2.7 million; roads and bridges money in 2008, \$792,000; a special assistance grant and/or ODRAP, which is the disaster relief assistance program, \$162,000; and the rent bank program in 2009, \$43,000.

I certainly heard from folks in your area about their appreciation for the rent bank, and since the rent bank has been in place, \$326,000 in total has gone to Cornwall. That has prevented 276 evictions in your community. You know the turmoil that's created with an eviction.

Social housing repair funds over the next two years, which is the funding I talked about earlier, \$4.8 million; Building Canada intake number one, \$285,000; Building Canada intake number two, \$9.2 million; Building Canada major infrastructure component, \$18 million; ISF funding, \$2.4 million; and the recreation, or RInC, program, \$857,000. So Cornwall has done very well, and those dollars I know will be wisely spent by Mayor Kilger and his council and others in the greater riding.

As of August 28, 44 AHP extension projects have been approved, for a total funding of \$87.5 million province-wide. The ministry has also recently completed its round two funding approval stage and has approved an additional 22 AHP extensions, which are 2009 projects, totalling \$72.72 million.

We are working hard to get the money out the door. There will be a next round of announcements coming up shortly. We're very excited by the interest. There is not going to be, in my opinion, a shortage of applications for this money.

**The Chair (Mr. Garfield Dunlop):** You have about four minutes left.

**Mr. Jim Brownell:** With regard to the interest: I know that in my riding, there are a number of projects that are waiting. There's never a lack of projects, probably throughout Ontario, requiring the additional funds and assistance.

When you came to the riding and toured the project, the folks were so excited about it. In fact, they took you on a walk. I'll never forget that. They took you and Mayor Kilger on a walk, and I accompanied you. It was just wonderful to see the expressions of thanks to a

government that was putting money into housing where these folks could not do it on their own. They were certainly appreciative.

I'm just wondering, with regard to the next intake, are you seeing across the province lists that are fairly long? What does it look like with regard to lists and with regard to projects that communities are looking into?

**Hon. Jim Watson:** Maybe the deputy can give us an idea. Do we have a sense of the numbers of applications, Deputy, or one of our ADMs?

**Mr. Fareed Amin:** Thank you, Minister. Yes, we do. In fact, for the affordable housing program for this coming fiscal, we're at that point where we're almost at the maximum that we have for year one. We're thinking about aggressively pursuing a year two strategy.

In fact, we are also having discussions with municipalities on the social housing repair and renovation program. The take-up on that is not as significant as the AHP program, but again, we're working with municipalities to try to ensure that we've got enough projects to spend the money.

As the minister said, our intent is to ensure that we spend the \$1.2 billion on the projects and encourage the municipalities to get on with it and submit those projects as soon as possible. As well, our staff out in the field offices are doing a lot of work with the service managers to try to ensure that we've got all the projects that we can handle in year one.

As you know, the challenge we have is that the money has to flow evenly in year one and year two. So we've got to fund just over \$600 million worth of projects in year one and \$600 million in year two. That's the stipulation by the federal government in the stimulus package.

On the AHP program, we are at that point now where we are almost at our limit. On the social housing renovation and retrofit program, I think we've got some additional work to do, Mr. Brownell, to make sure that we can actually spend that amount of money in year one.

**The Chair (Mr. Garfield Dunlop):** You've got about 30 seconds.

**Mr. Jim Brownell:** So there is an indication across the province that there's still a great need out there for—

**Mr. Fareed Amin:** Absolutely. And as you know, on the social housing renovation and retrofit program, we're really encouraging municipalities to look at energy efficiency. There are things that they can do with the existing stock. As the minister said, some of the stock is aging, and our challenge is to make sure that we modernize some of the building elements, to ensure that we not only create energy-efficient buildings but we're also saving operating costs, which is also a challenge for municipalities and service managers.

**0920**

**Mr. Jim Brownell:** Thank you.

**The Chair (Mr. Garfield Dunlop):** Thank you very much, Mr. Brownell. Thank you, Minister and Deputy. We'll now move over to the official opposition. Mr. Arnott, you're first.

**Mr. Ted Arnott:** I'm pleased to have this opportunity today to ask you, Minister, a few questions. I've been approached by a number of the municipal councils in Wellington-Halton Hills who are wondering about the future of the Ontario municipal partnership fund. There are rumours circulating that there may be substantial changes to that fund in the offing or that it might be eliminated entirely. Can you please clear the air for my municipalities and explain what the future of the Ontario municipal partnership fund is going to be?

**Hon. Jim Watson:** I had a similar question from your colleague. Certainly, the OMPF fund, as we call it, the Ontario municipal partnership fund, is not going anywhere. It will continue to exist. We're committed to that.

I think, perhaps, what some members of council and some councils may be concerned about is whether the government will continue the mitigation funding—that's almost the top-up funding. It's approximately \$70 million to \$80 million required on an annual basis to top-up those municipalities that have been topped-up, really, for the last four years, as a result of year-end decisions by the government. In essence, those municipalities should not have been receiving that top-up funding, but we did accede to their request on four occasions. No decision has been reached with respect to whether the mitigation funds will continue, but certainly the overall OMPF fund is well over \$500 million. That money is committed; it's in the fiscal plan and it will continue to flow to municipalities across Ontario.

We did, during the Provincial-Municipal Fiscal and Service Delivery Review, undertake a couple of things that we told our municipal partners. One, that we would commit to OMPF mitigation funding in 2009 to the tune of, I believe, approximately \$74 million, and we did that and that money has been sent to the municipalities. Secondly, we could not commit to an extension of the funding at this point because we were investing substantial dollars into the upload program that we signed off on, and that, to remind you, is the uploading of the Ontario drug plan, Ontario disability support plan administrative costs, ODSP benefit costs and court security/prisoner transportation costs—all part of the fiscal review.

We did undertake, through Minister Duncan, who was the co-chair of the fiscal review table with me, that we would strike a committee made up of AMO, as well as the Ministry of Finance and ourselves, with the Ministry of Finance taking the lead because OMPF is a finance program. Toronto is not part of that committee, if I'm not mistaken, because they do not receive OMPF funding. That committee has met on a couple of occasions and Minister Duncan now has the decision to make as to whether there'll be any changes to the OMPF funding formula and whether there will be mitigation funding. But we've indicated to municipal leaders, both at the AMO conference and I have when I've travelled around the province, it's always more prudent not to expect it and plan accordingly, and always a pleasant experience if we do bring forward the mitigation funding. Obviously,

we have some financial challenges at the province. We're certainly committed to the agreement that we signed and the uploading, and we think that's a good deal for municipalities because at the end of the day they will be ahead \$1.5 billion on an annual basis when all of the uploads take place.

**Mr. Ted Arnott:** But of course, where the rubber hits the road is how this so-called upload or download affects individual municipalities and then, in turn, how it affects their tax bills. You can talk about aggregate numbers across the province, and I understand why you would do that, but at the same time, it's cold comfort to a municipality that's experiencing a reduction in their grant, which triggers a tax increase that they have to answer for.

In your response just now, you said—I wrote down notes here—that the municipalities should not have been receiving the mitigation funding of \$70 million to \$80 million. If, indeed, that was the case, why were we giving it to them?

**Hon. Jim Watson:** Well, they shouldn't have received it because the formula is such that certain municipalities—I think about 140 or so—did not qualify to receive the mitigation funding and, as a result, for a number of years, perhaps because of the generosity of the finance minister—he agreed to the mitigation funds in each of those four years—we obviously at that time had a surplus situation that we were dealing with and we had more financial resources than we have today.

I just want to give you the total figures for OMPF funding that I have in front of me here. In 2009, the province is providing 405 municipalities with \$949 million in support through the combined benefit of OMPF grants, which are \$704 million—I think I told you \$500 million—plus the upload of ODP and ODSP administrative costs, which are \$245 million. This represents an increase of \$330 million, or 53%, over funding provided in 2004 under the previous program. I think you might recall that the previous program, under your government, was the community reinvestment fund.

Municipalities, including those that were receiving mitigation funding, are better off today than they were prior to 2004, to the tune of \$330 million or a 53% increase.

**Mr. Ted Arnott:** Again, those are aggregate numbers that don't necessarily take into account the specific differences of individual municipalities.

In your answer just now, you said that municipalities did not qualify for mitigation funding, yet they were given \$70 million to \$80 million when the province's finances were a little more flush. I would suggest to you that they demonstrated need. They demonstrated need to the province and that's why they got the money. I would suggest to you further that the need still exists in those municipalities and I would hope that as Minister of Municipal Affairs, you will forcefully advocate to the Minister of Finance that there is a need and that this is not something that should be cut.

In terms of the township of Centre Wellington, they have brought this issue to my attention. They've talked to

the parliamentary assistant to the Minister of Finance, Wayne Arthurs, at the AMO conference, we have written letters to the Minister of Finance on July 14 and September 11, and I spoke to the Minister of Finance in the Legislature on September 29—all these conversations have been documented—to express the concern that the township of Centre Wellington has with respect to this issue.

I'll briefly read to you the e-mail that was sent to Mr. Arthurs at the end of the summer by Michael Wood, the chief administrative officer of the township of Centre Wellington. Again, this concerns the Ontario municipal partnership fund.

“Although Fergus has not existed as an incorporated entity since December 31, 1998, Statistics Canada has continued to use the name Fergus in its geographic breakdown of the population of Centre Wellington.

“Although Fergus has no legal status, it appears to us that Statistics Canada has used its own definition of the area which it calls Fergus.

“It also appears to us that the area which Statistics Canada calls Fergus for the 2006 census is vastly larger than what it calls Fergus for the 2001 census.

“The township of Centre Wellington was formed on January 1, 1999 through the amalgamation of the former municipalities of the village of Elora, the town of Fergus, the township of Nichol, the township of Pilkington, the township of West Garafraxa, and part of the township of Eramosa.

“The Statistics Canada census population for Centre Wellington is 24,260 in 2001 and 26,049 in 2006, which is a 7.4% increase.

“Centre Wellington is a geographically large, mixed urban and rural municipality which covers 407 square kilometres.”

That's the description that they've given the parliamentary assistant to the minister. I can certainly share that with you, but what I would ask you to do is look into this matter on behalf of the township of Centre Wellington, because if they lose their funding under this program partially because of the Statistics Canada issue that they've outlined here, it will represent and result in a 17% property tax increase for Centre Wellington residents on the local portion of taxes paid—a huge, whopping tax increase. I would ask you to look into this matter. Certainly I would invite you to contact the township officials or have your staff contact the township officials to confirm and verify the information I've given you. I know they've been in extensive consultations and discussions with the Ministry of Finance, but I also know that you, as Minister of Municipal Affairs, would want to advocate for a municipality in this situation and I would urge you to look into it. I appreciate whatever you can do to help.

**Hon. Jim Watson:** Thank you, Mr. Arnott. Let me just answer that in a couple of ways. First of all, no decision has been taken. The minister and I undertook that we would conduct a review of the OMPF funding formula, and that review is being undertaken now.

### 0930

Secondly, with respect to Centre Wellington township, I just think it would be helpful to get on the record some of the investments this government has brought to Centre Wellington township over the last several years. In the Investing in Ontario Act, \$1.4 million; the MIII program, \$580,000; rural infrastructure, \$900,000; roads and bridges funding, \$878,000. The good thing about the roads and bridges funding—if you may recall, one of the concerns that smaller rural municipalities have always brought to us is the fact that these infrastructure programs tended to be based on a per capita funding formula. In many instances—you know better than I—smaller rural municipalities often have more roads than people. This program actually took into account kilometres of road and so on. So that community did very well at \$878,000. SAG and/or ODRAP funding, \$299,000, and then \$443,000 in ISF funding, and \$771,000 in RInC funding.

The other thing to take into account is, most of the uploading that took place was as a result of the arrangement we signed with AMO and the city of Toronto, because they were social services elevated to the county level and not the local level. I think it's helpful to give you the figures for Wellington county, which you represent. They benefited extremely well: Investing in Ontario, \$3.3 million; the MIII, \$1 million; social housing repair, \$1.2 million; roads and bridges, \$2.3 million. The projected estimated net benefit of the upload to Wellington county when fully implemented is \$4.5 million, which is substantial; rent bank funding, in total, \$456,000; evictions prevented, 320; social housing repair money, \$6.8 million; Building Canada, intake number one, \$621,000; intake number two, \$1.5 million; and RInC funding, \$120,000.

So there's nothing that prevents the county from sharing some of those savings with the lower-tier municipalities. That's what a number of municipalities—we suggest they get in touch with the county because they are the county. Sometimes I find it a little strange when lower-tier municipalities say, “Well, the county's not giving us their share.” I said, “Well, who sits around the county table? You do.” So it's up to them, because the county is not a separate group of elected officials. It's the reeves and the representatives from the lower tiers.

They may have to take off their county hats and put on their lower-tier and say, “We'd like to take some of that tax room or tax points, as a result of substantial millions of dollars of savings in uploading, and share that with the lower tier.” That, in fact, I believe will happen in some jurisdictions, because I think people understand that while the county benefits greatly from the uploads, there should also be some recognition that the lower-tier municipalities do have costs as well.

As I understand it, you're telling us to spend more money, so I want to make it very clear that you and your party advocate spending more money.

**Mr. Ted Arnott:** With respect, if you're going to paraphrase what I've said and mischaracterize it, I'm going to clarify. I have some priorities and I have a

number of issues that I believe are important, urgent matters that need to be dealt with by the province of Ontario. That's what I'm saying.

**Hon. Jim Watson:** Okay, but the fact is that you're asking me to advocate to spend \$80 million more this year—is that correct?—on this project.

**Mr. Ted Arnott:** Not more than last year, no.

**Hon. Jim Watson:** No, no. The same amount. You're advocating we spend—let's say the figure is \$78 million. So you want us to spend \$78 million that has not been budgeted for because it has been one-time, one-off money each year—

**Mr. Ted Arnott:** The same as last year and the same as the last four years.

**Hon. Jim Watson:** So that's additional dollars that are not allocated in the fiscal plan.

**Mr. Ted Arnott:** The same as last year.

**Hon. Jim Watson:** I just wanted to clear that. Thank you.

**The Chair (Mr. Garfield Dunlop):** You have about six minutes left.

**Mrs. Joyce Savoline:** Oh, okay. It's my turn.

**The Chair (Mr. Garfield Dunlop):** About five and a half minutes, Ms. Savoline.

**Mrs. Joyce Savoline:** We could continue with that discussion and go on with it, because I would just like to say that advising lower-tier municipalities to create resolutions that upper-tier municipalities would bring money down, and then create challenges for upper-tier municipalities because of the funding relationships, is not the answer in how to do this partnership between municipalities and the province. It hasn't worked in the past and in my municipality the money that was slated to be used for social housing, when the pooling money was reduced, was resolved to be used at the local level for reducing property tax or something. But it didn't go to social housing, as originally intended.

I know that the intention is when—for example, pooling money, which is social service money, should be reinvested into social service programs when it's left in the upper-tier budget. That's just to say that without conditions imposed that doesn't always happen. There needs to be an understanding of that. It isn't quite that simple.

**Hon. Jim Watson:** I should clarify, Ms. Savoline, the money that is coming in to the upper tier—in your case, to the regional government—is replacing the costs of those social services. So unless the region wishes to expand social services, the actual costs are covered by those dollars, which frees up—in the case of Wellington, it's \$4 million, and in the case of Halton, it's obviously substantially more. Let me just see what the total cost is—about \$22 million. Those are dollars that have been freed up because the province is now paying for that social service cost. It's not taking away from social services; it's actually flatlined to the same level.

Now, regions may decide to expand social services. Obviously, in difficult economic times the number of people on social assistance rises and you may want to

keep a portion of that, but for all intents and purposes, that \$22 million that Halton has shouldn't go to cover last year's social service bill because the province has now absorbed that cost.

**Mrs. Joyce Savoline:** That isn't the money I'm talking about. I'm talking about, for example, the reduction in pooling cost to the GTA regions.

**Hon. Jim Watson:** Right.

**Mrs. Joyce Savoline:** I think without exception—and Durham didn't have as many pooling costs, but the other three regions—the regional council, which consists of all local members of council, put forward resolutions to bring most if not all the money down to the local level. All I'm saying is that it doesn't always work that social service money continues to flow for social service programs.

**Hon. Jim Watson:** Thank you.

**Mrs. Joyce Savoline:** I'd like to start by asking a question—

**The Chair (Mr. Garfield Dunlop):** You've got about two minutes.

**Mrs. Joyce Savoline:** —on brownfields. You have a website with your ministry, and I'll quote, "Cleaning brownfields cleans the environment. It reuses the land to make way for new sustainable communities with houses, offices, schools and recreation centres close to public transportation and other services."

I think that is something that everybody can embrace; I certainly can and I know that municipalities are happy with that kind of comment.

In January 2007, there was a comprehensive package of legislative reform that was passed in response to issues that were raised by stakeholders because there were major key barriers to developing brownfields. As you know, most if not all municipalities in Ontario have some brownfields and they lie vacant; they lie unusable. A lot of the reason is because the owners have simply walked away because the rules are either unclear or they're so financially onerous that they just walk away from it. Nobody pays taxes on this land and it's just lying there contaminated.

In the fall of 2008, the Ontario Ministry of the Environment released proposed regulatory amendments, known as the brownfields regulations, for short. What affect do you, Minister, feel that this amendment, if it is approved, will have on the growth plan for the greater Golden Horseshoe?

**The Chair (Mr. Garfield Dunlop):** Answer a bit brief—I know it's long; you'll have to get back to it later. Sorry about that, but briefly.

**Hon. Jim Watson:** Okay. We're very excited about the opportunity that brownfields redevelopment plays, particularly in older urban communities and, in some instances, smaller rural communities that have an old industry that's been shut down and a brownfield site has been left. We obviously think, from a planning perspective, if we can develop more brownfields, particularly within the urban cores of communities, it prevents urban sprawl and so on.



**0940**

When the bill was introduced by my predecessor and legislative reforms were passed, we had a number of representatives who came to Queen's Park and commented in a positive fashion. One of the things that the city of Toronto indicated was, "The bill marks a historic milestone in the evolution of Ontario's land use planning."

The Ontario Home Builders' Association said, "We share the government's view that brownfield redevelopment is essential and necessary to the overall economic health of the province and in particular, many urban centres' core areas."

Brantford has actually been a very positive example of a community that's used both tax credits and incentives to get people to invest and clean up brownfields. Mayor Mike Hancock wrote to Minister Gerretsen on March 27, 2007: "I'd like to thank you. Not only will this grant assist the cleanup and redevelopment of brownfields, but it will help promote a healthier community. Your government's emphasis on providing stronger, safer communities for the people of Ontario will help to make Brantford a much better place to work, play and raise a family."

We know that we still have to do more work. There are still, in many cases, exorbitant costs in cleaning up a brownfield. There are liability issues that still act as a deterrent in many ways for communities to go in and clean up, because you go in and you don't know how much it's going to cost because you don't know how much the oil or coal tar or whatever has seeped into the ground—or even, in fact, the groundwater. So we have, through the Municipal Act and Planning Act, given municipalities more flexibility under the legislation passed to develop financial incentive programs to encourage the cleanup. We provided some initial financial assistance and a tax incentive program. These are the kinds of things that we believe have acted as a catalyst to get more brownfield development sites off the books as brownfield sites and providing more property tax assessment, economic growth and activity, particularly for older communities.

**The Chair (Mr. Garfield Dunlop):** Okay, thank you very much, Minister. We'll get back to that later. Mr. Prue for the third party, you now have 20 minutes.

**Mr. Michael Prue:** Thank you very much. Welcome back. On the last occasion, Mr. Rinaldi tried his best, but I just want to make sure that you share some of the same opinions. Did you have a chance to read the transcript of what he said?

**Hon. Jim Watson:** I did. I read it quickly.

**Mr. Michael Prue:** Okay, quickly. I was questioning him about the city of Vaughan, and why the Ministry of Municipal Affairs tends to treat municipalities, especially that one, in a different way than you treat, say as an example, the Catholic school board in Toronto. You went in, put in a supervisor, took over the reins. It appears to me—and I have some questions—that what the Catholic school board did pales in comparison to the shenanigans

of the city of Vaughan. Why has the ministry had a hands-off attitude to the city of Vaughan?

**Hon. Jim Watson:** Maybe you can clarify what the definition of "shenanigans" is, and give me some examples of what they've done.

**Mr. Michael Prue:** Surely. In 2006, a municipal elections audit showed that there were, I believe, 114 municipal audit infractions related to the election. The former mayor took \$180,000 without declaring where he got the money from in order to handle his court costs. You have \$14,000 in taxpayers' money used by the CEO of the city. You have \$13,000 in public funds that Ernst and Young talked about, by a spouse of a city employee working for an elected official. You have policies that have not been put in place. You have \$30,000 contracts given out to immediate families.

The list is enormous. That's what I call shenanigans. Why has the Ministry of Municipal Affairs done nothing?

**Hon. Jim Watson:** There are two different tracks you're going down. One is dealing with the Municipal Elections Act, and as you know, the ministry or the minister has no authority to intervene on these matters. The legislation is enforced by the courts, and I think as a former mayor you understand that. I also understand the city of Vaughan has formally filed charges against current members of council and another candidate under the Municipal Elections Act for violations identified through a compliance audit, which is part of the law. As these matters are before the court, it would be completely inappropriate for me to comment further.

As a government, the practice has been to review the Municipal Elections Act after every election, and that process is ongoing. If we bring forward any changes to the Municipal Elections Act, it would be done, obviously, before the end of this year. Last time, the only change we brought forward was the extension of the term limit from three to four years.

With respect to the fact that you believe the ministry has had a hands-off approach with this particular municipality, that is not the case. I believe Mr. Rinaldi listed the number of times that the ministry has met with staff. We do this with every municipality on an ongoing basis. We have regional offices throughout the province of Ontario.

Our staff have met with Vaughan on several occasions, particularly on October 1, 2008; January 23, 2009; May 21, 2009, as directed by myself; and August 25, 2009. We've had two conversations with the Vaughan city manager via the MSO regional director and several conversations with the city clerk in the past several months on municipal matters through the MSO municipal adviser. As a result, Vaughan staff regularly attends meetings and has engaged the ministry's staff in various discussions. Some of these events occurred on the following dates: April 18, 2008; August 8, 2008; January 23, 2009; March 6, 2009; and May 2009.

On an annual basis, my ministry reviews the financial records of all 444 municipalities, and this includes the municipal financial information returns—the FIR statements, which I know you're familiar with—and other

information that may be relevant to a municipality's current financial status. Should concerns arise from that review, which is done by our professional staff, we will employ established protocols that should involve, at a minimum, a telephone call or necessitate a meeting to discuss the issues at hand.

With respect to our review of Vaughan's 2008 financial information, we determined the following:

(1) The city is in good financial health.

(2) Vaughan's total reserves in discretionary reserve funds, per household, was \$2,601, compared to an average of \$1,430 for municipalities of similar size and status.

(3) Vaughan's total cash and temporary investments as a percentage of municipal operating expenditures was 186.7%, compared to 119% for municipalities of similar status and size.

(4) Vaughan has a working fund reserve of approximately \$23 million.

(5) The city has also managed to maintain one of the lowest residential and commercial tax rates in the GTA, while maintaining the third-highest reserves per capita in Ontario and approximately \$500 million in investments.

Additionally, the city and the region have an excellent credit rating of AAA. Further, the city has instituted their long-range financial planning model, which articulates the city's long-term financial requirements.

You asked about the education situation and why a supervisor was brought in. Well, under the Education Act, which of course I don't have responsibility for, the minister has the power to direct an investigation into the financial affairs of a school board if:

—the financial statements of the board for a fiscal year, or the auditor's report on the statements indicate that the board had a deficit for that year;

—the board has failed to pay any of its debentures or interest on them, after payment of the debenture, instrument or interest is due and has been demanded;

—the board has failed to pay any of its other debts or liabilities when due and default in payment is occasioned from financial difficulties affecting the board; or

—the minister has concerns about the board's ability to meet its financial obligations.

Obviously I can't speak on behalf of Minister Wynne, but it appears that an investigation occurs when a school board is in a deficit position or can't make its financial or debt obligations. The measures that trigger an investigation are fundamentally different between the two ministries, and a comparison between the two is certainly not valid.

Our ministry is satisfied, through its means, that an investigation is not warranted in Vaughan. There is no question there were serious concerns raised by a number of citizens of Vaughan through the media and certainly through correspondence to me about the conduct of certain members of council or certain candidates and with respect to the Municipal Elections Act, those issues are being dealt with in a court of law and charges have

been laid. It would be inappropriate for me to comment as the matter is sub judice.

**0950**

**Mr. Michael Prue:** You have authority under section 9 of the Municipal Affairs Act. It gives you the responsibility to appoint an auditor or monitor—the power to direct a provincial audit of the financial affairs if 50 residents or more of a municipality request it. Are you satisfied that such an audit would reveal nothing of inappropriate spending or uncover any of the allegations that the citizens are making? I particularly ask this question because Toronto Life magazine had a scathing article this summer about what actually transpires in Vaughan.

**Hon. Jim Watson:** Yes, I read that, but let me just reiterate: I think the information I gave you with respect to the financial health of the municipality is quite clear, and while the act grants the minister the authority to direct a provincial municipal audit, and the audit would be paid for by the local taxpayers, into the financial affairs of the municipality or make an inquiry into the affairs of a municipality, it has been used only in rare instances and generally where broad provincial implications are involved and intervention may be considered. Now, based on our understanding of the municipality's financial position and practices that I outlined, these matters appear to be satisfactory, so therefore I'm satisfied it would not be appropriate to intervene in the financial affairs of the city of Vaughan given their financial record and the cooperation that they have shown to our ministry staff. Any time that we have asked for information it has been readily available to us. While a limited number of residents may have concerns about the function of the city of Vaughan or individual councils, the province recognizes Vaughan council as a duly elected and accountable level of government. If the people of Vaughan are not satisfied with their elected representatives, they have an opportunity next fall to deal with them as the democratic process lays out.

I think the other thing is that Vaughan actually has taken a number of steps on its own to deal with some of the concerns that residents, their own council members and staff have raised with respect to accountability and transparency. They've appointed an internal auditor who will review the operations of each city department on a scheduled interval, as well as investigate complaints and make recommendations on cost-saving measures and improvements to audit controls to ensure adherence to budget and spending policies.

As we've seen at other levels of government, when there is inappropriate or lavish spending on alcohol or food, that's not acceptable. I get angry at that, as a taxpayer, if I see it in my own hometown, and so should the residents of Vaughan. I think the members of council recognize that the spending of some members has been completely inappropriate. They've taken action, and ultimately, those people who are engaged in spending what some would consider inappropriate will be dealt with through the democratic process. But from a financial point of view, I don't think we can paint the entire

bureaucracy, the public service of Vaughan, with the same brush as a few members of council who perhaps were engaged in spending activities that most people would consider inappropriate. As I said, with respect to inappropriate activity during the election period, there is a mechanism in place for that and as a result of the charges being laid, it shows that that particular act does work.

**Mr. Michael Prue:** Given the allegations—and I'm sure your file is enormous, because I've received a few of them in blind carbon copies that have been sent to you, but I'm sure I've received nothing in comparison. Vaughan Watch, the citizens of Vaughan, were trying to monitor the situation. Given your understanding of the problems with the election process, given your understanding of the problems raised with the Ernst and Young report and other audit reports, I am absolutely puzzled why you and your ministry would announce that "Vaughan is a well-run city." This is attributed to you and to your ministry and put out in a glossy publication called the Vaughan Citizen News. The story, "City Well Run: Ministry," May 28, 2009. Did you make that statement?

**Hon. Jim Watson:** I did and I based it on the financial information that we had and that I read into the record. I think that when you look at Vaughan's 2008 financial information returns, any objective person would view that the inner workings of the finances of Vaughan are, in fact, in healthy shape.

**Mr. Michael Prue:** You didn't consider all the other things that are going on in making the statement that it's a well-run city?

**Hon. Jim Watson:** I believe the question was in the context of the financial stability of the city, and the financial stability is there. I don't have that article in front of me, but I also expressed in an editorial board with a number of newspapers that take in Vaughan and York region that, obviously, anyone would be troubled when you have this kind of animosity and conflict within a council and within a community, but you can't legislate politeness and good behaviour at a council meeting. We do have the tools at our disposal to ensure that if we felt there was any financial impropriety on the part of the budgeting process within the community of Vaughan then we could take action, but it's not required. We feel that the financial health of the community is in good shape.

**Mr. Michael Prue:** I didn't see a single other municipality where you wrote a comment, "This is a well-run city." Of the other 443, on how many did you pass a similar comment that this is a well-run city?

**Hon. Jim Watson:** Oh, probably, perhaps maybe a dozen different communities that I've visited, and when I'm asked in media scrums my thoughts on a particular community. I'm not often asked about whether a city is well run or not.

**Mr. Michael Prue:** Who asked you the question that triggered this announcement?

**Hon. Jim Watson:** I think it was a reporter from the Vaughan Citizen.

**Mr. Michael Prue:** The reporter asked you that question, and you made that statement?

**Hon. Jim Watson:** Yes. I think you're quoting from the Vaughan Citizen, if I'm not mistaken.

**Mr. Michael Prue:** Yes, that's where it came from, the Vaughan Citizen News.

**Hon. Jim Watson:** That's the newspaper that I did an editorial board with.

**Mr. Michael Prue:** How much time is left?

**The Chair (Mr. Garfield Dunlop):** You've got about three minutes left, Mr. Prue.

**Mr. Michael Prue:** Okay. You have said that you're satisfied it's a well-run city. You have said that any issues have to be dealt with by the courts and that your ministry is not going to be intervening. Is that basically the lay of the land that we can expect up until the next election?

**Hon. Jim Watson:** Well, unless there's some other information that's brought to my attention that would merit ministry intervention.

**Mr. Michael Prue:** Sorry, unless there's some other?

**Hon. Jim Watson:** This just in.

**Mr. Michael Prue:** She's just passing me something. I don't know what she's passing me. All right, I'll ask her question. She's suggesting that perhaps we need a provincial Integrity Commissioner. Do we need such an integrity commissioner for the city of Vaughan and any other municipalities that may find themselves in such a position?

**Hon. Jim Watson:** Well, we do have a provincial Integrity Commissioner—

**Mrs. Joyce Savoline:** Municipal.

**Mr. Michael Prue:** Municipal integrity commissioner, excuse me.

**Hon. Jim Watson:** Municipalities do have the authority to create the position of an integrity commissioner. In fact, Vaughan has hired a new integrity commissioner. They've also developed a new code of ethical conduct for council members, and their integrity commissioner was to address Vaughan council on October 5 regarding the code of ethical conduct for members of council. In fact, our government did institute, through changes to the Municipal Act, legislation that allows a municipality to create both a municipal auditor general, which was done in the case of my hometown of Ottawa, and an integrity commissioner, one of which I know the city of Toronto has just recently hired, and the city of Vaughan has hired one as well. So that, in fact, is already in place.

**The Chair (Mr. Garfield Dunlop):** You've got about another minute left, if you want to ask a quick question.

**Mr. Michael Prue:** In one minute—no I'll just pass rather than go ahead.

**The Chair (Mr. Garfield Dunlop):** Okay. Thank you very much to the third party. We'll now go to the government members; you've got 20 minutes. By the way, we'll adjourn at the end of this 20 minutes to go back to the House for question period. Okay, Mr. McNeely.

1000

**Mr. Phil McNeely:** Minister, thank you for being here today to inform us on issues around your ministry.

I attended the affordable housing session in your riding, in August, I believe, and you had an overflow crowd—we spoke to some of the people in the tent you brought in for the crowd. I was also at a consultation with the community with Madeleine Meilleur for Ottawa–Orléans and for Vanier just last Thursday. There’s an awful lot of interest in the community and a lot of good ideas on where we should be going with affordable housing.

I know you work very hard and made it a priority for you to get the federal government back into affordable housing, and certainly the \$1.2 billion that the provincial government and the federal government have put in is very important. I think it’s 4,500 new units or something like that plus an upgrade of 50,000 units.

Our communities are especially interested in what housing we’re going to get. Accessibility—the handicapped were represented at that meeting. And the mental health group—proper housing is so important when you’re dealing with mental health, and of course the homeless are part of the strategy.

The long waiting list: We go back to when I was on council from 2001 to 2003 in Ottawa; I believe that was when about 12,000 units were transferred from the province of Ontario to the city of Ottawa, and a lot of them weren’t in that great a condition. Our investment in affordable housing, historically, hasn’t been that great.

So now that you’re getting the funding in place and developing, with community consultation, a long-term strategy, certainly the \$1.2 billion over two years is going to be extremely important to Ontario. How do you consider that the long-term strategy that you’re developing—when will a report be out, by the way? When will that strategy be available? And what changes do you feel that’s going to make in providing affordable housing in Ontario?

**Hon. Jim Watson:** Thank you, Mr. McNeely, and thank you for attending the Ottawa long-term affordable housing strategy consultation session. You’re quite right: I think members would be interested to know that we were so overwhelmed with the number of people that wanted to come to the session in Ottawa. We had booked a church hall, Our Lady of Fatima church hall, which is on Woodroffe Avenue in Ottawa, and we had so many RSVPs coming in, we had to actually go and rent a tent to put outside the building in the parking lot because I think we had close to 250 people that actually came to that session. I certainly appreciate your attendance there.

I also want to thank you and Minister Meilleur, because I know a number of our colleagues—I don’t know if our colleagues from across the aisle have done this—have also held their own consultations, which have gone very well, because we can only go to so many parts of the province. We had three sessions in Toronto, obviously because of the size of the city: two in downtown Toronto and one in Scarborough. We had sessions in small towns

like Lindsay and we had sessions in the north—Thunder Bay, Sault Ste. Marie and Sudbury. But obviously, going to 13 different jurisdictions around the province doesn’t cover it all, so I appreciate that you and Minister Meilleur also took the time to have one in the east end—Vanier, the east end. For some of your constituents, perhaps it was easier for them to get to that one than coming to the west end at Our Lady of Fatima church.

The thing that I’ve enjoyed about the sessions is that we’ve had, I believe, over 1,000 people attend these 12 to 13 sessions over the course of the last several months. We started in January in Sault Ste. Marie. We’ve done the work internally, so we haven’t hired consultants. We’ve kept the costs down. We haven’t gone to fancy hotel rooms. We’ve used church halls, not-for-profit housing, rec centres—all accessible, of course. The reaction we’ve received has been overwhelming, with some very good ideas.

A couple of the things that we’ve heard consistently—not to pre-judge what’s going to be in the report, because I’ll explain that we have the next round of consultations starting in the next couple of weeks—is that the Social Housing Reform Act is particularly prescriptive and rather complex. We’ve also heard that there tends to be too many silos within the housing community even within the province of Ontario, because as you know, housing touches many ministries, and is not always as coordinated as we’d like. You have housing in the built construction part of my ministry, the supportive housing part of the Ministry of Health, and housing for the homeless in shelters as part of Madeleine Meilleur’s ministry. You’ve got group homes, and John Howard and Elizabeth Fry funding in housing funded from other ministries. So I think there’s a real desire that people would like to see better coordination of these programs, less duplication, and that’s certainly one of the themes that I’ve heard time and time again.

We are also being asked to think outside the proverbial box and not simply go and say, “Well, this is going to cost us more money.” All of the suggestions that we’re hearing aren’t necessarily costing more money. It’s using the resources we have wisely. It’s putting perhaps more emphasis on alternative programs, such as homeownership.

I was at a very nice event last night in Toronto, Home Ownership Alternatives, which is a not-for-profit corporation that was nominated for a very prestigious United Nations award. They were one of nine finalists out of hundreds of submissions that were sent to the UN for World Habitat Day, which was yesterday. They have a very successful funding formula, where we provide some funding, they work with banks and credit unions, and are able to provide literally thousands of individuals with what I think most people would consider one of the great Canadian dreams: owning a home. These are individuals with low or modest incomes, and with a little help from society and government, they’re able to put together a financial package that makes homeownership a viable alternative.

There's a unit, I believe, in Ms. DiNovo's riding—I think it's on Keele Street—that is one of Home Ownership Alternatives' programs that's going to provide upwards of 744 affordable housing units, which are being constructed now. My parliamentary assistant, Mario Sergio, was out to view that site. It's very exciting, because it does two things: It gives that sense of ownership to an individual who perhaps would never in a hundred years have dreamt they would have been a homeowner; and secondly, it gets those individuals off the rental list and allows more people to come on to the affordable housing rental list in the province.

So we are now compiling all of that information. Our final public consultation session took place in Thunder Bay last week, and we are now going into the second stage of consultation, which is the stage where we seek out some expert opinions from different province-wide groups, like Habitat for Humanity, the Ontario Home Builders' Association, the Ontario Non-Profit Housing Association, landlord groups, tenant groups, anti-poverty groups, the Wellesley Institute. All of these individuals are going to be coming together. We're going to be picking their brains and asking them for their advice as we work towards putting together the strategy.

With respect to your question as to when this is going to be done, this in-depth consultation phase starts in the next couple of weeks and it will run, we suspect, till January. Then we will have probably four to five months to actually write the report, do further research and submit the report probably in the late spring of 2010. That's the timeline. As I said, we've been overwhelmed with the number of people who've shown up at these sessions, as well as people who can comment through our website. I believe it's [ontario.ca/housing](http://ontario.ca/housing). I don't want to give you the wrong address for the record, but we'll get the proper website.

**Mr. Fareed Amin:** It's a backward slash.

**Hon. Jim Watson:** Backward slash. So it's [ontario.ca/housing](http://ontario.ca/housing). People can submit online or get the information on how they can mail it to us as well at the ministry.

**Mr. Phil McNeely:** Thank you, Minister. I really enjoyed both consultations with the groups who are out on the front line on providing affordable housing. That was one of the questions I was asked: "What is the next stage?" I wasn't quite sure, and that puts it into proper perspective. So some time maybe next June, we will have that long-term strategy, and I think that's great.

**1010**

One of my interests with the Ministry of Energy and Infrastructure—it also has been a historical interest from an engineer's perspective—is in making all these units much more energy-efficient. We've found that in most homes, investments of \$10,000 repay themselves within three to four years for some items, and certainly under 10 years for most items. This is probably our best investment as homeowners, and that was my intent when I had my private member's bill on home energy audits and retrofits.

Dollars have flowed now from the Ministry of Energy and Infrastructure—I'm not sure how, but in any case—to various ministries to get their buildings and what they do, including transportation associated with, say, colleges etc.—colleges have come out with real leadership in this area. I've been at two or three presentations; they were here at Queen's Park about two or three weeks ago. It's non-profit, the college aspect, and they've got all the colleges working together. They've formed a secretariat that provides really good engineering knowledge to any of the colleges. When we're looking at climate change, when we're looking at reducing greenhouse gases, the actions we take, we like to benchmark them and be able to know if we are achieving the results we want.

Colleges, amongst all the groups—and they're already helping one major hospital—have developed an excellent system. I think you're looking at 50,000 units that you're going to upgrade in some way or another. What percentage of those upgrades will include energy retrofits? Has that been determined yet?

**Hon. Jim Watson:** We don't have a specific percentage, but we can tell you that of the funds available over the next two years—our ministry has set aside \$70.4 million with a specific goal of putting that money into renewable energy retrofits in the projects that we're working on.

I think you bring up a couple of good points, Mr. McNeely, and you're certainly well known in our caucus for pushing us in cabinet, and probably Minister Smitherman in particular. I'm sure he was happy to see you appointed his parliamentary assistant because you're just going to keep digging away at the fact that we have to do a better job in our built-form construction because I think all of us who live in a home or an apartment realize that over the years, not a lot of attention was paid to making the windows seal tightly.

I live in a new home. It's four years old. I'm the first owner of it. It was an infill project in my neighbourhood. I just noticed the other day that on a sunny day, I could see the light shining through the bottom of my door, and this is a brand-new home. I think we have an obligation, through the building code, which we're working on to make more energy-efficient, as well as through public expenditures and investments in housing, to do what we can to make sure that these homes for individuals are not sucking money out of the pockets of the government, the housing provider and the tenant through inefficient use of air-tight windows, doors, insulation and so on.

The other thing that I think we have to do—and our government is proud to invest in our college system; you mentioned the colleges. We have to get more skilled tradespeople into the system because, quite frankly, I heard the other day that the average age of a bricklayer in one jurisdiction is about 56 years. So as these individuals, through the baby-boom generation, go and retire, we don't have enough bricklayers coming in. We know what happens to the price of construction: The price goes up. It's just simple supply and demand.

Just to give you an example from your home community that you're very familiar with—I know you fought hard to get the funding for La Cité—La Cité is building a new skilled trades building to ensure that more students are excited about the skilled trades, but they're also doing it in the sense that they're providing state-of-the-art technology and equipment and training on LEED certification, as they are at Algonquin College.

I worked very hard to push the province to contribute \$35 million to the Algonquin College skilled trades building. We're doing the groundbreaking, I believe, this week. It will be myself and municipal and federal officials. The federal government came on board, after some prodding, with \$35 million. We're going to have a beautiful, state-of-the-art facility at Algonquin College that will not only allow 600 more skilled trades students through the front door as of September 2011, but also teach these individuals with the latest technology and with a certain special interest on energy efficiency, LEED certification—I believe the building itself will be a LEED-level building; I'm not sure about La Cité.

These are the kinds of things that we're doing from a holistic point of view to help combat greenhouse gas emissions, but also to save money. Sometimes people glaze over when we talk about GHGs and carbon emissions and so on. This is about saving money on your energy bill. If we can cut back energy consumption, it's not only good for the environment, it's good for the pocketbook. That's why we made a special emphasis with, certainly, the encouragement of Minister Smitherman, to carve out a portion of the money that we are going to spend to put it specifically for energy-efficient products.

I think the other thing that we've started discussions on with the home building industry and others in construction is, "What more can we do in the building code?" We do have, I'm told by experts, the most energy-efficient building code in Canada, bar none, which is something we should all be proud of in Ontario. But what else can we do to make it even more energy-efficient so that when we turn on our thermostat, that heat or that cool air is staying in your unit or your building or your house and it's not seeping out into the outside environment?

**Mr. Phil McNeely:** Excuse me, how much time have I got?

**The Chair (Mr. Garfield Dunlop):** You've got about two and a half minutes left.

**Mr. Phil McNeely:** Okay. I always like to hear from the minister about the dollars that flow to our city of Ottawa, because we do read press that suggests sometimes that the dollars are not fairly attributed to our city. I beg to differ on that, of course.

I'd just like to mention as well that experts would agree with that last statement you made that energy efficiencies should be driven by dollar savings, because those paybacks are very short. You're absolutely on: That's what the experts say. It's nice to say we're going to save our earth by reducing greenhouse gases, which is

extremely important, but the dollar will drive those savings as well.

If I could just have from you an outline of the dollars that have flowed to the city of Ottawa, that would be, I think, helpful, if I get that in Hansard. Then I can send that to various councillors who sometimes criticize our government. Could you provide that?

**Hon. Jim Watson:** On the housing funding or overall?

**Mr. Phil McNeely:** Overall funding for the city of Ottawa.

**Hon. Jim Watson:** Okay. Maybe I'll start with housing, and then I might have to finish in the afternoon. Or do you want me to—can I leave these, last minute, to the afternoon, Mr. Chair?

**The Chair (Mr. Garfield Dunlop):** Sure you can. Yes, if you want to. We're down to just a minute, anyway.

**Hon. Jim Watson:** Okay. I'll give you a minute's worth of affordable housing program dollars: \$6.7 million for 61 rental and supportive housing units under the social housing repair and retrofit program—this year, \$21 million, next year, \$26 million; the rent bank, \$368,000 in 2009, a total of \$2.7 million since the program started—that has prevented 1,643 evictions in Ottawa; social housing repair money of \$8.2 million; the affordable housing program, the AHP, \$42.6 million for 768 rental and supportive housing units; \$2 million for 205 homeownership units. So that gives you a quick summary with respect to housing dollars, Mr. McNeely, and I can certainly, in the next round, go over some of the other infrastructure dollars.

Ottawa has done very well with this government. I'm proud of the work that you and our colleagues in the Ottawa caucus have brought to the table, and look forward to highlighting those this afternoon.

**The Chair (Mr. Garfield Dunlop):** Okay, that cleans up that rotation. We'll recess for now, and we will be back here right after routine proceedings this afternoon, sometime after 3:30. The committee is recessed for now.

*The committee recessed from 1020 to 1553.*

**The Chair (Mr. Garfield Dunlop):** We'll reconvene the meeting. It's now the official opposition's turn. I'm going to relinquish—

*Interjection.*

**The Chair (Mr. Garfield Dunlop):** Go ahead, Mr. Deputy.

**Mr. Fareed Amin:** Mr. Chair, if I could be on the record, there was a question raised by Mr. Prue last week regarding the availability of information that may have been prepared for the minister regarding OPA 15 and 16 in the town of Bradford West Gwillimbury. That information, as you know, was prepared in response to a matter that was before the Ontario Municipal Board and therefore subject to litigation, and as a matter of normal practice, that information is confidential and is also subject to solicitor-client privilege. So that information cannot be made available to the member in response to OPA 15 and 16.

There was also a question regarding the timing of the sub-metering. The issue of sub-meters is the responsibility of the Ministry of Energy and Infrastructure. I think it was mentioned the last time that if tenants feel that the money should be returned to them, then they can apply to the Landlord and Tenant Board for a hearing in response to that charge. If their matter is before the LTB, it would be inappropriate for us to make any comment regarding those matters.

For the purposes of the record, I just wanted to get those two issues on the Hansard.

**The Chair (Mr. Garfield Dunlop):** Thank you very much, Deputy.

With that, then, I'm going to ask some questions to the minister and I'm going to ask Ms. Savoline to take the chair for a few minutes.

**The Acting Chair (Mrs. Joyce Savoline):** Mr. Garfield, you have 20 minutes.

**Mr. Garfield Dunlop:** Thank you very much, Madam Chair. Minister, it's great to have you here for the remaining nine hours of your time at estimates.

**Mr. Michael Prue:** And 17 minutes.

**Mr. Garfield Dunlop:** And 17 minutes.

I wanted to ask some questions today on not just provincial policies but also some things that are related to the county of Simcoe, the growth plan and things in that particular area. We were joking a little earlier before we reconvened. As someone who spent a lot of years in municipal politics, never planning on entering provincial politics, I often think of some of the neat stories and some of the things at the municipal level because it is the grassroots level of politics. Most people, or a large percentage of them, who work at the municipal level have other jobs, other incomes as well. We don't pay like we do here at Queen's Park; we have per diems, that sort of thing. I sat on the village of Coldwater council when I was originally elected in 1980 and we got paid \$1,200 a year, whatever it was.

**Mr. Lou Rinaldi:** Well worth it, well worth it.

**Mr. Garfield Dunlop:** We worked and we were very proud to participate. In fact, I always felt that as a municipal politician, particularly in a smaller-sized municipality, it was almost like being part of a service club or like being an elder at a church. You had a responsibility to your community and you did the best you could.

When I first got elected, it was at the end of the two-year term, so 1980 and 1981, and then we started the three-year terms and, of course, now we're into four-year terms.

We were talking earlier before we reconvened, and one of the things that I regret most is not having a diary because of some of the neat people you meet and some of the contacts you make—people you meet even today—that you were involved with. It's an interesting position to hold.

I think certainly municipal politicians look up to us at the provincial level, whether it's the Minister of Municipal Affairs or the Minister of Transportation. These are very key ministries. It seemed to be so simple back in the

early 1980s. The biggest challenge we had was going to a Good Roads conference and finding out what our road allowance would be that year. There weren't all these programs; we seemed to function. Today, it's very complex, and yet today I think it's safe to say that municipal politicians still look to the leadership of the provincial government, and the opposition too, to make sure that we can help in any way we can and to work with them.

I'll probably be asking most of the questions this afternoon, Minister, and a lot of the questions—I know that this ministry can't be in a silo. You're just so connected to all the other ministries, like infrastructure renewal, transportation, finance. Some of the questions you may not be able to answer directly, but maybe you can find out the answers for me and maybe we can have your input and your leadership so we can find out some of the things that are happening.

One of the things I would speak to for most of the municipalities in my riding—although two of them have transit systems—is the gas tax. The gas tax basically goes to any municipality with a transit system. In my riding, the town of Midland and the city of Orillia are the only two municipalities that really receive the provincial gas tax. I know just recently the federal member up our way did a photo op at an intersection that was built in the town of Penetanguishene with gas tax money and was bragging that they use it for all their different purposes.

**1600**

But I'd like to ask the minister, when you decided to go with the transit system—the municipality just received the transit—why did you pick that and not give all municipalities some funding? In a lot of cases, the transit system for rural municipalities is the roads and bridges. People rely on cars and trucks and they rely on purchasing gas. Some people in rural Ontario would never use a transit system of any kind. It seems unfair that some people in an urban situation may not even own a vehicle, but they get the benefit of the gasoline tax that was accumulated from people from all over the province as a whole. I wonder if we could start it on that sort of a debate or questions and just get your thoughts on that. Maybe there will be a better explanation for me down the road.

**Hon. Jim Watson:** Sure. Thank you very much, Mr. Dunlop. The answer is really quite simple. In 2003—it happened to take place in my riding of Ottawa West—Nepean—the then-leader of the opposition, Mr. McGuinty, announced a plank in the platform at Lincoln Fields transit station, which is just down the street from my constituency office and from where I live, and I was very pleased to have the leader in my riding. He announced our party's commitment that we would provide two cents of the existing provincial gas tax to those municipalities that have transit systems or those municipalities that were going to develop a transit system. Once it got off the ground, they would be provided with that money. So it was a campaign commitment that we made in 2003. We were very pleased that we were able to

fast track the full two cents about a year before we had committed to.

The gas tax has been an extremely beneficial help to communities that have transit, including those that may not have a full transit system but that have perhaps a transit program for the disabled or seniors. So you don't have to have a full-fledged transit system. I know in Pembroke, I believe, or Renfrew, there's the Handi-Bus or Para-Transpo—something like that. I know, for instance, that in the two municipalities that do receive gas tax in your riding, Orillia has received \$352,000 in one year, \$340,000 in another year and, in total, since the program came into effect, \$1.4 million. Penetanguishene received \$118,000, \$115,000, for a total, since the instigation of the program, of \$597,000.

I would point out that we have developed a number of unique programs specifically for rural Ontario to help with their infrastructure, understanding the fact that many small communities obviously don't have a transit system in place. So we have programs such as the RIII, which is a rural infrastructure program that was designated just for rural municipalities. The roads and bridges program was something that I spoke about earlier that benefited particularly rural communities because it was not based strictly on per capita funding, but it was also taking into account kilometres of roads.

So Tiny township, which—until I met you, I had never believed there was a Tiny township. I used to think people would always use that as, “Well, you know, like a little town, like a tiny township.” But there is a Tiny township; I look forward to visiting it some day. They received \$1.6 million in 2008 for roads and bridges money.

Simcoe county, of which you represent a good portion, has also benefited from a number of different government programs that have helped ease the pressure on that particular level of government. They obviously don't run a bus system in the county, but it has freed up money for other priorities. So Simcoe received \$5.5 million in Investing in Ontario; \$1.2 million in the MIII; \$1.9 million in social housing; their roads and bridges component was quite substantial, \$2.7 million; and their estimated net benefit by 2018 of the uploads is about \$23.5 million. In addition, they have received funding for the rent bank totalling \$1.1 million, staying off 683 evictions; \$10.1 million in social housing repair; \$6.2 million in ISF funding; and the list can go on and on.

The answer in a nutshell, Mr. Dunlop, is that it was a campaign commitment. It was very specific in our platform that it was just to go to support transit. While some have said, “Well, why don't you spread it around like the federal gas tax?” we are a government that very much believes in public transit and helping public transit, and that pie does not get any bigger. So if we were to start spreading the money out, you and I would have to be the bearers of bad news to those municipalities that have invested in transit, that need help subsidizing the transit program, by saying, “Oh, by the way, you're getting less money because we're going to give it to other muni-

cipalities that don't have transit.” So it was very much a philosophical position that we took and a statement we made in our election campaign, that we felt it was important to support transit. Literally hundreds of millions of dollars have gone out to transit systems, whether it's a big system like the TTC or OC Transpo in Ottawa or smaller systems like one or two buses for the disabled in a small rural community in eastern Ontario.

**Mr. Garfield Dunlop:** Thank you, Minister. I just want to give you a history lesson here—and this is a tongue-in-cheek kind of a lesson. The wife of our first Lieutenant Governor, John Graves Simcoe, had three poodles whose names were Tiny, Tay and Floss, and that's where the township of Tiny came from and that's where Tay came from. There was an old township called Floss, but it's now Springwater.

**Hon. Jim Watson:** You told me that; I remember that.

**Mr. Garfield Dunlop:** I'm sure you'll remember that from now on. It's important around the county of Simcoe that we remember that.

I appreciate your answer on that. I can tell you that we do hear it from rural politicians when they hear about Orillia—and you're right: Orillia got \$1.3 million or something in total over the last few years and they rolled out a brand new bus and some equipment like that. Of course, as soon as that sort of thing happens, the municipal politicians come outside and say, “Gee, it would be nice if we got some of that gas tax.” So I wanted to go back to the original thoughts on it.

Something that I want to get right to the beginning—this whole thing around the intergovernmental action plan for the county of Simcoe, the Lake Simcoe Protection Act and how it all fits together: I've gotten a number of comments from some of my mayors and council members of the municipalities in the county of Simcoe. One of the things that I'm most concerned about, as someone who brought in a private member's bill and a private member's resolution on Lake Simcoe, because I have over 100 kilometres of Lake Simcoe shoreline in my riding—the purity of the water in Lake Simcoe, the value to our tourism, just the fact that it's a jewel here in the province of Ontario. It's the largest lake in southern Ontario, or in southern Canada, basically. It's the largest lake other than, I believe, Nipigon.

I applaud everyone who supported the protection of Lake Simcoe. However, one of the things I'm really concerned about, through the intergovernmental action plan stage at the county and from what I've heard from environmental groups, including the Lake Simcoe Region Conservation Authority, is the fact that the way the Barrie-Innisfil plan is rolling out and the way the vision for growth in Simcoe county is working out, there's a very strong concern that the density of housing that will be built on the 2,400 hectares of land in the new city of Barrie—which comes into effect, I believe, on January 1—will have a negative impact on Lake Simcoe. My concern there is—and I'd like you to follow up—how we can be assured that if that legislation is going to go ahead, and I assume it will, there won't be a negative



impact on Lake Simcoe, and how we can be assured that the infrastructure money will be there for storm water management, tertiary treatment for the sewage treatment plant. How can we be assured that that won't have a negative impact on Lake Simcoe and sort of go in the opposite direction of the Lake Simcoe Protection Act?

1610

**Hon. Jim Watson:** I'll start off with a general comment, Mr. Dunlop, and Larry Clay, who is with the ministry and who's very knowledgeable on these issues, will follow up.

On the Lake Simcoe Protection Act—as you know, that's the Ministry of the Environment's responsibility, but it's all interconnected. I think you pointed out that a number of our ministries work hand in hand, particularly in Simcoe county. I realized early on, when I became Minister of Municipal Affairs and Housing, that Simcoe county was a challenge and a special situation, because there are some real growth pressures in your community.

You look at a city like Barrie, which I believe is one of the fastest-growing—if not the fastest-growing—cities in Ontario, if not the country. We felt there was a need, after close to three decades of chipping away at boundaries between Barrie and Innisfil, for some provincial support. We did try—because our philosophy is, “Let's try to get a local solution—and we did do our best with the Provincial Development Facilitator. My office and myself were involved in bringing the parties together—the mayors of Innisfil and Barrie, and eventually the warden of the county—and we asked them to find a local solution. But at the end of the day, we were not able to reach that solution. At one of the meetings I had with the mayor of Innisfil, I asked him point-blank, “If you were the Minister of Municipal Affairs and Housing, what would you do at this stage, given the fact that we have reached an impasse?” His words were to the effect that, “Well, I would impose a solution.” So the introduction of the legislation in June was our response to the fact that we could not find a local solution.

There's no guarantee that the land that is being proposed in the legislation is going to be developed to the full extent. I believe most of it is zoned agricultural land, so it would be incumbent on the municipality, namely Barrie, to rezone the land for housing, commercial or other use. Also, they would have to follow all provincial policies, including the Lake Simcoe Protection Act, and all of the policies of the government of Ontario would have to be adhered to before we would, as a province, allow any kind of inappropriate development on that site.

So I think the protection that I can give you and the guarantee I can give you is that all of the acts that we have in effect, including the growth plan, the provincial policy statement and the Lake Simcoe Protection Act, would all have to be adhered to. That was made very clear in the press event and questions and answers that we provided to the folks from the two municipalities, the county and the general public.

I'll ask Larry Clay if he would care to follow up on that.

**Mr. Larry Clay:** Thank you, Minister. That's more or less what I think I would have said as well, Mr. Dunlop. The only thing I might add is just to build on what the minister was saying about the proposed annexation act and the boundary. It is, under the proposed legislation, simply a boundary adjustment. The municipality of Barrie would then have to go through a comprehensive planning process for all those lands. That would involve public input and all sorts of considerations around servicing. As the minister said, those lands, as well as any other lands that are developed in the Barrie and Innisfil area, are subject now to the provisions of the Lake Simcoe protection plan.

So in terms of assurances of the development around those areas or that part of Barrie and Innisfil, those would be the assurances that we would put in place to ensure that development proceeds properly and the impact on the lake is minimized.

**The Acting Chair (Mrs. Joyce Savoline):** You have about a minute.

**Mr. Garfield Dunlop:** Okay. I'm going to get back to this anyhow, but in the last minute, I guess the concern I have is the other growth nodes in the county of Simcoe. I've got some concerns from—for example, Midland-Penetanguishene feel they've been left out of the equation.

However, I'm wondering if Barrie—when you see how comprehensive the Lake Simcoe Protection Act really is—can actually squeeze in these other 100,000 or 125,000 people that they suspect they might be able to put into that area if they're trying to follow this Lake Simcoe protection plan. It may in fact not work. There may have to be some kind of a storm water management treatment plant. I'm going sort of into the future here, because you know what? In the end, everyone's trying to say, “Well, we've gone all this distance with the Lake Simcoe Protection Act. We can't add 100,000 people and think that it won't have a negative impact on the lake.”

I know my time is up, but we'll get back to it maybe in the next round.

**The Acting Chair (Mrs. Joyce Savoline):** If you have a very brief answer, you may answer.

**Hon. Jim Watson:** I think maybe Mr. Dunlop indicated we could get back to it in his next round of questioning, because it's a big answer.

**Mr. Garfield Dunlop:** Yes.

**The Acting Chair (Mrs. Joyce Savoline):** Okay, then Mr. Prue, it's your turn for the next 20 minutes.

**Mr. Michael Prue:** Back to Vaughan. Okay. You said this morning that the citizens had the right, under the Municipal Elections Act, to make charges, and some of those in fact had been made, and that the citizens as well would have an opportunity in the next election to vote for someone else, although I don't think “vote for someone else” was part of your vocabulary. Do you really think that's the solution?

**Hon. Jim Watson:** Yes, I do. That's the great thing about a democracy: If people are not satisfied with their

ected representatives, other people always come forward, put their names forward.

Like anyone, you run on your record or you run from it. The counsellors and mayor obviously will run on their record and the public will decide whether they're worthy of re-election.

With respect to the issues of the financial management of the city, as I indicated to you earlier, Mr. Prue, it's our opinion that the management and the practices that have been put in place by the officials in the professional public service of Vaughan are adequate, and we're satisfied with those measures.

**Mr. Michael Prue:** The Municipal Elections Act: Have you any plans to change it?

**Hon. Jim Watson:** As I indicated earlier, we review the Municipal Elections Act after every election. If we were to bring forward any changes to the elections act, it would be done before the end of this year.

**Mr. Michael Prue:** A report on the 2006 municipal elections by York University professor Robert McDermid found that at least 50% of the 2006 municipal election donations in Pickering, Vaughan—and I underline Vaughan—Richmond Hill, Brampton, Oshawa, Whitby and Mississauga came from corporations and developers. You obviously are aware of that. Are there any plans to lessen that influence on municipal politics?

**Hon. Jim Watson:** Well, I can't corroborate those figures. I haven't seen that particular report. But I believe you and I are both entitled to accept money from unions and corporations, so I don't see why we would have a double standard with the municipal sector. I'm assuming you have accepted money from corporations, companies, business people, unions and activists. I think it would be rather hypocritical of us to have a double standard and to impose on the municipal sector rules that we don't have at the provincial level.

**Mr. Michael Prue:** Quebec and Manitoba have already led the way to outlaw that.

**Hon. Jim Watson:** Are you proposing a private member's bill to that effect?

**Mr. Michael Prue:** Oh, I'd go further than that. I would stand right here, now, today, and tell you: Do it. I'd actually stand up and cheer for you.

**Hon. Jim Watson:** That's obviously—the provincial elections act doesn't fall under my jurisdiction. But we are in the process of reviewing the Municipal Elections Act and if we are going to move forward, we would move forward with the intent of bringing forward any changes so that they would be brought in before the end of this year.

**Mr. Michael Prue:** Robert McDermid found out some pretty chilling things. Winners in the 2006 municipal elections, winning candidates, received 54% of their funding from developers, whereas losers received substantially less. In the cases of those cities, it was about 35%. It shows that taking money from developers is part of the way to win.

**Hon. Jim Watson:** Well, that's your conclusion. But at the end of the day, I'm not sure—we have pretty

severe limits at the municipal elections level as to what people can receive. The maximum donation to a candidate in jurisdictions outside of Toronto is \$750. I have great faith in the integrity of the men and women who put their names on a ballot for municipal elections. I don't believe it's fair to characterize these individuals as being unduly influenced by a \$750 contribution.

Some individuals unilaterally choose to not accept donations, but I've seen examples where people go through that and, quite frankly, it's a bit of a charade. They'll say they will not accept any money from corporations, but then, when you see their returns, you happen to notice that all of the presidents of different companies have given a personal cheque. Unless you happen to know who that person is, it's a lot less transparent than actually seeing where the company name is coming from. It's fine to say you're not accepting money from company X, but if you accept money from the president of company X and he or she takes it out of their own personal bank account, are they doing that for the goodness of the democratic process or because they're the president of company X?

**1620**

**Mr. Michael Prue:** You've hit upon my next question. I'm going to go back to Vaughan, and again, I'm reading here from the article by Chris Nuttall-Smith in Toronto Life. Here are a few examples from Vaughan: "The other problem with the \$750 defence," which you yourself just raised, "is that the smart developers in effect give far, far more than that. In 2006, Frustaglio"—who calls herself the acting mayor more times than not; that's my editorial comment—"took the maximum allowable campaign donations from Ada, Michael, Nancy and Romeo DeGasperis, double the allowable amount from Silvio DeGasperis, and \$500 from Angela DeGasperis." Money's simply spread around. Would you not agree that that's a problem with the Municipal Elections Act?

**Hon. Jim Watson:** I'm not quite following your logic because just a moment ago you suggested we eliminate corporate and union donations. If you do that, those individuals, as citizens in a free and democratic society, are entitled to provide the money.

I don't know who most of those people are and I don't know which companies they're associated with, so you'll have to explain to the public and to your colleagues here. Under your proposal, those individuals would be entitled to issue personal cheques, would they not?

**Mr. Michael Prue:** They are probably the biggest developers in southern Ontario. I am surprised the Minister of Municipal Affairs would not know the DeGasperis family.

**Hon. Jim Watson:** I've heard of them.

**Mr. Michael Prue:** Okay. Thank you. The next one is doing the same thing. Again, to quote from the report, "Councillor Bernie DiVona took five separate \$750 donations from companies associated with Maystar General Contracting (because the companies are not linked for income tax purposes, however, the donations were all legal), which soon became one of the finalists

for the contract to build Vaughan's new city hall. (DiVona and the rest of council, Jackson excepted, voted the month after that election to award Maystar the deal.)"

He took five \$750 donations and awarded a deal worth millions upon millions of dollars. Do you think that the act should be changed so that that can't happen?

**Hon. Jim Watson:** Again, I'm not prepared to impose on the municipal sector something that we don't impose on ourselves. I'd ask you, you were a municipal politician. Did you accept money from companies and unions?

**Mr. Michael Prue:** Did I?

**Hon. Jim Watson:** Yes.

**Mr. Michael Prue:** I followed the law in every case. I want the law changed.

**Hon. Jim Watson:** So you accepted money from companies—

**Mr. Michael Prue:** The time has come to change the law. I'm asking you the questions. The question is—

**Hon. Jim Watson:** So on the record, you have accepted funds—

**Mr. Michael Prue:** No, on the record, you take money from them too.

**Hon. Jim Watson:** Yes, and I'm not proposing to change the law—

**Mr. Michael Prue:** Yes, on the record, we follow the law, and I'm asking you to change the law. You are the minister and you can put a stop to this.

**Hon. Jim Watson:** And I've indicated that we're not prepared to do that and you've indicated that while a municipal councillor, you accepted money from developers, corporations and unions. That's fair business.

**Mr. Michael Prue:** I don't believe from developers, but maybe from corporations, yes. There's not much developing money in Toronto.

**Hon. Jim Watson:** Okay, that's fair. Let's get that on the record so people know.

**Mr. Michael Prue:** Okay. He goes on to write, "Linda Jackson received seven separate \$750 donations from development and construction companies run by members of the Gottardo family, plus five from members of Falvo-owned enterprises. She returned five of the Gottardo donations and four of the Falvo donations, once the drive for an audit of her campaign finances was under way."

He goes on to write, "More than 96% of Councillor Peter Meffe's campaign financing came from corporate contributors, most of those tied to development or construction. Mario Ferri managed to raise an impressive \$143,270—that's on a spending limit of \$117,920—"most of which came from development interests. All those \$750 donations add up. The average winning council candidate in the 2006 election raised \$53,000 in development money; the average loser raised only a fraction of that." That's just what's in the article. This is just the city of Vaughan.

The article goes on to talk about all the free gifts that are given out to the councillors and the mayor there. Perhaps the most chilling is part of the response in

quotation marks from the mayor, Linda Jackson. This is what she's quoted as saying in the article:

"Because the thing is that if you say, oh you can't accept it, a lot of times it'll go underground and people will accept things anyways."

"But at least the graft isn't as bad these days as it used to be, Jackson says.

"I know years ago, my mother, we used to almost have to get out there and direct traffic for the Christmas deliveries," Jackson says. "It's really cut back."

"To the office, you mean? Or to the house?" I ask her.

"House," Jackson answers. "Most of the stuff goes to the house."

**Hon. Jim Watson:** Is there a question?

**Mr. Michael Prue:** Yes. The question is—you've read this article; you told me you did—what kind of changes, if any, are you going to make to the Municipal Elections Act that puts an end to this? People who read this must be livid.

**Mr. Bob Delaney:** On a point of order, Chair: I'd like to ask, while not passing any value judgement on Mr. Prue's concerns, whether or not this is within the scope of estimates committee.

**The Acting Chair (Mrs. Joyce Savoline):** The clerk and I were just having that discussion as you approached us. If there's a way to ask your questions, Mr. Prue, that moves it back to the line items in the budget, it would be helpful.

**Mr. Michael Prue:** To the line items in the budget: Is there any line item in the budget to put forward for legal opinions and others to change the Municipal Elections Act?

**Hon. Jim Watson:** As I indicated to you, we are in the process of reviewing the Municipal Elections Act, and if we are to bring forward any changes, they would be communicated by the end of the year.

**Mr. Michael Prue:** When you say the end of the year, the people can register as of January 3, which I believe is the first day—

**Hon. Jim Watson:** January 4.

**Mr. Michael Prue:**—January 4—that they are open following—the legislation would have to be brought in and I suppose it would have to be passed by the Legislature and become law before that date?

**Hon. Jim Watson:** Ideally, that would be the case, but there have been instances when the registration date has been pushed back—in 1997—because of changes to the act and governance structures. For instance, in Ottawa it was pushed back. But the ideal situation is to have any legislation passed prior to January 4.

**Mr. Michael Prue:** Today is October 6. That leaves but three months. It's reasonable to think that if you are making changes to the elections act, they must be well-progressed by this point. Is that a reasonable thing to assume?

**Hon. Jim Watson:** Again, I can't discuss what goes on in cabinet, but I've indicated to you that if we were to bring anything forward, I'm sure we could count on your good co-operation and that of the official opposition to

bring forward legislation. I can't prejudge what the government is going to do, but we certainly would give people due notice that legislation is being introduced.

**The Acting Chair (Mrs. Joyce Savoline):** You have about six minutes.

**Mr. Michael Prue:** I think I'm not going to get any more of the answers I'm hoping for on Vaughan, so let's try something else.

Landlord and Tenant Board hearings: Is the Minister of Municipal Affairs and Housing keeping an active interest in Landlord and Tenant Board hearings, and particularly those that are on the telephone?

**Hon. Jim Watson:** I'm obviously interested in the Landlord and Tenant Board. I don't take a personal interest in individual hearings.

1630

**Mr. Michael Prue:** No, not individual ones. But this is a relatively new change, a pilot program changing in-person hearings to telephone hearings in three regions in southwestern Ontario. Was this done for financial purposes? Almost all judicial and quasi-judicial hearings are conducted face to face in front of people. What was the rationale? Was there a financial reason for doing this?

**Hon. Jim Watson:** Partly financial, but the Landlord and Tenant Board, which is a quasi-judicial arm's-length organization of the Ministry of Municipal Affairs and Housing, piloted the use of telephone hearings in early 2009 to determine whether this approach would improve accessibility and timeliness of hearings. If a tenant feels that they would be seriously prejudiced by this type of hearing, they can write to the member and explain, and it's up to the member to decide how to best proceed, so there is an option. I did answer a similar question in the House a while ago indicating that members of the public did have the right of appeal to have an in-person hearing, and a member would decide that.

The pilot project has ended and the LTB is in the process of evaluating the results. It will be consulting with stakeholders before deciding how to proceed in the future, so I think it's incumbent on all of us to try new things to see if we can make the system more efficient, both financially and from a client or customer service point of view. They went through the pilot project. As I indicated, it has ended and the review is now being undertaken. Stakeholders are being asked their particular perspectives, including groups like legal aid and duty counsels and so on who have raised concerns about the telephone hearing.

We've also heard back from tenants who have been appreciative of the speed with which a hearing can be held because if you're in a remote area, you have to travel a fair distance to come to the closest centre where one of our LTB adjudicators has travelled to. It tends to be a lot more convenient for individuals who are in remote areas. If you're in a certain part, 100 kilometres away from Thunder Bay and Thunder Bay is the closest centre, and you can get a telephone hearing, people have indicated to me that that works better for them. If they do feel prejudiced and they want to be able to appear in front

of someone and lay out their papers and so on, they can. During this pilot project, they were able to bring that to the attention of the adjudicator and ask for an in-person hearing.

**Mr. Michael Prue:** How much money did this save the ministry?

**Hon. Jim Watson:** I don't know if we have the results—Deputy?—because the pilot just ended, so I think they're looking at what the potential savings could be as a result of the six or seven months that they did it.

**Mr. Michael Prue:** Is this going to be privileged information or can I ask for this?

**Hon. Jim Watson:** No. Once we have the information we'd be delighted to share it with you. They would probably factor in the travel costs of the commissioner and the hotel and so on, and give us an estimate once the report is back.

**Mr. Michael Prue:** Could you also provide me with the numbers of people who lost their homes over the telephone? I'd be very curious how many residents lost their homes over a telephone—

**Hon. Jim Watson:** How many people were evicted versus in-person?

**Mr. Michael Prue:** Yes.

**Hon. Jim Watson:** Sure.

**Mr. Michael Prue:** Because I think it's important to know that as well, how many people—the ultimate risk is to lose your home, and if you do it over the phone, it must be devastating. If we could find that out too, that would be more than interesting.

**Mr. Fareed Amin:** The only caveat I would say, Mr. Prue, is that if any of that—

**Mr. Michael Prue:** I don't want their names.

**Mr. Fareed Amin:** Okay.

**Mr. Michael Prue:** I don't want their names, just the numbers. Whether 10, 15, 50 people lost their homes over the phone.

**Hon. Jim Watson:** We'll put it in comparison to all other in-person hearings because I think that's important for you to judge whether it has been effective or not.

**The Acting Chair (Mrs. Joyce Savoline):** You have about two minutes.

**Mr. Michael Prue:** You said that this was a pilot; it's being evaluated. Is there a possibility or a probability that this program will be reinstated or expanded?

**Hon. Jim Watson:** I think it would be unfair to prejudge what the LTB is going to do until they've actually gone through the evaluation themselves. I think any reasonable person would assume that the individuals have not made a predetermined conclusion to what they're going to recommend in the report. That was the whole purpose of doing a pilot project as opposed to implementing it on a permanent basis, because they wanted to make sure—

**Mr. Michael Prue:** Are there going to be any other telephone hearings conducted, pending finalization of the report?

**Hon. Jim Watson:** Deputy?

**Mr. Fared Amin:** What we're doing right now is evaluating the pilot, Mr. Prue. I think in the interim, before we restart the program, we have to evaluate whether or not the program was a success. Once we have done that evaluation, we'll then decide whether or not to restart this program.

Just one other point to emphasize the minister's response: If anyone feels that we are prejudiced by having a telephone hearing, then they can apply to the member for an in-person hearing.

I should also add that we're looking at other ways of ensuring that we get to the hearing faster. We're looking at using webcast as well as video conferencing. The intention here—as you know, the waiting period to get a hearing at the LTB is about three to four weeks, which is considerably shorter than most other tribunals in Ontario. I think that has been the result of continuously looking at ways to improve the service that we provide to landlords and tenants, because we realize this is an important service, and we needed to make sure that we increase our ability to deal with these matters in an expedited way.

**The Acting Chair (Mrs. Joyce Savoline):** Your time is up, Mr. McNeely.

**Mr. Phil McNeely:** Minister, I think we were talking about funding to Ottawa, the historical funding that we've received there. You went through the housing part, but I think a lot of the dollars came through the gas tax and other major inputs over the last few years, and Ottawa has done quite well. I'd just like to have those on record, if you could do that.

**Hon. Jim Watson:** Certainly. We left off with the investments in housing. Infrastructure investments: Transit infrastructure investment, since 2003, Ottawa has benefited to the tune of \$512.5 million; Highway infrastructure, \$282.5 million since 2003. I know that in the east end you have been a great defender and fighter for fixing the split between the 174 and the 417 which causes great frustration for most of your residents coming in from the east end and working downtown. You've been successful in securing funds from the Ministry of Transportation to start the process to alleviate that with your work with the city and Hunt Club. Municipal roads and bridges, \$47.5 million since 2003: One of the projects that's being funded through the federal-provincial-municipal infrastructure is in the riding of Nepean-Carlton, the Strandherd-Armstrong bridge. I want to commend councillors Jan Harder and Steve Desroches, who've certainly worked very hard to get that funding, and also to Pierre Poilievre and John Baird, who came to the table with federal funding. That's going to be a great help to the people in Barrhaven and Riverside South. I was pleased to be making that announcement on behalf of the provincial government.

Under the MIII funding, the city applied for and received 100% of its allocation of \$20 million. That's for a new city of Ottawa library archives building. This is desperately needed to protect our history and our past because, as you may know, the current city of Ottawa archives is in the old city hall at 111 Sussex Drive. The

federal government built that building, and they've been good enough to keep us in there with the archives for some time, but they're telling us we have to move out. This beautiful new building, the groundbreaking, I believe, is within the next week or so or next couple of weeks, and it's going to be located very close to Algonquin College in the city's west end.

The Investing in Ontario Act saw \$77.3 million, and I was pleased to make that announcement with you, Mr. McNeely, and municipal officials in the east end and councillor Bob Monette. Our colleague Yasir Naqvi was with us as well. Of that funding, the city is committed to spending about \$33 million on cleaning up the Ottawa River, which I know you and I have both expressed great concern about, because unfortunately again this year, one billion litres of raw sewage have gone into the Ottawa River.

**1640**

We were the first level of government at the table with funds to help the city develop a plan. My concern has always been that the plan may be a good plan, but it seems to be taking an awful long time to implement it, and as days go on, more raw sewage goes into the Ottawa River.

They've also committed to providing a portion of that money for transit and a portion to social housing. I was certainly very appreciative of those commitments that the city made on the Investing in Ontario money.

The infrastructure stimulus fund: to date, over \$125 million. I know that projects like the Shenkman Arts Centre in the east end—which you were a great supporter of, Mr. McNeely—benefited to the tune of about \$2 million in provincial funding, that beautiful new arts facility you and I had the opportunity to attend the opening for just a few months ago. That's going to be great for the development of that part of Orléans as well as the arts community in the east end.

On the overall uploads, as a result of the ODSP, OW and ODP, the city of Ottawa will see a net benefit of \$122 million when all of the uploading takes place over the course of the next several years.

I also want to point out that we were the first government at the table to help provide funding for the light rail proposal—whichever proposal the city eventually lands on—of \$200 million. That money has been booked, going back to 2004.

Above and beyond our responsibility from a municipal point of view—dollars don't just go to the municipal sector; they go to other initiatives as well. We have provided funding, for instance, for the convention centre in the city of Ottawa—tens of millions of dollars; homelessness prevention and hostel program funding of \$12.6 million; affordable housing programs—I've talked about those; the OTCA, Ottawa Tourism and Convention Authority, tourism marketing of \$200,000; education, numeracy, literacy funds; as well as significant investments in other public infrastructure such as hospitals—the Montfort, the Orléans health hub in the east end, the Queensway Carleton Hospital cancer centre, the Ottawa

Hospital expansion of their cancer centre; colleges, universities—La Cité, Ottawa U, Carleton University and Algonquin have all benefited from stimulus funds.

You've been at most of the east end events. I've done the events in Centretown and the west end with colleagues Madeleine Meilleur and Yasir Naqvi.

It's a significant list of dollars that have gone into projects. I put together a little chart that gives an idea of how much new money has gone in, both operating and capital, over the course of the last several years, since we had the honour of forming government. If you look at the chart, it shows that in 2003 there was about \$14 million in ongoing funding. That figure has gradually gone up to the tune of about \$79 million in ongoing and \$172 million in infrastructure in 2008.

If you look at overall provincial assistance funding, both ongoing and one-time, ongoing funding in 2003, as I mentioned, was at \$14 million; in 2004, it was \$20 million; 2005, \$29 million; 2006, \$47 million; 2007, \$73 million; and 2008, \$79 million.

One-time funding: 2004, \$200 million, which was the light rail; \$94.5 million in 2006; \$7 million in 2007; and \$172 million in 2008. The total support for the city of Ottawa since we've had the honour of forming government is \$251 million. An additional \$51.4 million by 2011 will represent the uploads from the fiscal review at that point.

It's a significant amount of money. I only wish I had received that kind of money when I was on council back in the 1990s, because we had things happening the other way, unfortunately. There were cuts to our transfer payments.

I think we've turned the corner on the relationship between the municipal sector and the provincial government. There's a greater sense of co-operation. We have a memorandum of understanding agreement with AMO. We meet on a regular basis. We're meeting this Thursday with the leadership of AMO. We have a similar program with the city of Toronto, and it's working. It allows us to talk to our colleagues, inform them of things that are coming up and not to surprise them with decisions that we've taken or are about to take that are going to have a direct impact on the municipal sector.

**Mr. Phil McNeely:** I think, Minister, that sums up pretty well what I've participated in with you in the city of Ottawa. I think Mr. Khalil Ramal wants to ask his questions now.

**Mr. Khalil Ramal:** Thank you, Phil. I'm not sure how much time I have.

**The Acting Chair (Mrs. Joyce Savoline):** Ten minutes.

**Mr. Khalil Ramal:** Thank you, Minister. As you know, the affordable housing issue is dear to my heart. Recently, I listened to a report released by the CBC, I believe, about Toronto. The report says that people in Toronto—new families and start-up families—cannot afford any more to live in Toronto. Toronto will only be for seniors and well-established families because there aren't enough affordable homes being built in Toronto. I

know you are investing \$1.2 billion in this area, plus a lot of supplemental support for many different units across the province of Ontario, especially in Toronto.

I'm wondering how you are going to work with the city of Toronto and big municipalities like Toronto, especially when, as you know, many immigrants, when they come to Canada—half of that number comes to Ontario, and more than 54% of newcomers come to Toronto for some reason, because they think it's a big city and they can find a job or they can meet with their community members.

I'm wondering, Minister, if you are working with different municipalities to attract many newcomers to go and move to different municipalities by providing maybe affordable homes or having a special program for them. I think it will be important for the city of Toronto to release the pressure on the demand in Toronto and also allow for many different municipalities in Ontario who are lacking enough people moving to them or do not have enough population to support their tax system. I've had the chance to visit many small municipalities. They all complain about not enough people living in their communities or that they're losing a percentage of their population on a regular basis.

So I'm wondering if you have talked with those municipalities and if you have a special program for them to allow them to attract newcomers to live in their communities.

**Hon. Jim Watson:** Thank you very much, Mr. Ramal. You brought up a number of good points. One of the issues that you've dealt with, with respect to the location, relocation of new Canadians or landed immigrants, really falls under Minister Chan's responsibility, so I don't want to step on his toes on that.

But I can tell you that we obviously are aware that particularly the large urban centres act as magnets for new Canadians to come and locate. Toronto, obviously, is the biggest centre in our country and our province, and we work very closely with Toronto Community Housing, with the city of Toronto, the mayor—I have a very good relationship with Mayor Miller.

I just wanted to maybe give you a little rundown of some of the funds that have gone into Toronto as a result of the affordable housing programs. The AHP extension, which we signed with the federal government in 2009: So far, we've allocated \$4.4 million for 44 rental and supportive units. Social housing renovation and retrofit program: This year, the community will receive \$98.6 million, and next year, \$121.4 million.

You may recall there was an article that was quite disturbing in the Globe and Mail some time ago that showed that there were 50 units of Toronto community housing that were completely uninhabitable because they were in such bad shape, and probably another 200 to 250 that were close to being taken off the market for all intents and purposes because they were not in very good shape.

**1650**

So we made a decision, and the Premier announced it with Deb Matthews and I a few months ago, where we provided \$100 million to communities in 2008 for social housing repair. This is the first time in years that social housing repair money had been released, and Toronto's share was \$36.5 million. We did that, and some critics said "Well, that's not going to build any new housing." No, but it will repair some of those units that, in essence, are not even on the books because people can't rent them because they're in such bad shape; the kitchens are a mess, there's mould and so on. So we felt that housing repair should be an integral part of our strategy, and that \$36.5 million—I remember going to various projects around the city and visiting other municipalities like Mississauga and Ottawa and seeing first-hand, certainly I've been in Cornwall and I've seen it in London—that housing repair money is very much appreciated, because as I said earlier, a lot of these units are showing their age; they're 40 or 50 years old and they weren't built with the best materials, in many instances, at the time.

The city of Toronto has also received \$1.5 million in 2009 for the rent bank and to date has received close to \$8 million, preventing 3,820 evictions. Under the AHP program, which was the program signed by the previous federal government and our government, \$141.5 million was allocated to create 2,930 rental and supportive housing units, \$27 million for 1,300 housing allowance units, and \$11.2 million for 859 home ownership units.

I would, if you'd allow me, Mr. Ramal, also include the London numbers because I know that's near and dear to your heart and you were kind enough to host me at our housing consultation in London at the Optimist Community Centre, which I remember attending when I was Minister of Health Promotion and we were able to help expand that wonderful community facility. Under the AHP extension program in 2009, London will receive \$2 million. In the renovation and retrofit program this year, they have received \$8.4 million, and in 2010-11, \$10.4 million—that's the 50-50 cost share between ourselves and the federal government. It's interesting, I think, for all members to realize that this is a 50-50 cost-sharing. We're not requiring the municipal sector or the not-for-profit sector to provide one third of the funding. So the municipal community is very appreciative of the fact that they're stretched in many instances because of the infrastructure program and the RInC program. Our program is a 50-50 cost-sharing and that's worked out very well.

In the rent bank this year, London received \$188,000 for a total, since the program was implemented, of \$754,000, and it's prevented 440 evictions; in social housing repair money, \$3.3 million; under the AHP, which was signed by Minister Fontana, who represents London, \$20.9 million for 455 rental and supportive housing units, \$1.1 million for 72 housing allowance units, and \$927,000 for 106 home ownership units. So it's a significant amount of money and we certainly have that commitment for this year and next year with the

federal government. That money has been earmarked on a notional basis and we will be going through various waves of applications; we've gone through two waves and there'll be a third and a fourth to get that money out the door over the course of the next two fiscal years.

**The Acting Chair (Mrs. Joyce Savoline):** You have less than two minutes.

**Mr. Khalil Ramal:** Thank you, Minister. I know you attended the affordable housing meeting in London and even though it's \$1.2 billion, one of the biggest investments in the history of this province, some people claim it's not enough. I'm wondering, Minister, how you can support municipalities to meet their demands for affordable homes and also make sure that transparency and accountability are in place?

**Hon. Jim Watson:** Well, you know, it's the lot of our lives that we often never measure up to the activists' or the public's expectations. They want more than what we can afford. That's why the long-term affordable housing strategy is not just about money; it's also about changing the rules, making the policies and programs simpler, so that individuals are spending more time building and working to build houses as opposed to filling out paperwork. We are confident that we're going to come up with a balanced approach in our long-term affordable housing strategy, and one that's affordable.

I think when the Premier established the fiscal review with the municipal sector, he told us very clearly, "Make sure it's a consensus-based report and make sure it's an affordable report to both orders of government." I believe we accomplished that with the document, which I'm very proud of.

Our job as legislators, and my job as the minister responsible for housing, is to ensure that we continue the progress we've made in the last two years with the federal government, and to work in a spirit of co-operation with the federal government to ensure that housing remains on their radar screen, not just for economic stimulus but because it's good public policy, and because from a compassionate point of view, we should be doing everything we can to ensure that people have safe, decent, affordable housing to live in.

**The Acting Chair (Mrs. Joyce Savoline):** Thank you. Your time is up. We'll turn now to Mr. Dunlop.

**Mr. Garfield Dunlop:** If I could, Minister, I'd like to go back to where we were at the end of the last round when we talked about Lake Simcoe protection. I guess why I'm really concerned about this is—I know you've got the vision for growth. But if I can just back up for a moment, I understand at some point the Ministry of Municipal Affairs and Housing had to do something about Barrie-Innisfil or the growth of Barrie issue. I can tell you as a fact that when we restructured the county starting in 1988, 1989 and going through to about 1992, and we had committee meetings etc., even then it was a huge issue. I recall Orillia and Barrie were actually kicked off the committee. I don't know if you folks remember that. It'll be somewhere in your records, though. They were vocal at the county meetings and, in

the end, were asked to leave the committee. So it just left the restructuring of the county of Simcoe amongst its own municipalities. I remember voting on that in a recorded vote, and Janice Laking, the mayor of Barrie, who's someone I respect a lot—I was the only one who supported keeping Barrie and Orillia at the table because I knew we would come to the day when we'd have a piece of legislation at the House, and that's what we have today. So I think we might have been able to resolve that whole issue if we had worked a little harder 15 years ago. However, those days are gone and we are where we are today.

**Lake Simcoe protection:** At the provincial level, the municipal politicians and the conservation authorities—we're under a lot of scrutiny on this, because we hear from builders, we hear from homeowners, people who have a little stream through their property or a vacant lot somewhere or a dock they want to build. The Lake Simcoe conservation authority is dealing with those issues on a very strict basis. People complain to me that the planning's too long, that it takes too long to get approval to do something. So you can understand, if you put another 100,000 people on 2,400 acres, the scrutiny that the general public, environmental organizations and everything will look at as we move forward.

I know the city of Barrie is built out basically to its quadrants now, to its limits, but how many more people do you expect under the growth plan will inhabit Barrie? Are we talking about 120,000, 130,000 people? I've had some discrepancies with the numbers I've actually seen in the IGAP and in the plan for the future.

**Hon. Jim Watson:** Let me just offer a comment on the Barrie-Innisfil situation, and Mr. Clay will comment with respect to the Barrie numbers. We're forecasting in Simcoe 75,000 new jobs in the area by 2031. Mr. Clay can give you some residential population figures.

1700

But I just wanted to quote two individuals here on Barrie-Innisfil, because you've lived in that area, you've seen the skirmishes back and forth. As I said, there'd been, I think, seven or eight different annexations in Simcoe county.

One councillor in Barrie, Barry Ward, was quoted in the *Innisfil Examiner*. He said, "We firmly believe the time for a local solution is passed. It's been on the table for eight years and we are no closer to a local solution than we were at the beginning...."

And then Dr. Terry Ruch, of the Barrie Equine Clinic, said of our solution, "It's common sense. Now, all the parties—my neighbours, Barrie and Innisfil—can all move forward and plan for the future."

One of things that the business community and those people that want to build homes and create jobs in Simcoe county need is stability, predictability and reliability. Unfortunately, with this ongoing battle between Barrie and Innisfil, and with county engaging itself in the mix, there was no predictability, stability or reliability because people didn't know what the end result was going to be. If we had left it to the very end and had

not intervened, I could tell you right now, it would be 20 years and we'd still have no solution.

Your colleague, Julia Munro, said: "It was clear the minister wanted a local decision. That's what the goal should be...."

"Local decision-making and local accountability are more likely to be in the best interest of both sides...."

I agree with her 100%. But after three decades and no consensus, we could bring this to the UN and we wouldn't find common ground. There were polarized positions and we felt it was time to move because—you know, the new president of the Ontario Home Builders' Association is from Barrie. He and his colleagues, small builders—not big builders, small builders—were facing the risk of basically going out of business because while Barrie was the designated growth node, they had virtually no land left. You can talk all you want about intensification and in-fill, but at some point that evaporates and we felt it was important for us to move on that particular issue. As I said, our philosophy has been let's try to find local solutions, but we couldn't.

I'll ask Mr. Clay to give the projected employment figures, I guess going up to 2031.

**Mr. Garfield Dunlop:** Actually, population figures too, if you've got them.

**Mr. Larry Clay:** Mr. Dunlop, I'm looking at the Ministry of Energy and Infrastructure's Simcoe Area: A Strategic Vision for Growth. That's the document where the proposals from the province are for Barrie and all the other municipalities within the Simcoe area. This document proposes that Barrie's population would go to 210,000 by 2031 and its employment would go to 101,000 jobs by 2031.

**Mr. Garfield Dunlop:** Thank you very much. That's saying that if that land they acquired, the 2,300 and some hectares, was built out, that's what we could put in there, roughly. I'm not trying to argue, I'm just saying that I suspect that with the environmental concerns, this is not going to be an easy sell on some of the proposals. I think the expectations are very high with the fact that we have the Lake Simcoe protection plan in place and growth will be environmentally sensitive, and we'll look very, very carefully at that because there may well be some areas where we have a problem.

That takes me then to the other growth nodes. I've got a couple of questions that I was just want to read into the record from the mayor of Penetanguishene and the mayor of Midland. Midland and Penetanguishene have been left off the growth plan as a growth node. They've got very, very limited growth in that area, and they're quite concerned and feel that they've been left out of the whole picture. I wanted to read—it's not a derogatory thing; these are just questions to you folks. I'll read it here:

Questions regarding the Simcoe area strategic vision: Mr. Minister, the towns of Midland and Penetanguishene were not identified as an urban node in the Simcoe area strategic vision document. The towns have jointly requested that a single urban node be designated in the proposed amendment to the growth plan. When the



proposed amendment to the growth plan is circulated to your ministry and when the amendment comes before cabinet, can the towns expect to have your support for the designation of Midland-Penetanguishene as an urban growth node?

**Mr. Minister,** the change in the planning landscape brought about by the Simcoe area strategic vision released by your government on June 4, 2009, has created a level of uncertainty around the planning system in the Simcoe area. It is difficult, if not impossible, for municipalities to conduct any logical planning program by the June 2010 deadline. Can you tell me when some level of certainty will be brought back into the system, and when you will be in the position to approve the county of Simcoe official plan?

Local municipalities in my riding have expended considerable public money advancing their planning programs in conformity exercises on the basis of the approved growth plan for the greater Golden Horseshoe and the adopted county of Simcoe official plan. The Simcoe area strategic vision and the proposed changes to the growth plan make much of the current work completed by these municipalities to a great extent redundant. **Mr. Minister,** will the province assist these municipalities financially, in light of the significant uncertainty that the government has created with the release at such a late date of a Simcoe area strategic vision?

I'm not expecting you to answer that today. I was going to give it to you as a question, and you can get back to us at another point. They've actually just had an announcement of a new sewage treatment plant in Penetanguishene; Midland has a state-of-the-art sewage treatment plant, new water system, and so has Port McNicoll, which is adjacent to it. There's a huge project planned with a company called Skyline International for Port McNicoll. They just feel that something is missing here and that they have been left out of the planning. Maybe it wasn't sold properly in the first place. Maybe you could comment on it as well. It is a concern in Simcoe North and it's a concern of these municipalities as well, and we'd really appreciate your support as we move forward with it.

**Hon. Jim Watson:** Maybe a couple of things, **Mr. Dunlop:** We'll certainly be pleased to relay those questions to the Ministry of Energy and Infrastructure, as they're the lead with respect to the document.

I can tell you, though, that when I was meeting with Minister Smitherman and discussing this issue, there was a real sense that the county of Simcoe perhaps didn't do as good a job of controlling the debate or the growth plan themselves, and that was one of the reasons why the province has intervened.

When you go and start giving growth to whoever asks for it, that's not a growth plan, that's not controlling urban sprawl, and it's not good public policy. While it might be politically popular to have lower-tier municipalities come and say, "We'd like this and we'd like that" and the county agrees to it because the county is made up of lower tier, you have to be able to put in

place a plan that is going to survive the test of time and good planning principles. What we've tried to do with our best advice and advisors is put together a growth plan that we think is attainable, is environmentally sound and is economically sound, but also that's predictable, because as you pointed out, these municipalities need to know where they stand on a go-forward basis. The primary responsibility for the issues you've raised fall to the Ministry of Energy and Infrastructure, and if you give us a copy of that letter from, I believe the mayor—is it the mayor?

**Mr. Garfield Dunlop:** It came through the planning department for me to ask questions here today.

**Hon. Jim Watson:** Sure. We'll be happy to forward that to Minister Smitherman, and I'll ask Mr. Clay if he has further comments.

**Mr. Larry Clay:** I think that's quite fine. The only thing I would add, **Mr. Dunlop,** is that over the course of the summer, I believe, municipalities and others who had comments on the strategy were invited to submit those, and I know that Midland-Penetang has already submitted those; they've spoken to staff. We've met with them, as well with others, along with the Ministry of Energy and Infrastructure, which have the lead on this. We've been working with them, and we're certainly aware of those concerns.

**Mr. Garfield Dunlop:** I wanted to point out, too, that when they put this plan of an urban node together, I take them with a lot of sincerity.

I'm not sure if you're aware of it or not, but we don't have a conservation authority in that particular area; we have an environmental association. That environmental association was the first of, I believe, 35 hotspots on the Great Lakes to be recognized as an area that had done its work and cleaned its act up. They are very, very environmentally sensitive and conscious of how they might have an impact on Georgian Bay. I have a lot of faith in these two municipalities.

1710

I would appreciate it if you would pass it on. Any time they can meet with you, or we can meet with the Ministry of Infrastructure and Energy, we're more than happy to do that, because they just feel they haven't got enough growth for the 30-year plan.

Have I got any time left?

**The Acting Chair (Mrs. Joyce Savoline):** You have six minutes.

**Mr. Garfield Dunlop:** Oh, okay. The other question is a question I got this morning from Mayor Stevens, city of Orillia. Again, it probably has more to do with—well, I'll read the question. It's either the Ministry of Energy and Infrastructure or it's yourselves—and I think you've all met Mayor Stevens. He's been around politics for the last 30 years. He says that this is his last term; I'm not sure if it is or not. He'll likely run again.

**Hon. Jim Watson:** We want to get that MURF built up there.

**Mr. Garfield Dunlop:** Well, no, he's moved on from that. We're more interested in Lakehead University right now. That's our next proposal.

**Hon. Jim Watson:** Well, I gave him money for the MURF, so I want him to spend it on it.

**Mr. Garfield Dunlop:** The question is from Mayor Stevens: Does the minister intend to work very closely with the identified growth areas in the county of Simcoe, and what are the future expectations from the growth municipalities as far as your ministry is concerned? I don't know whether that's just too broad a question—or is it something you can actually answer or something I should pass on for you to answer him directly? I mean, he's just saying, what is expected now as we move forward in the next 20 years with these growth areas, as far as their own expectations? And those are the areas outside of the city—Barrie is too, of course. Orillia was one of the municipalities that stayed with the county. It was kept separate from the city of Barrie.

**Hon. Jim Watson:** Mr. Clay?

**Mr. Larry Clay:** Thank you, Minister. I think, Mr. Dunlop, if the strategy as currently proposed—or once the Minister of Energy and Infrastructure makes a decision on that and puts it into place, he'll probably make an amendment to the growth plan if he wants to make changes, which would then subsequently be translated into policy at the local level. In the case of Orillia's situation, they have an official plan, so the city of Orillia will move ahead with a new official plan, a land use plan, which would accommodate and incorporate those elements of the growth strategy. In terms of population numbers, they would then be in a position where they could translate their official plan into how they are going to accommodate that growth.

In each municipality's perspective, once you've got an official plan, then that starts going into infrastructure: How do you service those lands? What kind of sewer and water treatment facilities do you need? Recognizing other pieces of legislation, what sort of transportation aspects, cultural aspects, your recreation—all of the elements that go into making a community are now able to go forth with some certainty. So it basically allows a municipality to proceed, as it should, once the planning framework is set, to do what it thinks is best for its community within those planning frameworks.

It really addresses some of the issues that have been outstanding for the last little while and allows them, with some certainty, to now move ahead with their own plans.

**Mr. Garfield Dunlop:** Thank you, and—

**The Acting Chair (Mrs. Joyce Savoline):** Two minutes.

**Mr. Garfield Dunlop:** Okay. Just a couple of things to flag: For this ministry, when you're dealing with the cabinet table or interministry types of discussions, all of the municipalities have voiced a concern with—and I'll read. This is one from the Oro-Medonte council, and they're saying, "Underserviced area programs in Simcoe county." I'll just read their comments onto the record:

"The proposed changes in the Ministry of Health and Long-Term Care physician recruitment incentive policy will negatively impact local municipalities. Would the minister ask his colleague the Minister of Health and Long-Term Care to reconsider the proposed policy changes associated with encouraging physician recruitment in the underserved areas?"

Apparently we're going to have quite a battle with that, because in Simcoe North, for example, we have underserved physician recruitment areas: one in the Midland-Penetanguishene area, one in Orillia and area, and one in the Barrie and Oro township area. There are constant efforts to attract physicians to the area. I think there's something like 40,000 people in Simcoe North who don't have a family doctor.

The other question is on the ORC, the Ontario real estate lands. For example, we've got the Huronia Regional Centre in Orillia which is now empty of clients, and we have the Edgar occupational centre from the past. The Edgar occupational centre is falling down. There seem to be these barriers put up between ministries, and if we could get better co-operation, we might be able to get a sale of that property and have some of the demolition of the older buildings and move it to something more positive for economic development in the area as well.

**The Acting Chair (Mrs. Joyce Savoline):** You have time for a very quick answer.

**Hon. Jim Watson:** Okay. Certainly, with respect to physician recruitment and underserved areas, I know that—if you provide us with that material, I'll pass it along to the Minister of Health and my former parliamentary assistant, Carol Mitchell, whose responsibility is working with the minister on rural issues and underservicing issues.

I can point out that since 2003, 800,000 more Ontarians have found a family physician, which is a good thing. And for the last couple of years, we've actually had a net increase of physicians, as opposed to a decrease prior to that.

On the ORC lands, the ORC still falls under the jurisdiction of the Minister of Energy and Infrastructure. I'm not aware, obviously, of their plans for the centre. But I will undertake to have our officials communicate your concerns to the Minister of Energy and Infrastructure for a reply.

**Mr. Garfield Dunlop:** Thank you, Minister.

**The Acting Chair (Mrs. Joyce Savoline):** Mr. Prue.

**Mr. Michael Prue:** I have a couple of questions here. My colleague the member from Parkdale-High Park will be asking most of the housing questions, but I do have a couple, starting with Regent Park. How many units were torn down to make way for the new development?

**Hon. Jim Watson:** I'll ask an official to give you that specific answer. While we're waiting for the official, I can certainly tell you that we're very proud of the work that has been done at Regent Park. One of the first visits I had as minister was with Derek Ballantyne, whom I believe you know—

**Mr. Michael Prue:** Absolutely.

**Hon. Jim Watson:** —who is the head of Toronto Community Housing and a very innovative thinker. He was with Ottawa housing when I was on council.

I believe Regent Park is going to be a role model for not only our province, but for the country, for revitalization of a public housing community that was perhaps not that well planned, when you think about putting all of this social housing in one particular neighbourhood. It really did not work. There were a number of challenges.

When you go there today and see the dramatic transformation of that particular site—the mixed use, the fact that close to \$35 million has been allocated to provide 754 affordable housing units for a variety of clients, including seniors and persons with disabilities, under the AHP.

We've also provided \$29.3 million for 667 units to TCHC; \$6.1 million for 87 units to a non-profit provider in the Regent Park community; and \$1.9 million for 130 home ownership units. In addition, \$1.7 million has been provided for environmental remediation of phase one.

The development, as you know, is occurring in six phases over a 12- to 15-year period, at a cost of approximately \$1.2 billion. Phase one of the development, which will create over 800 new rental and home ownership homes, is currently under construction. The revitalization will see it transformed from an exclusively public housing community of 2,083 units to a mixed-income, tenure community—with a blend of rent-geared-to-income affordable and market housing and rental and home ownership units—of 5,100 units, so close to three times the number of individuals who have been there.

1720

It's a program that I think anyone in Toronto should be very pleased with. It's my understanding some people have started to move into some of the units. One of the things I found very intriguing about what Mr. Ballantyne told me at the time of my first tour, and I've since been back, is that there was no grocery store in the vicinity of the area. They worked out a deal with Sobeys to have a grocery store, something I think all of us take for granted, having a neighbourhood grocery store. There was not a neighbourhood grocery store. There were convenience stores, and we all know what the price of food is at a convenience store versus a grocery store and the lack of fresh produce and vegetables that can be found in a small store versus a grocery store.

He also talked about the fact that the franchise of Tim Hortons in that neighbourhood has committed to hiring all local residents to work in that Tim Hortons franchise, to give people an opportunity to find work while living in the Regent Park community.

Also, TCHC is very progressive in the sense that they've created their own painting company, made up of tenants from TCHC who are employed and go about painting the various TCHC buildings.

It's a very ambitious plan—\$1.2 billion. It's going from approximately 2,083 units to approximately 5,100 units, and it's going to be a mixed community. So we're not in essence ghettoizing the low-income, working poor

in one neighbourhood. It's going to be a blended community, which I think most urban thinkers realize is better for the community and better for the people who live in that community.

**Mr. Michael Prue:** Thank you for the information, but the question I asked is, how many units were taken out in order to start phase 1?

**Hon. Jim Watson:** We'll get back to you on the specific numbers of that, but certainly the overall number of people living on the site is going to be substantially greater than it was prior to the demolition.

**Mr. Michael Prue:** How many units are being built that are affordable for the people who moved out?

**Hon. Jim Watson:** We'll get that answer for you.

**Mr. Michael Prue:** How much is the province paying in this first phase towards the redevelopment of those same units?

**Hon. Jim Watson:** It's \$35.48 million.

**Mr. Michael Prue:** Does that include any of the monies going to any of the homes that will be either privately owned or leased?

**Hon. Jim Watson:** It's just the affordable units, that money.

**Mr. Michael Prue:** Are there any other monies being paid to those who will be owning or leasing the properties?

**Hon. Jim Watson:** There are 130 home-ownership units that we're providing with \$1.9 million, but they meet the strict condition of income thresholds. We think home ownership is a good investment, but for the condo owners and so on, those people are obviously paying for their own units. It's being run by Daniels Corp.

**Mr. Michael Prue:** I go by there weekly. Is the Sobeys store going to be in the first phase, second phase, third phase? When is that coming?

**Mr. Fareed Amin:** I don't have that information in detail, Mr. Prue, but we'll endeavour to get that information to you.

**Mr. Michael Prue:** The city of Toronto came up with this plan and pitched it. I agree Mr. Ballantyne is an innovative thinker. They only have sufficient resources, monies, lands, in the Regent Park north development. Has the city floated any other plans, any other possibilities—I'm thinking particularly of places like Jane-Finch—to do similar projects with the province?

**Hon. Jim Watson:** I'm not aware of a specific proposal for Jane-Finch, but the city of Toronto has submitted a number of proposals in the current wave of funding requests that we asked for under the affordable housing program. We don't have the final list and the final list of those projects that have been approved, that have not been determined or that have been released, but Toronto is very active in applications, in applying to the AHP program.

**Mr. Michael Prue:** Now, it is the developer, in this case, who is rebuilding Regent Park and providing what used to be pretty crummy housing—let me put it that way, I grew up there; pretty crummy housing—for brand new and much better housing. It's the developer who's

getting the land at little or no cost and the opportunity to build there, the city of Toronto zoning approvals, the province's \$35 million, but the developer obviously is spending a great deal of money here. Any idea how much is being spent, first phase, out of the \$1.2-billion re-development?

**Hon. Jim Watson:** The overall cost is \$1.2 billion. That's not the first phase, that's—

**Mr. Michael Prue:** Yes, the overall, yes. How much is the first phase costing the developer? We know the province is paying \$35 million. How much is the developer?

**Hon. Jim Watson:** Deputy?

**Mr. Fareed Amin:** We don't have that information but we can endeavour to get it to you, Mr. Prue.

**Mr. Michael Prue:** I'm trying to figure it out in terms of percentage. How much is the province a percentage owner or developer in this?

**Hon. Jim Watson:** As you know, this is driven by the city of Toronto, not by the province of Ontario, so those kinds of questions are probably best directed towards the city of Toronto, but we'll undertake to ask them for that information and pass it along to you.

**Mr. Michael Prue:** How much time, Madam Chair?

**The Acting Chair (Mrs. Joyce Savoline):** Eleven minutes.

**Mr. Michael Prue:** Lots of time.

**The Acting Chair (Mrs. Joyce Savoline):** Lucky 11.

**Mr. Michael Prue:** Okay.

Let's change just a little bit and go to the rent bank. How much was the budget for total expenditure in the rent bank for the last fiscal year?

**Hon. Jim Watson:** In the current fiscal year, it's \$5 million.

**Mr. Michael Prue:** That's the fiscal year ending in—

**Hon. Jim Watson:** March 31, 2010.

**Mr. Michael Prue:** Okay, that's \$5 million. Do you recall what it was for the last fiscal year?

**Hon. Jim Watson:** I can tell you since the rent bank began, I guess back in 2004, we've allocated a total of \$28.8 million. So 2006 was \$4 million, 2007 was \$4.8 million, 2008 was \$5 million. So the total has been \$23.8 million.

**Mr. Michael Prue:** Now in 2008, of the \$5 million allocated to the rent bank, how much was actually given out?

**Hon. Jim Watson:** All of it. I should explain for members of the committee that the rent bank was a commitment we made in our election platform of 2003 and what the rent bank is all about is to help those individuals who perhaps, in many instances through no fault of their own, have faced a cash crunch for up to two months. Many people, as we know, live paycheque to paycheque and if they lose their job or their hours are cut back, that would have a severe impact on their ability to pay their rent. We all know the personal anguish they would go through being evicted, the trauma that is created, particularly if you have children, and we felt there was a better way to provide some bridge financing

to individuals who were experiencing financial difficulties on a short term.

The funding was provided on a year-to-year basis, but in the last budget the Minister of Finance made a commitment and provided a line item in the Ministry of Municipal Affairs and Housing's operating budget that we would provide \$5 million a year. We've provided \$28.8 million to date since 2004, and the rent bank has helped to prevent more than 21,500 low-income households from being evicted due to a missed rent payment.

This was something during the poverty reduction strategy that we on the committee heard from a number of stakeholders, that it was an extremely low-cost but very effective program that ended up saving money. If an individual is evicted from their home and they are now being forced into a shelter, that's a cost to the taxpayers and a cost to society, let alone a traumatic experience for the family to be thrown out on the street. We think it's a relatively small program and relatively inexpensive in the scope of government programs, but it's very effectively run.

**1730**

I want to give special thanks to the various partners that provide the program at the grassroots level. In Ottawa, for instance, it's run by the Salvation Army; in other jurisdictions, it's run by the municipality, but they all work very well in providing the service, and that money is allocated and distributed on a formula every year to those service providers.

**Mr. Michael Prue:** In 2008, how many people applied for rent bank assistance? You told me 21,500, but that's over all six years. How many in 2008?

**Hon. Jim Watson:** That's right, that's the total figure. The 2008 figure—I don't know if we have the breakdown. We can get that for you, Mr. Prue. I don't think we have the specific breakdown. I can give you the breakdown—let me just see here. We'll get that for you, because I have a list, for instance, on a municipality-by-municipality basis. I don't know if we have a total number, but we don't have the specific year 2008.

**Mr. Michael Prue:** Okay. Really, what I'm looking for is the number of applications that were made, the number that were approved and the number that were refused.

**Hon. Jim Watson:** If we can find that information for you, we will give it to you.

**Mr. Michael Prue:** Okay. These loans: Do they continue to be interest-free?

**Hon. Jim Watson:** It's a combination. Some jurisdictions provide a loan; others provide a grant.

**Mr. Michael Prue:** For those that provide a loan, what is the repayment ratio? How many of them are being repaid and how many of them are not?

**Hon. Jim Watson:** It's relatively low, the repayment loan, but we'll get back to you with the specifics.

**Mr. Michael Prue:** Just so I understand, you're saying it's relatively low, the amount that is being paid back?

**Hon. Jim Watson:** That's right.

**Mr. Michael Prue:** So a lot of that \$5 million is not coming back?

**Hon. Jim Watson:** That's correct, but that's why the fund is topped up every year by \$5 million. The local service providers have the option of providing a grant program or a loan program. Some jurisdictions have greater success at getting the loans repaid than others. Obviously, if it's a loan program and the individual doesn't repay, then they wouldn't be eligible for an additional loan the following year. You can only get one loan or one grant per year.

**Mr. Michael Prue:** So that if a person doesn't pay it back, then the person is not eligible.

**Hon. Jim Watson:** That's correct.

**Mr. Michael Prue:** And if they do pay it back, they are?

**Hon. Jim Watson:** That's correct.

**Mr. Michael Prue:** Okay. That's probably pretty fair.

**Hon. Jim Watson:** Maybe I could just—we did a little bit of a satisfaction survey amongst the service managers, and a consultant found that there was a high level of satisfaction amongst service managers in the overall program parameters: 90% of service managers—these are the 47 service managers across the province—considered the current program parameters, including overall guidelines and client eligibility, to be either appropriate or somewhat appropriate. Based on the provincial rent bank client follow-up undertaken by service managers and delivery agents, the extent to which former clients were remaining at their same address after receiving rent bank assistance varied considerably by region. Of clients who were successfully contacted, 85% were still residing in the same residence after six months, which is good news.

Anecdotal evidence from service managers and from a small number of interviews with landlords and tenants indicates the provincial rent bank program has helped clients with housing stability, which was one of the objectives of the program.

**The Acting Chair (Mrs. Joyce Savoline):** Three minutes.

**Mr. Michael Prue:** You stated that in the last budget, the amount of \$5 million is intended to be put forward for next year. Is that correct? Did I hear that right?

**Hon. Jim Watson:** I can't prejudge what the Minister of Finance is going to do, but what happened prior to this year was that the rent bank was funded by year-end surpluses, which didn't provide great stability to the service managers. One of the recommendations of the poverty reduction committee was to make the rent bank program a permanent program as a line item in our budget, and that has been done.

**The Chair (Mrs. Joyce Savoline):** Less than two minutes left.

**Mr. Michael Prue:** Two minutes, okay. I just want to be sure that the information that I've requested—the number of people who have applied, the number who have been approved and the number of people who have been refused—that is information that can be released?

**Mr. Fareed Amin:** This information, Mr. Prue, is collected and managed by the service managers, so we have to reach out to them to ascertain the availability of that information. But certainly if it is available, we'll provide it to you.

**Mr. Michael Prue:** That information is not kept in a central location each year so that the government might ascertain the success?

**Mr. Fareed Amin:** We have an accountability requirement to make sure that the service managers comply with the program parameters, but the most up-to-date information might reside with the service managers.

**Hon. Jim Watson:** I can tell you that we have done some analysis with respect to savings as a result of having the rent bank program. I think you might find it interesting that in the report I referred to, it has been estimated that by spending about \$13 million through to the rent bank, we've lowered the emergency shelter costs of the province by over \$7 million, because these individuals have not gone into the shelter program. It has been estimated that evictions cost \$2,234 per tenant and between \$2,500 and \$6,000 for landlords. Further research suggests that rent banks may also have other benefits for tenants, including reducing the strain on families and children who may have otherwise had to relocate to new neighbourhoods and schools. It's a program that I think is working, and we will certainly undertake to get as much of the information you've asked for as possible. It may take a little bit of time, given the fact that to get the most updated information would require us to contact the 47 service managers. We would have information, obviously, from two years ago but not the current fiscal year.

**Mr. Michael Prue:** How many agencies or municipalities ran out of funds last year?

**The Chair (Mrs. Joyce Savoline):** Your time is up, Mr. Prue.

**Mr. Michael Prue:** If you could provide that later.

**The Chair (Mrs. Joyce Savoline):** Mr. McNeely.

**Mr. Phil McNeely:** Minister, I'd like to take this opportunity to look at the city of Ottawa, not to get into controversial issues, of which there may be some in our city. I know what your ministry has done with the greater Toronto area and the greenbelt and Metrolinx through the Ministry of Transportation—not your ministry—just looking at the good planning that has been pushed forward in the city of Toronto. One of the things that was part of my first experience as a politician in the city of Ottawa was the development of the master plan in 2001-02.

We gave lip service in Ottawa, and we still do, to balanced development, and balanced development never occurred. The lowest jobs per household is in Orléans. Kanata and Nepean are pretty well balanced. The downtown is very high in jobs per household. So most of Orléans's people, about 100,000, get in their cars every morning or get on to public transit. We have one of the highest riderships in the city, if not in the province. It's approximately 35%. I think that the objective by 2020 is

over 40% ridership on our public transit. This is working out, in a way, but it is also not working out, in a way.

The federal government is probably 40% of the jobs in the city of Ottawa or connected to the federal government, and they've done very little for balanced development; I think that's acknowledged by everyone. They will not go east beyond a certain line. You would think we were still in the horse and buggy days with communications, but this is one of the things that we have to deal with.

I've spoken to a firm that's looking at our end of the city with 2,000 bilingual jobs, reasonable jobs, but they need action by other employers, and one of them would be the federal government. Certainly a lot of corporations now have a lot of e-working, and that would really be good for Orléans' people, because this is effective for us as we move ahead, that we get more people working from their homes.

**1740**

There are many things that are issues in the east, and we don't seem to be able to get together a concerted effort in dealing with the balanced development, the sustainable city. I don't see us moving forward. I wonder if there's a role for the provincial government to play in that, because you had quite a role in getting things together in Toronto.

We're looking at phase two of Hunt Club and we're looking at that in isolation. That's something that is a city project. The NCC owns the land and is holding up the development of that.

We're looking at the federal jobs going to Orléans. Recently, the federal government moved 2,000 jobs out of the east end to the west end.

Fixing the Split, as you mentioned earlier, is a major project. That's where 417 and 174 come together. It was designed and built 30 years ago and was never designed for 100,000 people in Orléans, plus the 30,000 people in Rockland and Clarence to the east. It just becomes worse every year, even with improvements.

The bridge to Quebec, of course, is a major issue for us. A lot of people in the east end say put Aviation Parkway through a whole community, six or seven kilometres, and that's not a good solution.

I think the package deal has to be approached. I think the balanced development, the sustainable city, the 100,000-plus people who live in the east end—the package deal has to come up where all these issues are put together and they're presented to the public and they say, "Okay, there." Because we've been looking for a solution for that bridge to Quebec, which is important, and we've been looking for a solution to the balanced development, which is important. We're looking for that solution, and we always look at individual projects. That's not us leading it; that's NCC in the case of the bridge, the city in the case of light rail, the federal government in the case of balanced development.

I'm just wondering, is there a role for the province to play to try to look at the east part of the city? I'm talking about the Canal East, because that's the area that will be

impacted greatly if we bring in all that traffic from Quebec to the east of us. Is there a role the province could play in trying to look at a concerted effort for the east of our city that would take into consideration all these issues?

**Hon. Jim Watson:** You've brought us all a good history lesson of some of the challenges facing the east end.

I think one of the more positive things that has come out of the east end in the last couple of years, which I know you were instrumental in creating, was Team Ottawa–Orléans, a non-partisan, multi-level effort at trying to do exactly what you've suggested. I don't believe Team Ottawa–Orléans is perhaps as active as we would all like to see it, but I commend those individuals who started the process to try to get the different levels of government—and in Ottawa, it is a little bit more complex because we have the National Capital Commission, which I've often said is a quasi-level of government.

I do have to give credit to the federal government; it's a much more open and transparent organization than it was before. I used to fight vigorously to get their meetings open to the public and they're now open. I still think they should have a majority of residents on their board of directors from the national capital region; that's still not the case. But they've gone a long way to ensuring there's more openness and transparency.

There are a number of very challenging issues facing your part of the city that I'm certainly aware of. If the province, through our ministry or MEI or the provincial development facilitator, can sit down with the various parties dealing with the bridge issue—I know that the bridge issue is quite a divisive issue. I've been consistent in my opposition to the Kettle Island option because I didn't feel that bringing that amount of traffic into the Manor Park area made any sense, and I was opposed to it back in my days on municipal council as well. You don't solve one problem by creating another problem.

The issue with respect to the split that I know you're working on—we're seeing some progress on that with the work that Minister Bradley has done. I believe he sent a letter just recently to the city to assure them that the province is committed to funding work that needs to be done to ensure that the split does get fixed. I think the federal government plays a key role. Obviously, the movement of the RCMP—I believe that was the 2,000 jobs you were referring to—to south Nepean and Barrhaven is going to have an impact, because a lot of people from the RCMP worked in Orléans and moved to Orléans because their employment node was on St Laurent Boulevard.

I think that the transit ridership is—it's quite well known that the east end has the highest percentage of transit riders, but we need to work with the federal government and with the private sector to see if we can't attract some of the business community to locate their businesses in the east end. I know for a long time the community was looking for a hotel. They didn't even

have a hotel in the far east. I know a project has been announced, and I believe under way, that will create some jobs in the east end.

But I think it probably would require all of the parties sitting together, both federally and provincially, under the concept of Team Ottawa-Orléans, to see if we can't help draft a strategy to both attract jobs and to deal with some of the traffic issues. The light rail issue is always an issue in Ottawa, and there was some concern with the original plan going north-south when the immediate problem was more of an east-west issue. I know the councillors for that area fought very hard, as you did as well, to ensure that east-west got some priority treatment to try to get the rail system out there.

The plan that the city has approved is currently before the Ministry of Transportation and they're doing the due diligence on the existing plan. But as we know, there have been a number of changes, and cost estimates have not been consistent. The city has assured us that they're going to be bringing in the cost estimates from the environmental assessment plan sometime in late October. Our hope is that those figures are much more firm and that we can then determine what level of support we'll be able to offer, and the federal government will be able to do the same.

As you know, we're committed to \$200 million. The Premier indicated at an event he was at at CHEO, and I've stated it a number of times since, that obviously more than \$200 million will be required for this long-term light rail plan in Ottawa. We want to make sure that east Ottawa—for a couple reasons, one, almost to reward the ridership numbers that they've provided us; and secondly, we understand there's tremendous growth in Clarence-Rockland, which is not part of Ottawa, and that has a direct impact on the 174 and the 417 split challenge that you've talked about.

If there's something that we can do at the provincial level that you would like to invite us to participate in, we have some expertise from a planning perspective. As well, I'm sure we could convince the Ministry of Transportation and the Ministry of Energy and Infrastructure to provide some resources in terms of people to sit down, at least in an initial meeting, and discuss options that are available to help the east grow in a more thoughtful fashion on a go-forward basis.

**Mr. Phil McNeely:** Thank you very much for that. I think it's extremely important. We have this business which will bring out 2,000 reasonably paid jobs to the east end.

I would ask the province, then, and I'd like that on the record today, that we proceed with an approach that encompasses all the issues and not just, "Well, we're going to put a bridge." That bridge causes a lot of problems. We've studied that separately. I think a comprehensive solution is needed for the east end of the city, and I really appreciate the fact that you are showing some support for that. I think the provincial support would be important to get us moving forward in a concerted, comprehensive mode so that we get real solutions—

solutions to one problem, as you said, and move into another area.

**1750**

**Hon. Jim Watson:** The offer is there. If I could be of some help to facilitate that, working with you, Mr. McNeely, I would be happy to do that.

The challenge is that Orléans, under the old model, was divided in two, as part of Cumberland township and Gloucester. You had the regional government involved. You've seen tremendous growth of the high-tech sector in the west end, in Nepean, Kanata and so on, and you haven't seen the same kind of employment growth in the east end. Perhaps that requires greater attention on the part of all levels of government to see what we can do to offer that balance, because it's not in anyone's best interests to have too much employment growth in one area to the detriment of another area.

There's only one major artery east-west, namely the 417, and we see ourselves, back and forth, when we're travelling that route at rush hour, morning and afternoon, it can be very, very frustrating. We have done some work, obviously, to expand highways and alleviate some of the congestion, but Smart Growth requires us to have that balance of employment opportunities in the east end just as we have in the west end.

If there's anything I can do to help on that, to bring some provincial officials to perhaps a team Ottawa-Orléans meeting, we'd be very happy to do that.

**Mr. Phil McNeely:** Chair, how much time is left?

**The Acting Chair (Mrs. Joyce Savoline):** Just less than six minutes.

**Mr. Phil McNeely:** Those are all my questions.

**Mr. Jim Brownell:** Okay, I do have a question and I am very happy to probably end the day. I started it this morning.

Since I was elected in 2003, I've had many opportunities to meet with the service director for social services in Cornwall and the United Counties of Stormont, Dundas and Glengarry. Deborah Daigle is at the helm there now, and I meet with her quite often to discuss concerns and projects and the like.

I had mentioned this morning and we had alluded to the fact that you've been down to my riding to see projects of retrofitting buildings and whatnot. Right at this moment, we're coming to the end of a new 20-unit project in Williamsburg. That was a project way back in—I remember meeting with Trevor Tolley, who was the chair of the Williamsburg Non-Profit Housing Corp. He had told me back in 2004 of a project that had been shelved, and he wanted to get it back on track. It got itself back on track and the project is coming to an end. I think it was just an opportunity of the municipality and the service delivery officials such as Deborah Daigle and others who saw that we needed new housing in the community, and they went to bat.

I have no idea what goes on behind the scenes with regard to what happens. How does your ministry work with these municipalities to help them meet those needs?

The needs are out there. In a nutshell, could you tell us the process?

**Hon. Jim Watson:** It's like any relationship. We have different levels that we work on. At the political level, obviously I'm engaged through AMO and through visits and meetings individually with municipal leaders. They will often write me a letter. It could be as simple as starting the process with writing me a letter to talk about an exciting project that they need funding on. Also, at the staff level, they'll work with the service managers. We really have 47 districts across the province, and each one has a service manager who's responsible for that geographic part of the province.

One of the challenges I think all of the housing providers have had over the last decade or so is that they've very much been treated like a Ping-Pong ball. The federal level was very much involved with housing through CMHC and various housing programs. That was downloaded to the provincial government, and the previous provincial government downloaded it to the municipal sector. They have no one else to download it to, so they are responsible now for housing delivery.

What we tried to do with the Canada-Ontario affordable housing program that we signed—my predecessor signed—a few years ago was to create a little bit more stability and predictability when it came to letting those communities like yours know exactly how much money we have to spend and what the allocation is going to be, and subsequently work around that budget and see how many units we could develop in home ownership, in rent supplement or in new-build construction. That's really the genesis of why the Premier, in 2007 in our election platform, put in as one of our commitments that we would develop a long-term affordable housing strategy.

We know, for instance, there are projects that have been approved under the old AHP program that still have not been built because those of us with municipal experience understand it sometimes takes a little while, sometimes more time than we'd like, to get the zoning in place. And then there may be an appeal because some people don't like to see affordable housing in their neighbourhood, and it goes to the board, and that can often take years. So while it's nice to have a five-year program, in many instances by the time you get a project up and running it could be four or five years and then you're back to square one; you have to fight to get another five-year program in place.

What we're hoping to try to do is to develop a long-term affordable housing strategy that will look beyond a five-year cycle to perhaps 10 years or longer to come up with some figures that we can afford—obviously, that's paramount to any government or organization—and

secondly, to make the kinds of changes from a structural point of view or eliminating silos or eliminating some of the duplication or rules or regulations to make it easier for people to build affordable housing, and learn from other jurisdictions. I think one of the things that I've enjoyed most about the public consultation is that it's an opportunity for me to hear from people at the grassroots level who have often travelled to other jurisdictions to find out what's worked in terms of a rent supplement, what hasn't, how we get more housing built quicker, cheaper, environmentally sensitive and so on. All of this information is going to be fed into our report and our goal and objective is to come out with what we think will be a thoughtful, long-term affordable housing strategy that meets our objectives as a government and as a society.

So the relationship that is built up with those service managers, the individuals or the organizations that do provide the direction, is important. In many jurisdictions—I know in Ottawa there are something like 20 or 30 not-for-profit housing providers, everyone from CCOC, the Centretown citizens' organization, to church groups that run affordable housing programs, to the municipality that usually is the largest housing provider, to other not-for-profit groups that do very good work on a shoestring budget. We have to do our part to provide the financial support and other support to those organizations.

We work, for instance, very closely with the co-op federation of Ontario. There are hundreds of co-ops around the province and they often come to us with some challenges that they face as co-ops.

*Interruption.*

**The Acting Chair (Mrs. Joyce Savoline):** Perhaps that's your cue to stop.

**Hon. Jim Watson:** Is that it? Good timing.

So I think, in summary, Madam Chair and Mr. Brownell, the relationship is very vibrant. There's a lot of dialogue that goes along with the local level, province to province. I look forward to working with the umbrella organization, the Ontario not-for-profit association—I'm coming to their annual meeting, I believe, later this fall—and we look forward to their input in the next phase of the public consultation stage of the development of the affordable housing strategy.

**The Acting Chair (Mrs. Joyce Savoline):** Thanks, Mr. Minister. That's all the time we have today. We'll reconvene tomorrow at 3:30.

**Hon. Jim Watson:** I'll be here.

**The Acting Chair (Mrs. Joyce Savoline):** In this room again.

*The committee adjourned at 1800.*









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