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**Official Report  
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(Hansard)**

**Tuesday 20 October 2009**

**Journal  
des débats  
(Hansard)**

**Mardi 20 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  
ESTIMATESCOMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Tuesday 20 October 2009

Mardi 20 octobre 2009

*The committee met at 0902 in room 151.*

MINISTRY OF MUNICIPAL AFFAIRS  
AND HOUSING

**The Chair (Mr. Garfield Dunlop):** Good morning, everyone. Thank you all for being here. Welcome to the minister and the staff of the Ministry of Municipal Affairs and Housing. We're here to resume the consideration of the estimates for the ministry. There's a total of four hours and 45 minutes remaining. When the committee adjourned, the official opposition had just completed a 20-minute rotation, so it is now the turn of the third party. Ms. DiNovo?

**Hon. Jim Watson:** I'm wondering, Mr. Chair—I had a number of questions that Mr. Prue, Ms. Savoline and Mr. Hampton had asked that I'd like to have a chance to read into the record.

**The Chair (Mr. Garfield Dunlop):** Can you just table them, or would you rather read them in?

**Hon. Jim Watson:** My preference would be to read them for the record.

**The Chair (Mr. Garfield Dunlop):** Okay, we'll allow that.

**Mrs. Joyce Savoline:** Does that take up our time? I would rather they be tabled if it took up time, given that we have so little time.

**Hon. Jim Watson:** I'll read them into the record when I have a chance then.

**The Chair (Mr. Garfield Dunlop):** Thank you, Minister.

Ms. DiNovo, we'll start with your 20-minute rotation.

**Ms. Cheri DiNovo:** First of all, thank you all. Great shirt there, Mr. Watson.

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

**Ms. Cheri DiNovo:** I just wanted to say upfront that the questions I'm going to be asking have been submitted by various stakeholders in the housing action field with various concerns. I want to really say thank you to all of those who provided questions.

My first question: Ontario is in the midst of a province-wide consultation to create a comprehensive, new affordable housing plan for Ontario. Plenty of great ideas are being brought forward at regional meetings, but the spending estimates show that there is no provision for a "down payment" for a new provincial housing plan. Without any resources, this means that even if Ontario

releases its new housing plan as promised next spring, there won't be any new money until the budget of 2011. Why are there no funds allocated to launch the provincial housing strategy?

**Hon. Jim Watson:** Thank you very much, Ms. DiNovo. This gives me an opportunity to talk a little bit and bring people up to date on the status of the long-term affordable housing strategy. We just completed the first phase of the public consultation at the end of last month in Thunder Bay, and I'm very pleased to report that close to 1,000 people attended those 12 different sessions. As well, a number of MPPs, including, I believe, Mr. Bailey, held their own town hall meetings, and that was very much appreciated.

The purpose of the long-term affordable housing strategy stems from our campaign in 2007, where we made a commitment to launch a long-term affordable housing strategy. While housing was a key element of the discussions during the poverty reduction strategy, our government and Minister Matthews and I all agreed that it made more sense to have a stand-alone housing strategy because it was so important and so connected to dealing with poverty. So while we've finished the public consultation side, we start next week the more in-depth consultation with groups like ONPHA and landlord associations, home builder associations, Habitat for Humanity, co-op federations and these types. It will take the next several months to do those bilateral discussions.

While it's important to have a thoughtful and long-term view of housing—because it's needed in this province—we are not waiting to see the outcome of the results. We actually do have a substantial amount of money in this year's budget and next year's budget that is going directly to affordable housing programs. Because I didn't want to simply have a talking session for a year and a half through the auspices of the affordable housing strategy, I also wanted to make sure we had some money in place. So in 2008 the Premier announced \$100 million, and most of that has already been spent and allocated to housing providers. That \$100 million was for repair and rehabilitation. In your city, Ms. DiNovo, that equated to approximately \$36 million.

In 2009, the Premier, through Minister Duncan's budget, allocated \$622 million, which was matched by the federal government, for a total of \$1.2 billion. Half will be spent this fiscal year, 2009-10, and the second half in 2010-11. What that \$1.2 billion will generate, we

estimate, will be 50,000 social housing units repaired and rehabilitated, because as you know, particularly in larger cities like Toronto, there have been incidents where housing has been in such decrepit shape people have not been able to live in it. I know there are 50 units of Toronto community housing where that is the case. This money is going to make these housing units more livable—or livable—and it will also build 4,500 new housing units over the course of the next two years as part of the economic stimulus package signed on to by our government. We anticipate that this construction activity will also generate 23,000 jobs in that two-year period.

We continue with the rent bank, which has helped over 21,500 families. That is now a permanent item in the Ministry of Municipal Affairs and Housing's budget. As you may know, it was a program announced but there was never core funding attached to it; it was always year-end funding. We've now permanentized that program.

So we actually are putting in a substantial amount of money. In fact, the \$1.2 billion spent over two years is the single largest investment in affordable housing in that period of time in Ontario's history.

**Ms. Cheri DiNovo:** Sounds good, but it's still a cut. I'm looking at figures here, again, provided by independent researchers, that you're estimating spending \$738 million, which is a 5% cut from last year's estimates. You're actually cutting from the affordable housing program and there won't be any new money allocated. In terms of those who are renting, housing allowance payments are set at \$11.2 million, which is down from \$12.4 million in last year's estimates. These are the housing allowances that cover the gap between the actual shelter costs and the amount that a lower-income household can afford to pay. So it's one thing simply to tout what money's been spent, but it's yet another when we look at the reality of less overall money for affordable housing.

The next question follows from that. I didn't really hear an answer to the first one, so I'd like to ask for an answer to the first one, which simply was, and I repeat, why are there no new funds allocated to launch the provincial housing strategy? So I would still like an answer to that.

**0910**

Moving on, though, considering the large affordability problems in Ontario—half of renter households, more than one in five owner households—why is the province cutting back on housing allowances?

**Hon. Jim Watson:** I disagree with your comment that we're cutting back. My math tells me that when you add \$1.2 billion, that's a positive thing.

The issue that we had to deal with was, we understood that the long-term affordable housing strategy would take some time to develop. We're not going to slap this together overnight. We wanted to go out and consult. It's a big province. We had a lot of input from stakeholder groups, people interested. As a result, we started in June in Sault Ste. Marie and we ended at the end of September in Sudbury. We had a very good cross-section of people

who came forward and offered their opinion in good spirit. We're not going to prejudge what is going to be in the long-term affordable housing strategy by putting separate money into a long-term affordable housing strategy when we don't have the strategy. That would be rather premature. It would be somewhat insulting to the people to say, "Oh, by the way, forget what you have to say about it. We're going to go and do what we want to do with our money."

We did have an opportunity, when the federal government came forward after provincial and territorial housing ministers put a fair amount of pressure on them over the last two years and finally got back in the housing business. But they were very clear. You can check the agreement that we signed. It was a two-year extension to the affordable housing program, signed by my predecessor, John Gerretsen. I signed the new agreement with Minister Finley on the condition that it not be substantially altered, because they didn't want to get into a legal back-and-forth between the federal government and the provincial government.

We had very little flexibility to change the AHP for two years. What we do have some flexibility to do, according to Minister Finley, is in fact alter the last three years of the five-year deal. That gives us the time—it works out perfectly—to consult, develop and craft an affordable housing strategy, and by the time it's ready, we're into that year three, where we do have the flexibility to change some of the rules. The changing of the rules will be based on experiences we've had with the last five years of the AHP.

One change that we were able to make because we had the jurisdiction under our domain at the province was that the per-door unit was \$70,000—if I'm not mistaken, Deputy—and we were able to go back to treasury board and increase that amount to \$120,000. That was particularly beneficial to large cities like Toronto and Ottawa, where it was becoming very difficult to build a unit for \$70,000. We've got tremendous positive feedback from our housing providers, particularly in the large urban centres, because we went from \$70,000 to \$120,000.

The other good thing about this program is that it's not requiring our municipal or not-for-profit partners to contribute one third. It's a 50-50 cost-sharing program between the federal government and the provincial government. In some instances, not-for-profits or municipalities are perhaps providing some top-up money or land, but there is no requirement whatsoever for them to provide a third, as is the case with other infrastructure programs.

I'll just give you the breakdown of the \$1.2 billion: \$704 million for capital funding under the social housing renovation and retrofit program, which is the SHRRP—

**Ms. Cheri DiNovo:** Mr. Minister, again, my questions were related to provincial funding, not federal funding. I didn't hear an answer as to why there are no new funds allocated to launch provincial housing, and also why the province is cutting back on housing allowances. So if you could focus just on the provincial funding portion, not on

the federal, since we don't have the federal housing minister to ask questions of—if you could focus on those two questions.

**Hon. Jim Watson:** Well, half of the \$1.2 billion—\$622 million—is provincial money. I'm not going to split the two, because it's all money coming to the province of Ontario. Of the \$704 million, half—half of \$704 million would be \$352 million—would be provincial dollars to the social housing renovation and retrofit program, and one half of the \$550 million is the provincial share for the AHP extension in 2009.

I might point out that the funding is targeted based on a federal recommendation, and we support this, that those new units be directed to low-income seniors and persons with disabilities.

I might also point out that the provincial government has set aside \$70.4 million, so \$35.2 million would be the provincial share over the next two years, to fund renewable energy component programs. As you know, in years gone by, the best material was not always used in a lot of these affordable housing programs. As a result, the operating budget of the provider and the tenant have suffered severely because of drafty windows and so on. So we've put a special emphasis on making sure that the new construction is going to be higher quality, windows higher standard, doors limiting the leaks and drafts, higher-rated Energy Star appliances so that we reduce the operating costs of the budget as well.

**Ms. Cheri DiNovo:** Thank you. I still haven't heard answers to those questions, so I would like those in writing, and also—

**Hon. Jim Watson:** I've just given you the answer, Ms. DiNovo. It's \$622 million. That is the answer.

**Ms. Cheri DiNovo:** But there are no new funds.

**Hon. Jim Watson:** You may not like the answer. That is new funds. That's new funds that you voted against in the last budget.

**Ms. Cheri DiNovo:** New funds and also cutting back on housing allowances, so I continue from there, and keeping in mind that there are 130,000 on the affordable housing waiting list. So we are in crisis here in Ontario, and I know that every MPP sees, as the bulk of the work that they do in their offices, people looking for affordable housing. We have deaths on the streets of Toronto, a number of them every year, from homelessness. This is a crisis situation. So it's not enough just to rattle off numbers, particularly numbers that are mainly provided by the federal government, when we in this province should be reacting.

**Hon. Jim Watson:** That's not true. I'm sorry; I'm not going to stand for you to say false information.

**Ms. Cheri DiNovo:** Anyway, on to the next question—

**Hon. Jim Watson:** No, I'm sorry. Ms. DiNovo, you cannot make an accusation that is not true and repeat it and think it's going to become true. Six hundred and twenty-two million dollars of the money is new money. You and your party voted against it and it's from the provincial taxpayers. That is the record.

**Ms. Cheri DiNovo:** So you—

**The Chair (Mr. Garfield Dunlop):** Okay, let's go to a new question.

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

**Mr. Ted Arnott:** On a point of order, Mr. Chair: If that statement were made in the Ontario Legislature, in the House, the Speaker would ask the minister to withdraw it.

**The Chair (Mr. Garfield Dunlop):** Pardon me? I'm sorry.

**Mr. Ted Arnott:** If that statement that the minister just made were uttered in the Ontario Legislature chamber, the Speaker would ask him to withdraw it.

**The Chair (Mr. Garfield Dunlop):** I just felt that he didn't think that the information was—

**Hon. Jim Watson:** I said it was not true.

**The Chair (Mr. Garfield Dunlop):** I'm asking you to go to the next question.

**Ms. Cheri DiNovo:** Certainly. But according to independent research, \$738 million, a 5% cut from last year's estimates: This is your own printed estimates, so I draw the attention to your own printed estimates.

**Hon. Jim Watson:** And who is it from? Who is the independent authority that you're quoting?

**Ms. Cheri DiNovo:** There are a number, actually, of housing authorities—

**Hon. Jim Watson:** Maybe you could provide those.

**Ms. Cheri DiNovo:** I certainly will.

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

**Ms. Cheri DiNovo:** The next one is that housing allowances are the simplest, quickest and most efficient way to move the 130,000 households on affordable housing waiting lists across the province. Less money for housing allowances means that fewer households can be supported, even though the need is growing larger. So will municipalities have to cut housing allowances to existing recipients because of the reduced transfer payments?

This builds off the last question, and again, might I say that it's not about partisanship. It's about trying to get housing dollars flowing to those who need them and trying to help your ministry do its job by getting you more money from cabinet to do your job.

**Hon. Jim Watson:** I'm very proud of the McGuinty government's contribution to housing, Ms. DiNovo. We signed a five-year deal with the previous Paul Martin government that at the time was the single largest housing program in the history of the province, of Ontario. We then worked with the federal government and Minister Finley to ensure that we got back in the housing business because, as you know, the previous government had downloaded housing responsibilities. We instituted the rent bank program that has staved off, I believe, close to 21,000 evictions. We have a home ownership program and a northern Ontario repair grant program that has been extremely successful in the north. We have the ROOF program, rental opportunities for Ontario families, that now has approximately 21,000 being helped, a new rent supplement program that has been a tremendous success;

21,000 people are now receiving a rent supplement of approximately \$1,200 a year to help with their rent and allow them to stay in their particular homes.

**0920**

We also have the housing and rent supplement program. Our units are 90% occupied. This is a high rate of occupancy comparable to other rent supplements. We also have a special victim-of-domestic-violence program where those individuals get higher priority and preference on a temporary basis before they can move into a permanent unit of affordable housing.

We think the kinds of ideas that we're hearing on the public consultation will help us improve the situation with respect to affordable housing in the province of Ontario. Do we have more work to do?

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

**Ms. Cheri DiNovo:** Okay.

**Hon. Jim Watson:** We have a lot more work to do. My hope is that you would offer some suggestions at this time, because it's our understanding you've not participated in any of the housing consultations we've had.

**Ms. Cheri DiNovo:** We're having our own housing consultation.

**Hon. Jim Watson:** Great. I'd be happy to know when that is.

**Ms. Cheri DiNovo:** Just for the record, I'd like that question to be answered. Municipalities in my area want to know if they're going to have to cut housing allowances to existing recipients because of the reduced transfer payments. I'd like an answer to that question on behalf of the city workers.

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

**Ms. Cheri DiNovo:** Oh, do I?

**The Chair (Mr. Garfield Dunlop):** Yes. Sorry.

**Ms. Cheri DiNovo:** Okay. Continuing on, that question needs to be answered still, too.

The next question: The rural and native housing program transfer payment is set at \$6.7 million—way down from the \$13.8 million in last year's estimates. Why is that?

**Hon. Jim Watson:** Deputy?

**Mr. Fareed Amin:** I'm just trying to look at the relevant section in the estimates. Okay. I think the primary reason for that apparent reduction is an accounting treatment where we look at how we would capitalize the cost of that program. As the minister indicated, a number of other programs were included and added on to the suite of housing programs. The reduction that you refer to is basically because of the way the money was treated from an accounting perspective. It's not a real reduction in the actual spending that the ministry had incurred.

**Ms. Cheri DiNovo:** So it's not a real reduction?

**Mr. Fareed Amin:** No.

**Ms. Cheri DiNovo:** Again, could you show me how that works? Because as we're reading it, it looks like a significant reduction. So if I could get that—

**The Chair (Mr. Garfield Dunlop):** That's coming pretty well to be the end of your time, so maybe you can clarify that for Ms. DiNovo at an opportunity.

Now to the government members.

**Mr. Kim Craitor:** Minister, I have a couple of questions. First, I just want to share something that happened in my riding to do with affordable housing. Certainly as an MPP, there are people coming in constantly looking for affordable housing. Everything seems so simple when you sit around this table, so I'll give you an example.

We, as a government, made a decision to give—I think it's about \$3 million or \$4 million—or maybe more than that—\$5 million to Bethlehem Place. They were going to proceed with building affordable housing. It was actually going to be out on Valley Way. It was a great location. So there was an air of excitement. I was really pleased that that was going to happen. However, it required a rezoning of land. When the matter came to city council, all the residents who lived in that area showed up and said, "There's no way you are going to have affordable housing and this land rezoned," so that we can build it.

It sounds simple that there's enthusiasm out there by the community to build all these units, so we had an opportunity. Thank goodness for Bethlehem Place, who didn't just throw up their hands and say, "I guess that's it; we're not going to proceed with this." We worked with them and found another piece of land in an area where there were literally no residents. It was just being developed, but guess what happened? The residents who were not living nearby showed up and tried to convince the council, "Don't rezone the land. We don't want affordable housing built in our area." To the credit of the council in Niagara Falls, they allowed the rezoning to take place and the units are being built because of our investment. I hope that you might have a chance, when that takes place—I think it'll be next year—to come down and see the grand opening of this 40- or 50-unit complex.

I just wanted to share that with you. Everything sounds simple up here. You just say, "We're going to build them," and there's this air of excitement back there; we can't wait for them to get built. We still have to deal with the community and how they feel and what they think is appropriate.

The other thing that I wanted to ask is, for the benefit of the community, do you have some information that you might want to read in on some past things that took place around the committee table? I'd allow you to do that with my time.

**Hon. Jim Watson:** Sure. Thank you very much, Mr. Craitor. I want to thank you for stating—given your municipal experience, you understand that at times it may be a simple concept to say, "We're going to build a housing project"; it is often a long, drawn-out process, and one of the things that we're looking at through our long-term affordable housing strategy is how we can quicken the process. We did that with environmental assessments on public transit—our government did—to shorten the period, because many people, opponents of

various projects, were using the EA process to basically kill the project. While there is, to a certain degree in some corners of the province, some NIMBYism, that people do not want to be next door to an affordable housing project, there is no evidence of property values plummeting as a result of being next to an affordable housing unit. Today, given the creativity in the architecture and the thoughtfulness of the design, there are beautiful housing projects. I opened one in Centrepoinette in my riding. You would not know that it is an affordable housing project. It's so well done.

Thank you and your constituents and Bethlehem for the work that they're doing in persevering for that beautiful project.

I did want to, while I'm speaking with you, commend you and Niagara region and your colleagues at the municipal level for the work that they have done and that you have facilitated to ensure that Niagara gets its fair share of funding under the housing program. Just to bring you an update, in 2009 there was \$150,000 for three home ownership units. Again, home ownership allows people who may not have the ability to buy a home on their own some grant down payment that allows them to get out of a rental unit into their own home. Under the social housing renovation and retrofit program, in Niagara this year, Niagara received \$7.7 million. Next year it will be \$9.5 million to repair and rehabilitate some of the older stock. In 2009, Niagara received \$164,939 in rent bank funding—a total of \$916,098, which has prevented 712 evictions in your communities. Social housing repair money: of that \$100 million, Niagara region received \$3.1 million.

Under the affordable housing program, which was the program that just lapsed and we've carried it on: \$16.6 million for 343 rental and supportive housing units, \$2.1 million for 170 housing allowances and \$864,000 for 106 home ownership units.

I appreciate the chance to put in the record some of the questions that opposition members have asked. Ms. Savoline asked about the proposed HST. The Minister of Finance is responsible for implementing the HST, and I'd like to refer the committee to his appearance here on July 29, where he answered a very similar question at length. So it's on the record.

On September 29, Mr. Prue asked, "Does the government permit shoreline changes in Simcoe county, now under the Lake Simcoe Protection Act?" The Minister of the Environment administers the Lake Simcoe Protection Act, and the associated protection plan questions about the matter should be referred to him. I can say that our government is committed to protecting the lake and our decisions will be consistent with the Lake Simcoe legislation and plan.

On September 30, Mr. Prue asked, "What are the timelines set for the smart meter review study?" I had a chance to review the comments made by my new parliamentary assistant, Mr. Rinaldi, and the deputy minister, and I'm comfortable with those responses. To reiterate what the deputy said, we're working very closely with

the Ministry of Energy and Infrastructure to develop balanced regulations on smart metering in multi-residential buildings that protect tenants and ensure that the rules are fair to both tenants and landlords. MEI is the lead and the timing is in their hands.

#### 0930

On October 6, Mr. Prue asked how many units were demolished at Regent Park to build phase one, how many units of affordable social housing units will be built to replace those affected by the demolition, and how much the developer is spending on the Regent Park development.

The regeneration of Regent Park represents a significant achievement. It was widely hailed when it was our first social housing project. Regent Park did not stand the test of time particularly well. I am pleased that we have been part of this renaissance. We're helping to create more and better units. Specifically, the total revitalization project will see Regent Park transformed from exclusively public housing 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 ownerships of 5,100 units.

Phase one of the development is currently under construction, with some buildings already having reached occupancy. Approximately 418 social housing units have been demolished as part of phase one. TCHC reports that 593 RGI units are being constructed as part of phase one of the Regent Park redevelopment. These units will be supplemented by the city of Toronto rent supplements and affordable housing program funding.

Three hundred and eighty-one households from phase one were relocated starting in 2005. All residents who were relocated to make way for the demolition and redevelopment have had the first right to return as the new buildings have been completed: 293 households of the phase one relocated households responded to letters and met with TCHC to select a unit, which is 77%; 213 households of those, 73%, were matched with a new unit in Regent Park phase one. The balance have deferred their relocation to later phases or have left Toronto Community Housing.

Under the AHP, the province has committed \$38.6 million for 780 affordable housing rental units in the Regent Park community and \$3.4 million for 130 home ownership units under phase one. As for the development portion, that figure was privately negotiated between the Toronto Community Housing Corp. and the developer. I am not privy to it and suggest that Mr. Prue might wish to follow up with TCHC.

I have some additional information that responds to matters raised by Mr. Prue on Regent Park. I can confirm that Sobeys is a part of the phase one development, but not just Sobeys. TCHC has also secured the Royal Bank of Canada, Tim Hortons and Rogers Communications as other major commercial development tenants for various portions of the phase one redevelopment.

Finally, I was asked if I were aware of any other plans being floated by the city. I can report to the committee

that the city of Toronto and TCHC, in June 2008, initiated the community engagement process for the revitalization of the Lawrence Heights community. It's estimated that this project will be completed by 2025. It is located north of Lawrence Avenue and south of Ranee Avenue on both sides of the Allen Road. TCHC owns and operates 1,208 units of rental housing in Lawrence Heights, which is home to more than 3,500 people.

Mrs. Savoline, on October 7, asked about the investing in Ontario program: Would the provincial criteria permit the recovery of funds if funds were not used for capital purposes? "Could you advise ... if any funds have been recovered by your ministry from a municipality" that didn't use their funds or didn't use them properly?

The Investing in Ontario Act did indeed provide a one-time dedication of part of the provincial budgetary surplus to our municipalities. Those funds were administered and disbursed by the Ministry of Finance, and therefore those questions should be referred to the finance minister. People think they fall under my jurisdiction, but it actually is the Minister of Finance's program.

Were you dealing with Mr. Hampton's question? Or you had others; I had Mr. Hampton's.

**Mr. Fareed Amin:** Yes.

**Hon. Jim Watson:** Mr. Hampton had a series of questions. He was asking questions which I believe he had the answers to from a Stats Canada 2006 report. Stats Canada's latest census is 2006. This is the data that the province and all other provinces and the federal government rely on in doing further analysis.

Since that time, Ontario has been making significant investments in housing. Most recently, on June 9, 2009, our government signed an affordable housing agreement with the federal government to deliver new housing to Ontarians. Through this agreement, our government is investing \$622 million to match the funding announced in the federal government's 2009 budget, for a total combined \$1.2 billion for housing. This investment will rehabilitate 50,000 social housing units and build 4,500 new affordable housing units. This investment will also create short-term jobs in construction and renovation while improving the lives of people with low incomes. The program will create 23,000 jobs over the course of the program. Our combined investment breaks down as follows: \$704 million to repair social housing units and make them more energy-efficient under the social housing renovation and retrofit program—how much time, Mr. Chair?

**The Chair (Mr. Garfield Dunlop):** Eight minutes left.

**Hon. Jim Watson:** There's \$540 million for the affordable housing program extension 2009, which includes funding to create new affordable rental housing for low-income seniors and persons with disabilities. We have already approved over \$172 million for construction-ready projects around the province under the AHP extension. These new projects will be creating units for seniors, persons with disabilities and low-income

families. We have also approved over \$21 million for the repair of existing social housing units under the social housing renovation and retrofit program. Our new capital investment means we will help create and repair up to 76,500 housing units.

In 2005, we began the largest affordable housing program in Canadian history, a \$734-million partnership with municipalities and the previous federal government. Today, we're investing an additional \$1.2 billion with the federal government to renovate and build new affordable housing units; \$100 million in budget 2008 that will repair about 4,000 units and help nearly 10,000 Ontarians; \$127 million for the DOOR program to help create and repair affordable housing; and \$80 million for off-reserve aboriginal housing. We're delivering close to 35,000 rent supplements that will help make rent more affordable for Ontario families. As of October 13, 2009, the federal and provincial governments have approved \$553 million in funding for 14,700 units under the 2005 AHP program.

We're stabilizing the rent bank at \$5 million a year. To date, we've invested \$28.8 million in the provincial rent bank program and helped over 21,500 Ontario families stay in their homes.

We're enabling not-for-profit and co-op housing providers to apply for Infrastructure Ontario loans for the development and renewal of capital projects. This is a program that is operated through a different ministry, but for the first time ever, housing providers in the not-for-profit, co-op and municipal sector can now draw on up to \$500 million in low-interest loans for the development and renewal of capital projects. So it's a new source of funding opportunity for our friends in the housing community.

Deputy, did you have some questions? We had a question from Ms. Savoline as well.

**Mr. Fareed Amin:** Thank you, Minister. There were a few questions from Ms. Savoline I'd like to respond to.

The first one was a comment that the affordable housing program communication and transportation costs have increased by \$400,000. I'd just like to reiterate that this is not an increase in the transportation and communications budget for the affordable housing program. In fact, if you look at page 125 of the results-based plan briefing book, the transportation and communications line item, which is the third item from the bottom, shows that the actual expenditure for communications was \$290,000. The budget for that line has been constant over the last couple of years at \$666,000, so the increase is not \$400,000. If you wish, I can actually go through the table with you if you're interested in a more detailed response on the reading of the tables.

The second question related to whether or not the ministry had any contracts with EllisDon. I think I did respond before by saying that, no, we do not have any contracts with EllisDon.

There was also a question from Mr. Prue asking us how much money the LTB had saved using telephone hearings. I just want to indicate that we are currently



reviewing the results of the pilot and that this information should be available, and as soon as it is, we will release the information in a couple of weeks. We would ensure that Mr. Prue gets a copy of the information.

There was also a request as to whether or not the LTB keeps track of people who were evicted as a result of a telephone hearing and how this compares with an in-person hearing. I'd like to let the committee know that the LTB does not keep information on eviction, and therefore that comparison is not available.

There was also a question on October 7 from Ms. Savoline regarding the City of Toronto Act. The question was, how many submissions did the ministry receive? I'd like to report that the Ministry of Municipal Affairs and Housing received approximately 71 submissions. The vast majority of these submissions related to the city's ability to tax, in particular the land transfer tax and the personal vehicle tax.

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There was also a request as to whether or not copies of these submissions might be made available. I'd like to indicate that we will prepare a summary of the consultation and provide that information to the committee. We may not, of course, be able to provide where the comments came from, but we will provide you with a summary of the kinds of comments we heard from members as a result of the public consultation on the city of Toronto proposed changes.

**The Chair (Mr. Garfield Dunlop):** You have about three minutes left, the government members.

**Hon. Jim Watson:** I have a couple of other things I'd just like to add with respect to Mr. Craitor, who was good enough to ask the question—maybe not just on municipal issues, but how Niagara has done as a result of investments, not just from our ministry, that have affected the municipal sector in Niagara Falls.

The city of Niagara Falls received \$3.9 million in the Investing in Ontario Act. They have also received \$1.1 million in both 2007-08 and 2008-09 from the gas tax, which has helped your transit system, for a total, between 2004 and 2009, of \$4.7 million in provincial gas tax money, which has gone to help subsidize Niagara transit.

In 2008, Mr. Craitor, your community received \$1.4 billion in roads and bridges money. The city of Niagara also received, under the Build Canada fund, first intake, \$3.2 million; \$2.1 million in the ISF funding; and \$1.1 million in the recreation program, which you and I talked about earlier—a number of very good projects that are going on in your communities.

Of course, Niagara region has also benefited as a result of decisions our government has made. The Investing in Ontario Act saw \$20.1 million go to Niagara region; \$2.7 million for the MIII program; \$3.1 million for social housing repair; a total of \$1.6 million for gas tax; and \$2.4 million for roads and bridges. The projected estimates of the uploads as a result of the fiscal review that we conducted and signed off on a year ago will be \$64.3 million, which is a significant amount of money for the region of Niagara—I'm sure Chair Partington is

pleased with that. The rent bank funding total is \$916,000 for the region, and that has staved off evictions for 669; the social housing repair money in the region is \$17.1 million; and there's ISF funding of \$29.4 million.

You've been a very good advocate, Mr. Craitor, for the people of Niagara and Niagara region. It certainly helps because of your experience as a municipal councillor as well. I think you've walked a mile in their shoes, and you have a greater understanding of how challenging it was for municipalities to survive and thrive with all of the downloading in the previous governments. We're happy to be a partner—

**The Chair (Mr. Garfield Dunlop):** Okay, thank you. That's enough.

**Hon. Jim Watson:** I could go on.

**The Chair (Mr. Garfield Dunlop):** You're way over your 20 minutes.

Now we go to the official opposition.

**Mr. Robert Bailey:** Minister, I'd like to welcome you back. It's been a while since I've been here with you. I had one of the housing consultations in my riding, just as recently as last week. We had two sessions, actually, and we had a number of questions. I'll forward them to you, the summation of all the comments at the time.

I had a couple of questions that arose either at that night or from phone calls to my riding office and also people who have presented themselves at different times. One was whether you, as a ministry, have ever considered or would consider changing the qualification for the senior subsidy to 60 years from 65? We have a number of people who are in living accommodations where they could qualify for subsidies and that, but they're not 65 yet; they're 60, 61, and need to go into institutions and settlements like that, but don't qualify for subsidies.

I'll ask them both questions, and then I'll give you time to comment. We had a number of people the other night. We had landlords there as well as people who looked for transitional and affordable housing. One of the things that came up was whether you would consider—apparently, when they have to remove a tenant, they have to go to court and the co-ops have to go to court—taking it out of the court system and putting it into the Residential Tenancies Act, because it's very expensive both for the tenants themselves and for the landlords to pursue those actions to remove people. So those were two issues that came up, and I'd just like you to comment on them, if you could.

**Hon. Jim Watson:** I will, Mr. Bailey. Let me just get to one note here—

**Mr. Robert Bailey:** You can say something nice about me too.

**Hon. Jim Watson:** Well, I can, yes. I actually was, I'd written down here—

**Mr. Robert Bailey:** Just while you're looking for your—

**Hon. Jim Watson:** I was very impressed that you took the initiative to hold your own housing consultation, because, as you know, we did go to London and Windsor, and I did go to Sarnia, and I did speak to some people

about housing, but it wasn't a formal housing consultation. We encouraged all members to have consultations, because obviously I couldn't go to 107 ridings—it was impossible. What we tried to do was to make a mix of rural, suburban and urban communities, and we had three sessions in Toronto because obviously the city's so large. I very much appreciate your taking the initiative, along with other housing groups in Sarnia, and hosting that. I read about it in the Sarnia Observer. Congratulations to you.

With respect to the age limit on senior citizens, my deputy tells me that the municipal service provider, in fact, can lower the age; it's not a requirement of the province. I believe it's a guideline that we set, but the municipality does have the flexibility to lower that.

On the issue of the Landlord and Tenant Board, we have made some changes to try to bring a little bit more balance back to the rights and responsibilities of both the landlord and the tenant. We now have provided a fast-track eviction process for illegal drug activity, actions that seriously impair the safety of others, deliberate damage to a unit or to the apartment building and causing disturbances in a smaller complex where the landlord also resides. In this fast-track eviction—it's been in place now for a couple of years—the notice period is cut in half, because we want to deal with a problem before it becomes a bigger problem, hearings are scheduled more quickly, and if the application is successful, the LTB may order the tenancy terminated immediately. Such an order requests the sheriff to expedite the eviction.

So if there's a specific case that you feel that we're not dealing with, please, by all means, contact my office and we would be very happy to get in touch with Dr. Ma, who is the head of the Landlord and Tenant Board, and she could have someone walk you through the process.

On the other side, we also take tenant safety seriously, and that's why we changed the Residential Tenancies Act to make it easier to evict persons whose actions pose a threat to other tenants as well. If there is an emergency or if you feel your safety is threatened, obviously, your first call is to the police. We also believe that evictions are a serious matter, and that's why every tenant facing eviction does in fact have a right of hearing. It's not a one-sided particular situation.

On the issue that you brought up with respect to seniors and the threshold, there was a little bit of confusion over that fact. I know in my own community there were a number of seniors' buildings, and over the years what happened was that they became mixed buildings, and the seniors were very uncomfortable having, in many instances, teenagers coming in and living in their building, and it was upsetting to them. We've now allowed housing providers to designate buildings as seniors' buildings. We have word back from the Human Rights Commission that you can't be found discriminating if you don't allow a young person into a seniors' building. There is that protection.

Local service managers sometimes think—it was, in fact, a provincially imposed direction by a previous

government, but that's now been changed, and you can have a seniors-only building. We're quite pleased that we've given the authority to the local folks to make that decision, and I can understand. I know some wonderful buildings in my community that became less than wonderful when a whole bunch of young people moved in and started to cause troubles in the building. It's not just an ageism thing—it's not just young people; there are some middle-aged people—but there is that common bond when you're a senior citizen. You like to be with other senior citizens.

**Mr. Robert Bailey:** Thank you very much.

**0950**

**The Chair (Mr. Garfield Dunlop):** Mr. Arnott?

**Mr. Ted Arnott:** I have a couple of simple, direct questions for the minister to start off.

Do you consider yourself an advocate for the municipalities in the province of Ontario, as part of your job description as Minister of Municipal Affairs?

**Hon. Jim Watson:** I do.

**Mr. Ted Arnott:** And further, have you attended public events or announcements whereby provincial government funding has been announced for infrastructure projects, even though that program is administered, as you've pointed out, through the Ministry of Infrastructure and, to some degree, the Ministry of Finance?

**Hon. Jim Watson:** I've been to various projects in my own riding, for instance, with my federal MP.

**Mr. Ted Arnott:** So you do have involvement.

**Hon. Jim Watson:** As the local MPP.

**Mr. Ted Arnott:** One of the municipalities that I'm privileged to represent, the town of Halton Hills, has brought to my attention a number of their infrastructure needs. They have felt shortchanged in terms of the federal-provincial infrastructure programs. I want to read to you an e-mail that I received from Councillor Bryan Lewis of the town of Halton Hills.

"Ted: We spoke of the Halton Hills need for arenas and just how the federal and provincial funding was allocated. I have been informed of the 'real' total of funding presented to Halton county communities. This is where it gets hard to understand the political fairness (if there should be such).

"Research says that both branches of government awarded the following to all Halton communities:

"—Oakville: \$30 million;

"—Milton: \$29.6 million;

"—Burlington: \$17.3 million;

"—Halton Hills: \$2.33 million.

"We are not ungrateful for the assistance but this is to the point discussed yesterday: How can one understand and describe to our constituents any form of 'fairness'?"

"Thanks for listening/reading as I will continue to present any aspect to support the 'obvious need' for arenas in Halton Hills."

Bryan Lewis is the former head of officiating in the National Hockey League, so he knows something about hockey and he knows something about arenas. He was the chair of the mayor's task force on—they called it the

Georgetown arenas task force. They presented a very compelling report of the need for new arenas in Georgetown. What they are recommending and what they've identified in terms of need is a replacement ice pad for the aging existing Memorial Arena, as well as an immediate expansion with two additional ice pads, as well as a third ice pad by 2016.

This gets to one of the points that I've been expressing concern about for some months now, and that is, it is extremely difficult for municipalities to get answers from either level of government—the federal or the provincial government—if they submit an infrastructure application under one of the joint programs and have not been successful. I have called for a formal debriefing opportunity for the municipalities that have been unsuccessful and we've brought this to the attention of the Minister of Infrastructure, and he doesn't reply in any meaningful way in terms of explaining why those municipalities were not successful.

I tried to explain to them that it's my understanding that in the past these programs were scored objectively by public servants who looked at the applications and made a determination, hopefully, on a fair and impartial basis as to which communities were going to receive funding and which were not. But we know that there may be a political component at the end in terms of the decision and we just don't know, really, to what extent the political component creates the final decision.

So my question to you is, why is there not some sort of a formal debriefing opportunity for municipalities that have been unsuccessful in terms of their infrastructure applications, and will you advocate with your colleagues, the Minister of Finance and the Minister of Infrastructure, to establish one?

**Hon. Jim Watson:** Thank you, Mr. Arnott, for the question. The program that the federal and provincial governments signed up for for recreation facilities, which I think is the one that you're asking about, is certainly near and dear to my heart. When I was the Minister of Health Promotion, responsible for sport and recreation, I worked very hard to try to convince the federal government to come to the table with recreation funding because I knew at first hand there were an awful lot of Centennial projects out there, or memorial arenas, that were showing their age. In fact, I used the statistic all the time that I think something like 50% of arenas in Ontario were over 50 years old and they were not environmentally or economically sound to keep running the same way.

**Mr. Ted Arnott:** You may recall that your ministry at that time supported projects in New Hamburg and Elmira which were in my old riding of Waterloo–Wellington.

**Hon. Jim Watson:** That's right, and Woolwich and Wilmot.

**Mr. Ted Arnott:** That's right.

**Hon. Jim Watson:** And we had some very good success and I know those projects are up and running. I've seen pictures of them—I haven't been back to see them—and they're beautiful facilities.

I had always argued, both as a former mayor and, at the time, as the Minister of Health Promotion, that there was a real need to invest in some so-called “soft” infrastructure projects, such as recreation and cultural facilities. The feds and the province would always come back and say, “Well, we have an infrastructure program, and it's up to the municipality to determine its priorities.” You know full well that if you had a crumbling bridge and an arena that needed replacing, the bridge always won out.

So I was very happy that, working with provincial and territorial sport and recreation ministers, we had a stand-alone summit a couple of years ago in Toronto. We asked the minister, who at the time was your MP, Michael Chong, and he was very sympathetic to the cause, so I suspect he probably had some success at the federal level lobbying Minister Flaherty to include the RInC program.

With respect to any kind of debriefing, it would really have to come from the Minister of Infrastructure, federally and provincially, to offer that kind of a debriefing. I can't make excuses for them, except I do know they've been overwhelmed trying to get the money out the door, and they may just not have the time until all of the funds have flowed. As you know, there's one last wave of funding in the not-for-profit sector that still hasn't been announced, so once the dust settles, I'm sure it would be only fair for both sets of public servants to go and debrief the individual municipalities that did not benefit. I know that they are flying by the seat of their pants to get the money out for the three existing programs and the fourth one that is still in the pipeline. But it seems like a reasonable request, and I can certainly follow up with Minister Smitherman. I'm sure Mr. Chong can ask Minister Baird the same thing at the federal level.

I would point out that Halton Hills did receive some RInC money. If I'm not mistaken, they did receive \$332,000—I'm not sure what project that went for—and they received \$1.1 million in ISF funding. Halton region received \$22 million in ISF funding. So there was money that did go to Halton—I don't want to leave the impression that they didn't get money—and they also received MIII money: Halton Hills received \$3.5 million, and Halton region, \$14 million. Roads and bridges money to Halton Hills was \$983,000, and to Halton region was \$1.09 million. They were not shut out, obviously, but they didn't get as much money as they wanted. They're in good company, because we obviously couldn't afford to fund all of the projects that came through the application process. We were blessed with a lot of requests, but also cursed because we couldn't live up to everyone's expectations.

**Mr. Ted Arnott:** Do we have time still?

**The Chair (Mr. Garfield Dunlop):** We have five minutes left.

Ms. Savoline?

**Mrs. Joyce Savoline:** If you've got another one, you finish.

**Mr. Ted Arnott:** Just for the record, Minister, I did copy you on a letter on July 21 to the Minister of Energy and Infrastructure, to inform your office as well of the

arenas task force. I would submit and suggest that municipalities need your strong advocacy in terms of these kinds of issues, and I certainly appreciate your willingness and your undertaking to contact the Minister of Infrastructure to talk about this.

Again, you're somewhat at a disadvantage because you don't have Councillor Lewis's e-mail in front of you—I'll make sure you receive a copy of it—because he's focusing on the relative disparity of funding for the town of Halton Hills vis-à-vis the other municipalities in Halton region.

**Hon. Jim Watson:** Do you know, Mr. Arnott, if their project was shovel-ready? Because that was one of the top priorities: It had to have been completed by March 31, 2011. If it didn't meet that criterion—in other words, if you didn't even have the blueprints or the zoning—it probably would not have met the first wave of approvals at the bureaucratic level. So was it a project ready to go?

**Mr. Ted Arnott:** I understand that that was one of the key criteria of the program.

**Hon. Jim Watson:** But was it ready to go?

**Mr. Ted Arnott:** They have a report identifying need. To suggest that they have plans drawn up is probably something—

**Hon. Jim Watson:** Sorry?

**Mr. Ted Arnott:** I don't believe that they would have necessarily qualified as shovel-ready according to your definition, but I would have to double-check.

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**Hon. Jim Watson:** Okay, because that may be the obvious reason that they wouldn't have been eligible. The federal government very much wanted this program to create jobs in the short term, which is a noble goal. That did eliminate a number of projects. In fairness to Halton, this program came about relatively quickly and the application process was relatively quick. There were a number of municipalities, obviously, that did have projects that were spinning their wheels at the gate, ready to go, and those were the ones that got the highest priority. Even though drafting plans and architects' fees and so on is creating jobs, the feds were telling us that they wanted to see shovels in the ground. So that probably could have been one of the reasons for what happened there.

**Mr. Ted Arnott:** I assume you did too.

**Hon. Jim Watson:** Okay.

**The Chair (Mr. Garfield Dunlop):** There are three minutes left.

**Mrs. Joyce Savoline:** Okay, then I will begin. I'd like to go back to the integrity commissioner question that Michael Prue asked on October 6. As you know, he and I both feel that an integrity commissioner for municipalities is an important thing in today's world.

Having said that, I think it is obvious that hiring more staff, especially any kind of support staff, might be onerous for many municipalities today. So, similar to what we saw in the role of the Ombudsman, where municipalities were given the option to designate, and those that couldn't—by default, probably, and based on budget

reasons—didn't, but the province wisely created an Ombudsman for the entire province, would you consider, Minister, creating the position of a municipal integrity commissioner for the province so that municipalities and folks living in municipalities could avail themselves of those services?

**Hon. Jim Watson:** The short answer is no, I wouldn't consider that. I would very much like to see you present that at an AMO meeting as a suggestion, because I think you'd get a frosty reception from the municipal sector. As you know, as a former municipal leader, "Father knows best" from Queen's Park telling the municipalities how to run their governments doesn't go over very well.

I very much believe that the municipal sector is a mature order of government. We've given them the tools to create an ombudsman or an integrity commissioner or an auditor general. Some municipalities have taken up that option, but they are doing it on their own and they're doing the hiring of the individual. I think that to have the province come in and impose its Integrity Commissioner on the municipal sector would not be well received, and it's certainly something I would not support as a municipal affairs minister.

I can tell you that there was a fair amount of frustration when we even gave the option for the closed-door-meeting investigator to either the municipal sector, to hire their own, or AMO, that set up their own branch, or the Ombudsman. The Ombudsman very much wanted to push and become the entire closed-door-meeting investigator, and AMO was very much against that. Many municipalities said, "We don't want the provincial Ombudsman meddling in our business. We want our own ombudsman, thank you very much. We're mature levels of government and we're quite able to hire our own individual and keep them arm's-length."

**The Chair (Mr. Garfield Dunlop):** That pretty well brings us to the end of this rotation of 20 minutes. We'll pick that up later, maybe. We'll now move over to the third party. Thank you. Ms. DiNovo?

**Ms. Cheri DiNovo:** Thank you, Mr. Chair. This is an issue close to my heart, and then I'll get back to more about the lack of affordable housing in this province and the fact that we're going to be looking at more deaths on the street this year, and that 130,000 households are waiting on the affordable housing lists as we speak and the number is rising.

Bill 198, which was my private member's bill calling for a change to the Planning Act that would allow municipalities to bring in inclusionary zoning if they chose to, passed second reading. I just highlight inclusionary zoning because, looking at 2007 alone, we had construction of 68,123 new homes. Had we an inclusionary zoning policy in Ontario and municipalities like they have in Maryland, for example, we would have produced 12,500 new affordable homes across the province in 2007 alone.

The question is this, and it's being asked not by myself, but by senior planning officials in municipalities, Toronto—even Hazel McCallion thinks this is a great

idea. The question is, is this going to die on the order paper, or will the minister commit to having Bill 198 before a committee as soon as possible?

**Hon. Jim Watson:** I would challenge your assertion that Mayor McCallion supports the bill. I'd like to see a letter from her to that effect, because that's not my understanding of her position.

Secondly, with respect to your private member's bill, it is a private member's bill and it's not up to a minister to determine or to influence that particular bill. We try to keep out of these particular issues because we respect the rights of private members to bring their own bills forward.

This is an issue that has come up a couple of times during the course of the long-term affordable housing strategy. These ideas will be fed into the process. I don't want to prejudice what's going to be in our strategy.

**Ms. Cheri DiNovo:** Again, the question really is about inclusionary zoning and what you think about it. Are you willing to see Bill 198—and you do have a say, you are the Minister of Housing, on whether this bill gets to committee or not through your House leader. So I'm asking you again, would you commit to putting a rush on this bill, as senior planning authorities and municipalities would like to see this?

Hazel certainly indicated to me in your presence that she does not have the capacity right now to introduce inclusionary zoning because of the existence and the role of the OMB. I have that from her mouth, but I certainly will talk to her about it. I'm sure this could only help in the arsenal of municipalities, and since you are a pro-municipal guy, what's to hold up inclusionary zoning changes to the Planning Act?

**Hon. Jim Watson:** You came over to our table at the Legislative dining room when I was meeting with Ms. McCallion. You said that you support inclusionary zoning. After you left, it was clear she did not understand specifically what you were asking. I explained it to her, so you may want to go back and get that clarified.

**Ms. Cheri DiNovo:** I will. It's my understanding that Hazel doesn't miss much.

**Hon. Jim Watson:** No, she doesn't, but I think she may have misheard something that you had said, because you were, I believe, on your way into the Legislature and it was just a very brief table conversation.

On the issue of inclusionary zoning, again, the government House leader is the one who determines which bills are going to go forward. They're prioritized based on their importance, so I can't prejudge what the government House leader is going to bring forward. As you know, very few bills get to the next couple of stages, just because there are so many of them. At any one time, there could be over 100 on the order paper.

But I indicated to you that I did hear from a couple of groups over the course of the consultation process about their desire to have inclusionary zoning. To the best of my recollection—I stand to be corrected—I have not received any council resolutions asking for inclusionary zoning, and I've certainly never had a delegation at AMO

come to me and ask for inclusionary zoning, unless one of my parliamentary assistants has. I'm not prejudging ye or nay to the idea, but I just think that out of fairness, we have to bring all of the ideas to the table and look at those that we think are good, that are going to help the situation and that make sense. If it meets those criteria, then it may find itself in the final draft of the document.

**Ms. Cheri DiNovo:** It would just be nice if it was in the final draft of the response. Certainly I will get letters to you from planning authorities regarding this, because absolutely there is support.

**Hon. Jim Watson:** Yes, I'd like resolutions. I don't want one planning commissioner to send a letter. He or she doesn't speak for the municipality. Council speaks with a resolution, not by one advocate.

**Ms. Cheri DiNovo:** Yes, certainly we'll work on that.

Rental opportunities for Ontario families: The housing supplement program is set at \$27.6 million, down from \$33.9 million in last year's estimates. Why is that?

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**Hon. Jim Watson:** The take-up for the ROOF has been quite successful. The program achieved close to 78% of the total program target: 27,350 allowances. After the first round of applications went out, we received 14,700 that were registered in the program. A second opportunity was provided for families to apply, which brought the total eligible number of families up to 21,551. So we didn't get as many families registering as we thought, or that we had money for, but we certainly did try. We set the criteria, we worked with the Canada customs and revenue agency—their files were provided to us to give us a specific mailing list of those individuals who met the threshold for income. We did two full mailings. We worked with community health centres and housing providers through advertising on site. There was a mass mail-out of over 90,000 brochures and posters to approximately 6,500 community organizations and offices. We just didn't get as many people applying as we would have liked. We can't force people to apply to a program. We made the documentation available in many different languages as well, but unfortunately, we didn't fill the entire amount of money that was available.

**Ms. Cheri DiNovo:** Will that money, then, be re-allocated to affordable housing or go back into housing?

**Hon. Jim Watson:** Yes.

**Ms. Cheri DiNovo:** Okay. This is a bit of a preamble: On page 14 of the estimates, the capital expenses for housing are set out in vote 1904-04. Overall, the numbers are way up, thanks to the federal government's \$2 billion in affordable housing funding announced in the January economic stimulus budget. The province's share of the social housing repair dollars in the federal program is \$176 million.

It's important to note that while this vote item will be up in overall terms this year and next as the federal dollars are matched by the province and flow through the estimates, this underlines that in Ontario housing policy is being written by the federal government, with the provincial government merely agreeing to federal

priorities. The federal priorities are social housing repair, seniors' housing, housing for people with special needs, and on-reserve aboriginal housing. No doubt these are good priorities, but there are plenty of others, including non-seniors' housing, housing for youth and singles—singles in particular—off-reserve aboriginal housing and so on. While the capital dollars are way up for social housing repairs thanks to the federal initiative, the dollars for the affordable housing program, which is the main program to support new affordable housing across the province, are way down.

So the question, then, flows from that. The federal contribution to AHP in Ontario is set at \$16.7 million, down from \$59.6 million in last year's estimates. The provincial contribution to AHP is also down to \$21 million this year from \$36 million last year. Why is that?

**Hon. Jim Watson:** Just a couple of corrections. You mentioned the need for off-reserve housing for the aboriginal community: That's exactly what the aboriginal housing component is. We don't fund on-reserve housing at the provincial level. The aboriginal housing money is exclusively for off-reserve, because as you know the federal government has the responsibility for on-reserve.

Secondly, with respect to us taking our lead from the federal government, no, we're taking the money from the federal government, they're taking their lead from us based on the AHP, which was driven by the provincial government, signed by Minister Gerretsen and the previous federal minister from London, Mr. Fontana. This is a renewal of the old AHP that was signed five or six years.

We're very comfortable with the document that I signed a couple of months ago with Minister Finley. We're appreciative of the funding. We wanted to have some flexibility in years three, four and five of the AHP, which we were given. We made some minor tweaking to the first two years, including upping the per door unit from \$70,000 to \$120,000, but the addition of low-income seniors and persons with disabilities was very much in line with this government's priorities on poverty reduction and the work that we've done on the Ontarians with disabilities act. So it fit very nicely with our priorities.

With respect to the figures that you're quoting and showing the figures going down, I don't know if Dana can offer some insight into those points. Dana Richardson is our acting ADM, as our ADM on housing is ill.

**Ms. Dana Richardson:** If you actually look further into some of the detail in the estimates briefing book on pages 150 and 151, it shows a breakdown of the actual programs themselves and what some of the actual lines are. With respect to the affordable housing program that you made reference to, what you see in the estimates is the wind-down of the old program as it's fully expended and the beginning of the new program. So when you see it in these ways as they fit into each fiscal year, both things are happening at the same time. You'll see that there are increases for the new social housing capital repair and renovation program also showing up in that capital line. So the increases are also happening and

identified in a different program, but the original AHP is winding down and the new one will be starting up. So those two things are happening in those numbers.

**Ms. Cheri DiNovo:** So, essentially, what you're saying is that this is an accounting issue rather than a real dollars issue?

**Ms. Dana Richardson:** The real dollars will be flowing, and in fact we're required to flow those dollars in the next two years. So you will see the total amount recognized in the adjusted figures for this year and next year.

**Ms. Cheri DiNovo:** So the provincial contribution is not down \$15 million in real dollars?

**Ms. Dana Richardson:** There was a reduction in the provincial contribution; there was also a reduction in the federal contribution of \$42 million, and that's because of the old program winding up. That program has ended, as far as the flow of money is concerned.

**Ms. Cheri DiNovo:** So we can expect to see money increasing in the future?

**Ms. Dana Richardson:** For the two years that are coming up, you'll see the full amount of the province's \$622 million being reflected in these numbers.

**Ms. Cheri DiNovo:** Okay. Another question from stakeholders regarding housing affordability: Housing benefits have been part of government housing policy for many years. The PC Party promised a universal housing benefit program in 1995 and brought in a modest shelter allowance program. A limited benefit program was started in 2007 using federal dollars. Many groups, including the Daily Bread Food Bank and the Metcalf Foundation, have called for a housing benefit of \$119 per month for families with children and \$96 for childless adults to pay 75% of the difference between actual paid rent and 30% of income, with no clawback for social assistance recipients. Landlords would not know that the tenant was receiving this benefit so it wouldn't lead to rent inflations. Flowing from that, has the government assessed the option of a new housing benefit? What did it find, if it has? And if it hasn't looked at this option, why hasn't it?

**Hon. Jim Watson:** We received a number of very thoughtful briefs and presentations from a number of different groups, both landlord and tenant groups and anti-poverty activists dealing with the concept of a portable housing benefit. As I've indicated in the past, these kinds of issues are being discussed as we put together a long-term affordable housing strategy. We're working with our partner ministries to analyze some of the proposals that have been brought forward, including MCSS and the Ministry of Finance. It's obviously complex; there's a cost involved.

When we set out to do our long-term affordable housing strategy, one of the comments I made at every session I went to was, "While it's nice to dream about great ideas, we also have to live in the real world of affordability." We're not going to come up with an action plan that is so cost-prohibitive, it's going to sit on a shelf and collect dust. I'm not interested in wasting my time or that of the good people who have come forward.

It was the same premise that we operated on with the Provincial-Municipal Fiscal and Service Delivery Review, where the Premier set out the criteria that it had to be affordable to both orders of government in that case, and that it also had to be a consensus report. My hope is that when we come up with our report, it's going to be a report that reflects many of the values and ideas that we heard, but also that can fit within the fiscal framework of the government of Ontario, because there's no sense in coming up with some Disney-like plan that is completely unattainable, that does nothing to help house people, and that angers people because they say, "Well, you're not going to put any money into it."

There's always going to be money for capital infrastructure in the government of Ontario. My job as the housing minister is to work with other ministers, including Minister Smitherman as the infrastructure minister, to ensure that we get a fair share of infrastructure money on a go-forward basis for housing.

So far, I'm proud of my track record—\$100 million in repair and rehabilitation in 2008. Previous to that, we had the funding from the AHP, which was about \$735 million, and now we're the great beneficiaries of \$622 million from both the federal and provincial governments to be spent over the next two years.

So we've got a pretty good track record. Obviously, our stakeholders want us to do more, but when I speak to the stakeholders in private, they are very appreciative of the fact that we've kept our elbows up, we pushed the federal government to come to the table. They did come to the table, we matched it with our funding, and we are actually living up to our campaign commitment to develop a long-term affordable housing strategy.

**Ms. Cheri DiNovo:** And we still have 130,000 waiting on affordable housing—the worst record we've ever had in this province.

**Hon. Jim Watson:** Well, I'm interested—that's why I was hoping you would come to one of our sessions and offer your insight—

**Ms. Cheri DiNovo:** I'm having my own, but I will definitely give you all the results of that.

**Hon. Jim Watson:** Great, because to date, I have not received any suggestions from you on how we can feed into the housing—

**Ms. Cheri DiNovo:** Oh, come on. The inclusionary zoning bill alone was a suggestion, among other bills that I've submitted, like housing as a human right, building 20,000 new units of affordable housing, which you promised when you were elected. That's on the order paper. Check the order paper, Mr. Watson. You'll find all my bills and motions.

**Hon. Jim Watson:** I checked the record that you called \$1.2 billion "crumbs." Maybe where you come from that's crumbs, but in my life, \$1.2 billion is not crumbs—

**Ms. Cheri DiNovo:** We're talking federal—

**The Chair (Mr. Garfield Dunlop):** Okay—

**Hon. Jim Watson:** And then \$622 million from the province, and then you called \$100 million "meagre." I don't consider that meagre.

**The Chair (Mr. Garfield Dunlop):** I think with that, we can finish this round and reconvene after routine proceedings, at around 3:30. With that, we'll reconvene later on.

*The committee recessed from 1023 to 1546.*

**The Chair (Mr. Garfield Dunlop):** We'll call the meeting back to order. Welcome back, to the Minister and the staff.

I understand that the government members would like to give up their time. We're trying to—what I'm hearing today is that the government is trying to get the minister out of here today.

**Mr. Lou Rinaldi:** Chair, we're going to try to do that but we have to wait for the NDP to give their consent, so I suggest we start as usual and then we'll do that.

**The Chair (Mr. Garfield Dunlop):** Okay. We'll stand down your rotation for the time being because you—

**Mr. Bob Delaney:** We'll stand down our rotation at this time.

**The Chair (Mr. Garfield Dunlop):** All right. We'll turn it over to Mrs. Savoline, from the official opposition.

**Mrs. Joyce Savoline:** My first question, Mr. Minister, is regarding the underserved area plan again. I know that it's a cross-jurisdictional issue, but once again, you are considered the champion for municipalities and their causes, and should this program continue the way it's suggested it's going to, and change the way it's being suggested it's going to, it's going to leave some municipalities in some hardship. As much as this is the Minister of Health and Long-Term Care's program, the Minister of Municipal Affairs will be the one who I think will get the mail from the municipalities, should they find themselves in hardship.

I know, from my delegations at AMO and speaking to folks there, that there is some level of concern regarding the changes that are being proposed to the underserved area program. There has been a program in place for a few years now on recruiting physicians to municipalities. If this change that's going to occur is going to cause hardship to municipalities and they no longer have—some municipalities who have had access, now, with the change in stats, no longer will have access; under the old rules, they would have. Are you, as Minister of Municipal Affairs, prepared to stand for municipalities which will no longer have access to this program to recruit physicians?

**Hon. Jim Watson:** As you prefaced your remarks, Ms. Savoline, this is an area that really falls outside my jurisdiction as Minister of Municipal Affairs.

I can say a couple of things on the issue. One, we're very pleased, as a result of measures our government has taken, that there are now 800,000 more Ontarians with a family physician than was the case in 2003. I see that all the time. I don't get as many calls in my own constituency office from people seeking a family physician, because we've taken a number of steps. The Northern Ontario medical school is now up and running. We've increased the number of med school spots at places like

Ottawa U and U of T and McMaster, and that has certainly helped the situation.

We've created over 150 family health teams. A family health team physician is able to see many more patients than a traditional doctor-and-receptionist arrangement that was the case for many decades in Ontario.

I know that in Mr. McNeely's community they're working very hard at developing a health hub as a sub-section of the Montfort Hospital.

The issue of the underserviced program did go to the AMO MOU table last week and there was a very good discussion with officials from various ministries. AMO is developing a position and offering some input. As you know, those meetings are confidential so I can't breach the confidentiality agreement that we reached with AMO, but it was a very good and thorough discussion that AMO had.

We're engaged in the file simply because the municipalities have an interest in it. I was the one who helped set the agenda for those meetings, so I was pleased that that item was on the agenda.

**Mrs. Joyce Savoline:** I want to go back to the OMPF again, please. There still is some concern out there about how this program is going to roll out. The municipalities have already received their notices that the 2009 amounts are going to remain stable, but the calculation is being reviewed for future years.

As we talked about earlier in this process, the stability and the predictability in funding for municipalities is very important to them because, in most cases, they do multi-year funding, so not to know what's going to happen in the near or short-term future anyhow is problematic to them.

To have a stable relationship between the province and the municipalities in these funding issues, any delay in announcing how the changes are going to occur, I think, creates hardship as they begin preparing their budgets, and a lot of them have already had their initial budget meetings for the 2010 budget. Their processes start very early. When will municipalities have more information about how the recalculation is being done on OMPF?

**Hon. Jim Watson:** I don't have the specific date because it's a decision of the Minister of Finance, but we did undertake, when we signed the Provincial-Municipal Fiscal and Service Delivery Review, that we would do two things: (1) We would provide mitigation funding for 2009, which we did, which totalled approximately 74 million additional dollars to the municipal sector, and that money has been delivered; and (2) we would undertake a review in collaboration with AMO. That review has been going on for the past couple of months and the Minister of Finance indicated that he is very conscious, as a former city councillor himself, of the need to get the information to the municipal sector well before the end of this calendar year, which of course is the end of the fiscal year for the municipal sector. So I suspect that Minister Duncan will live up to that commitment to have the information to the municipal sector in the next couple of months.

I would point out, though, a couple of things. First of all, in 2009 the province of Ontario is providing \$949 million in OMPF funding to 405 municipalities. That money is made up of \$704 million in OMPF funding itself and \$245 million as a result of the upload of the ODP and the ODSP benefit.

Now, that combined benefit is in essence a \$105-million or a 12% increase over March 2007, and a \$330-million or 53% increase over the previous program, which was the community reinvestment fund that I think you're familiar with, the CRF fund. The CRF fund that I lived through and you lived through, as municipal politicians, clearly was not meeting the objectives or the aspirations of the municipal sector, both in terms of funding and also in terms of clarity. It was a very complex formula.

The OMPF funding is much more transparent. We have provided mitigation funding for the last several years, even though we were not required to, and in some instances the municipalities that have received the mitigation funding have perhaps become too dependent on that money, knowing that it was money that they were not entitled to. That was why we couldn't, a year ago this month, agree to anything more than the base funding of the 2008 figure for OMPF, plus one year of mitigation.

My experience has been that most municipalities, the responsible ones, don't book money unless they have it firmly committed. I always assumed the worst when it came to the provincial government in terms of money coming in. If we got additional money on top of that, that was a bonus and we were able to adjust accordingly. But the advice that both Minister Duncan and I have given to the municipal sector is, "Don't assume you're going to get extra money. Budget accordingly. Budget conservatively"—small c—"and subsequently, if we're able to do anything on the mitigation front, we'll let you know before the end of the fiscal year."

**Mrs. Joyce Savoline:** Okay, but I guess that in their own calculations, when they are looking ahead and trying to presuppose how the new calculations will be done, many believe that they are going to be in a worse position. I know I asked you at a previous session whether or not your government has done a calculation on how many municipalities that are receiving the OMPF will be in a worse position, but you kind of indicated that that calculation has not been done, so there is no idea of how many municipalities might be worse off in the difference of funding.

Again, I'm going to ask this on behalf of the municipalities that have contacted me, and these are mostly lower-tier municipalities because the uploading savings are really going to happen at the upper tier. This affects the lower tier, and they don't understand how this exchange is going to take place without them feeling some negative financial effect. If they are put in a worse situation as a result of the OMPF swap, will they get help to smooth that transition?

**Hon. Jim Watson:** Let me just start with the premise that every single municipality in the province of Ontario is better off financially today than they were when we



took office in 2003. That is a fact. I have some wonderful quotes from you. If you want me to, I can pull them out. You were praising the provincial Liberal government—

**Mrs. Joyce Savoline:** We're talking about this swap, Mr. Minister

**Hon. Jim Watson:** —when you were regional chair. Every municipality is better off from an infrastructure and capital investment point of view and from an operating dollar point of view, because we have been good partners with the municipal sector. We have not downloaded; we've uploaded. We have not cut back transfer payments; we have increased transfer payments.

With respect to the fiscal review, you're quite correct: A good portion of the money does flow to the upper tier. But who makes up the upper tier? Lower-tier individuals. So it's up to the lower-tier mayors and reeves and councillors to convince their upper-tier level of government. I'm sure you were very reasonable as regional chair in Halton. When mayors came to you and you saw a windfall of money that benefited the region, I'm sure you would have shared a portion of that on a per capita basis to the lower-tier municipalities. That's what partnership is all about in a two-tiered system.

I've given you the figures for Halton, the benefits: It's in the tens of millions of dollars, and that is taking the place of services that we are now paying for at the province. That is new money, and the region has the choice. They can share it amongst the lower tier, they can expand programs if they want, they can give tax relief to the citizens, but it's ultimately the same taxpayer. There may be two levels of government, but it's the same taxpayer. So I would encourage those lower-tier municipalities to figure out how much new money is coming to the upper tier and ask for a portion of it if they are going to be adversely affected as a result of loss of mitigation funds for OMPF.

With respect to the specific question you asked, the OMPF funding formula has not been determined, but that is a question that Mr. Duncan can more aptly answer.

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**Mrs. Joyce Savoline:** Okay. Then perhaps you could, on behalf of municipalities, suggest to the Minister of Finance—would you?—that if there is a loss in funding to municipalities, there would be a consideration for a phase-in of the program so that the negative impact could be spread over time.

**Hon. Jim Watson:** In fact, Mr. Duncan was here, I believe, for seven hours. I don't know if that question was asked of him. I can't speak on behalf of the Minister of Finance, unfortunately. I think you were a member of this estimates committee when he was here, so that would have been a question to ask Minister Duncan.

Given the fact that the word "municipal" is in the title, there's the sense that it's my program. It's a bit like the Ontario Municipal Board, which falls under another minister as well. But certainly I'm proud of the fact that we were able to reach a consensus deal with AMO and the city of Toronto, and part of that deal was that we would give one year of mitigation—not two or three

years but one year—and review the OMPF funding formula. We've lived up to those commitments and we hope that Minister Duncan will have news on the OMPF funding formula within the next couple of months.

**Mrs. Joyce Savoline:** I'd like to move on, then, to the environment and land use planning cluster. I know that interviews are happening right now for positions on that new superboard, and I'd like to ask why your government saw the need to create this superboard and to create a new position, the chair position, for this board.

**Hon. Jim Watson:** That falls under the responsibility of the Attorney General. It's not my ministry.

**Mrs. Joyce Savoline:** So you know nothing about it at all?

**Hon. Jim Watson:** No, I'm familiar with it, but as you know, in the estimates committee you call ministers and ask them questions of their responsibility. This is not part of my—

**Mrs. Joyce Savoline:** But municipalities have concerns about this, Minister. You are the Minister of Municipal Affairs, and so they look to you to explain to them—it's like the melting pot, and it stops this idea of silos in the government if you can have one minister responsible for municipal affairs who has programs of his or her own but can also explain to municipalities what is happening out there in that big provincial government world. So that's why I'm asking you these questions, because municipalities have these concerns.

**Hon. Jim Watson:** Perhaps you could forward some of those concerns, because the last I checked in my correspondence, I've received no correspondence from any municipality raising a concern about—I believe you're discussing the executive chair of the tribunals, which is one of the reasons why we're trying to break down the silos, to have all of these tribunals report to one minister and the executive chair to be responsible for the coordination of all of the various tribunals.

I think it's a model that makes sense, but again I have not—at AMO, ROMA, NOMA, not one delegation has come and spoken to me and expressed any concern. So if you have municipalities and you'd like to give me their names right now, or correspondence, I'd be happy to follow up with them and bring their concerns to the attention of the Attorney General.

**Mrs. Joyce Savoline:** So you're not prepared today to answer any questions on this new agency?

**Hon. Jim Watson:** With respect, Ms. Savoline, I'm the Minister of Municipal Affairs and Housing. I've told you now twice I don't have responsibility for this. It would be like asking me a question about our troops in Afghanistan. I don't have responsibility for that either. It's a completely different portfolio at a completely different level of government.

So I'm not trying to be difficult, but I'm not an expert in every ministry's business. The Premier appoints people so that they can develop an expertise in a particular area. I've indicated that I have received no input or correspondence or contact on this issue; otherwise I probably would be better briefed on it, because the

municipal sector act as an early warning signal for me, what they're concerned about. As you know, they don't hold back. If they have a concern with an issue that's before the government of Ontario, they would ask me about it or they would ask that it be on the AMO MOU agenda, and it has not been asked of me.

**Mrs. Joyce Savoline:** How much time?

**The Chair (Mr. Garfield Dunlop):** You have another four minutes. Actually, three minutes. Sorry.

**Mrs. Joyce Savoline:** There's an OMB online feedback form. The online feedback form allows the public to submit their comments directly to the citizen liaison office. How many submissions have you received in 2008-09?

**Hon. Jim Watson:** Again, as you know, the OMB falls under a different minister. I can tell you, for instance, that the number of cases filed at the OMB decreased by 11% in 2008-09—

**Mrs. Joyce Savoline:** Sorry, decreased?

**Hon. Jim Watson:** Decreased. In 2006-07, there were 1,932 cases received by the OMB. In 2008-09, that dropped by 11% to 1,581 cases. I am told by the OMB that this is due, in part, to changes to the Planning Act to make the system simpler and more transparent. I think the introduction of a citizen liaison office has been of some help as well. It allows people who don't have the expertise to go to this office that will help citizens understand the appeal process and how they can participate. It also provides recommendations to the OMB on how to improve access and the transparency of the operations. We've also instituted the elimination of the applicants' right to appeal to OMB when a municipality does not support an application that relates to an urban boundary expansion. There's new power for the OMB to dismiss repeat applications without a full hearing and to dismiss appeals if applications have changed substantially from that which was originally before council. The OMB can now, under the new Planning Act changes, send back any substantial new information and material to council for its reconsideration.

The other item that the act allows is that municipalities may establish a local appeal body, an LAB, to replace the OMB to hear appeals of minor variances and consent matters. Regrettably, only Toronto has looked at it. I believe Ottawa has mused about it, but they have not instituted the local appeal body, which I think is a good example of empowering local neighbourhoods to make their own decisions. This local appeal body throughout the province, if it's instituted, I'm told would cut back business—if you would—to the OMB by about 50% to 60%. So it would take a fair amount of pressure off the OMB so that, clearly, the major cases would go to the OMB and consents and minor variances would be held at the local appeal body level, similar to a committee of adjustment appointed by the council and responsible to the council.

**The Chair (Mr. Garfield Dunlop):** Okay, that's just about perfect. We'll move over to the third party.

**Mr. Bob Delaney:** Chair, just before you move, just on a point of order: I seek unanimous consent to deduct

the government's remaining time for questioning from the total time for consideration of the estimates of municipal affairs and housing.

**The Chair (Mr. Garfield Dunlop):** Are we in agreement? Okay, that's great.

Ms. DiNovo.

**Ms. Cheri DiNovo:** I preface my questions with comments that I've heard from housing activists and faith leaders across the province on the abysmal and, some say, disastrous state of housing in the province of Ontario: 130,000 households waiting an average of 10 to 12 years for affordable housing. This is within that context.

This is about the absence of rent control in the province of Ontario. We have vacancy decontrol. Ontario's current rent regulation laws provide some protection from predatory practices by private landlords while the tenant occupies a rental unit, but there is no regulation of vacant properties, called vacancy decontrol, and new properties. According to Statistics Canada, Ontarians are highly mobile. More than 13% of households move annually and more than 41% move over a five-year period. Landlords can rapidly increase rents on vacant rental units, which is one reason—and this is overall—why annual renting costs tend to increase faster than the rent increase guideline allowed under Ontario's rent regulation laws. Vacant units can also be more easily converted or demolished for financial gain.

So my question, then, for the minister is, what is the ministry doing to address the barrier to affordability that vacancy decontrol poses and that rent control might perhaps might remedy?

**Hon. Jim Watson:** I just wanted to comment on your opening preface. You're quoting individuals—I'm not sure who they are—about the government's track record. I'd like to quote a couple of individuals who have a different perspective than your quotees on housing investments that we've made, because housing is an important part of my portfolio. Peter Hume, who's the president of AMO and a city councillor in Ottawa, said, "This \$1.2-billion investment in housing will provide greater access to affordable housing, improve the quality and energy efficiency of social housing and create jobs in every part of Ontario."

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Hugh Lawson, who I believe you know, who is the president of the Ontario Non-Profit Housing Association, said, "Today's announcement represents a bold move forward during these harsh economic times. It will preserve and create more affordable housing, assist low-income people and create jobs. It builds on the momentum created by this government with the housing investments it made in last year's budget."

Finally, Jo-Anne Poirier, who is the CEO of Ottawa Community Housing: "We see this as a significant advancement and very welcome news."

So while you may have some individuals who are perhaps a little more pessimistic about the billions of dollars that we're investing, there are other people in the housing community who are very grateful for and appreciative of

the work that this government, under the leadership of Premier McGuinty, has brought to the housing portfolio after the previous government being out of the housing business for close to eight years.

With respect to the rental increase guideline, the 2010 rent increase guideline is pegged at 2.1%. It is amongst the lowest guidelines in the history of rent regulation in Ontario. We believe that the guideline protects tenants from rent increases above the rate of inflation while allowing landlords to recover increasing costs. The rent increase guidelines under our government have been the lowest in Ontario's history of rent regulation. As you know, prior to that it was a rather complicated formula that was developed. We've now tied the rent guideline to something as simple and as understandable and as transparent as the consumer price index.

When you look over the time that we have had the pleasure of being in office, in 2004, our first full year in office, the rent guideline was 2.9%; in 2005 it was 1.5%; 2006, 2.1%; 2007, 2.6%; 2008, 1.4%, which I believe is the lowest in recorded history, and 1.8% for 2009. So if you look at the aggregate by each party when in office, under the NDP it was 27%, the PCs, 23.9% and the Liberals, 14.4%. While we would like to see rent increases lower, the fact is that landlords do have expenses, costs do go up and we'd like to tie those costs to the cost of living allowance.

**Ms. Cheri DiNovo:** With all due respect, first of all to the quotes, I didn't bring with me quotes, but there was a vigil on the front lawns of faith leaders. I remind the minister of Oliver Twist being extremely grateful too for the bit of gruel he got when he went cap in hand. That is the position of most of our housing providers across the province, in fact across the country as well, but certainly across the province of Ontario when they come to the provincial government. The facts speak for themselves. There are 130,000 households waiting an average of 10 to 12 years. Many people die waiting for affordable housing in Ontario.

To move on and to respond to what the minister has said, I was talking about real rent controls. What we have is vacancy decontrol. We have basically a percentage that follows—well, it doesn't even follow the tenant; it's based on the tenant, not on the unit. Real rent controls are based on the unit. As the minister well knows, landlords are perfectly capable of appealing that. If they have justifiable cause to appeal that, they can go and ask for a larger increase if their expenses show that they need one. We still, in this province—clearly indicated by the figures, and as I said, the annual renting costs tend to increase faster than the rent increase guideline because of the mobility of Ontario renters and because we don't have real rent control. So I simply ask again of the minister if he is considering bringing real rent control into the province of Ontario.

**Hon. Jim Watson:** We made a number of changes to the Residential Tenancies Act. We created the Residential Tenancies Act in 2006—my predecessor, Minister Gerretsen, did. We wanted to bring some balance back to

the equation between the rights and responsibilities of landlords and the rights and responsibilities of tenants. I think most tenant advocates will agree that there have been significant and positive changes to the legislation, comparing our legislation to the previous government's legislation.

Let me just give you a couple of examples of where tenants have been empowered to take action as a result of legislation we have put in place. Tenants in buildings with serious maintenance problems may apply for a freeze on rent increases. Landlords may be ordered not to charge a rent increase until the serious maintenance problem is fixed. I think all of us have individuals who come to our constituency offices from time to time, frustrated with their landlord because a repair has not been made and yet the increase goes through. That has now been changed.

In addition, municipalities have the authority under the Municipal Act and the City of Toronto Act to license landlords, which again gives greater control to the municipal government.

I've talked about the fair annual rent increase guideline.

We've eliminated an unfair eviction process; there will be no automatic evictions. Under the Residential Tenancies Act, every tenant facing eviction now has access to a hearing at the Landlord and Tenant Board.

There are new rules for above-guideline increases with respect to utilities, which you just spoke of. Where a landlord has been allowed to increase rents by an amount higher than the guideline to cover higher utility costs, the landlord must reduce the rents if the utilities go down. Gas prices just went down, so tenants will see the gas price portion of their rent go down as well.

There are new rules for above-guideline increases with respect to capital expenditures. When a landlord has been allowed to increase rents higher than the guideline to pay for capital improvements to the building, the landlord must reduce the rents when the capital expenditure is paid off. What happened before was that the above-guideline increase was put in, and once the capital investment was amortized and paid off, the rent stayed the same. Under the current guidelines, those rents have to be rolled back to conform with the RTA. These things are all new.

So we think we've adopted a more balanced approach. For instance, we now have fair interest on rent deposits. The interest rate a landlord may pay on the last month's rent is based on the consumer price index and is the same as the rent increase guidelines. Some landlords have helped by reducing fees to bring an application for an above-guideline rent increase before the Landlord and Tenant Board, and orders made by the Landlord and Tenant Board are now legal orders, so they can actually be followed up on.

I just checked with Dr. Ma, who is the head of the Landlord and Tenant Board and is doing an excellent job for us: There are no more backlogs at the Landlord and Tenant Board, which is something that tenants very much

appreciate. At times, because of backlogs, they were waiting for upwards of months to appear, and that often created a very awkward and uncomfortable environment for tenants and, in some cases, landlords.

**Ms. Cheri DiNovo:** It's surely an Eden in which we live in Ontario, because in Parkdale–High Park I can tell you that I haven't heard of any rent decreases based on savings by landlords. Partly that's due—you can talk to anybody at Parkdale Legal or the Parkdale Tenants Association—to the fact that most of the application, regulation and enforcement of the provincial regulations is on the backs of tenants, who inevitably are already stretched. A lot of them don't have access to legal representation and don't know their rights. That's part of the problem.

Landlord licensing, which is a bill the New Democratic Party proposed, isn't part of the Ontario lexicon; we wish it was. It leads to another question that develops out of what the minister has said; that is, why doesn't Ontario bring in landlord licensing? Landlord licensing at the provincial level would certainly help the tenants I see, day in and day out, who have egregious claims against their landlords. Many of the landlords have up to 50 or 60 work orders against their buildings that aren't enforced and that sit and sit, because again the city is dealing with a backlog and can't get the building inspectors out to all of these places in time. Again, the province could lead the way here with landlord licensing. Is the minister thinking of bringing in landlord licensing?

**Hon. Jim Watson:** We believe in respecting and working with our municipal partners. We gave that authority to municipalities because we believe that they're a mature order of government. I know that Toronto in particular was very anxious to receive that power. I know their licensing committee members were equally excited to receive that authority and power under the act. We feel that that is a much more responsible way of dealing with the issue: to empower the local municipality.

With respect to work orders, I think what you're talking about are property standards work orders, which are the purview of the municipal government. I can't speak to backlog orders at the city of Toronto. I can tell you that as a government we've been more than fair to the city of Toronto in terms of the sheer increase in new operating and capital dollars that have been sent to the city of Toronto, as well as giving them new taxing authority for both land registry and automobile registration, so literally hundreds of millions of new dollars have been flowed to the city of Toronto. I can't obviously speak to a backlog in their work orders.

I can tell you, if you have tenants within your riding, or any member in their riding, that an order by the Landlord and Tenant Board is a legal order, and it's an offence under the RTA for a landlord to contravene an order of the board that orders a landlord to do specific repairs or other work within a specified time. Most parties, whether landlords or tenants, comply with LTB orders.

Anyone who believes an LTB order is not being obeyed should call the ministry's investigation and en-

forcement unit for assistance, and the unit will commence legal proceedings if someone has not complied with an LTB maintenance or work order. We have a very good track record with this investigation and enforcement unit. I would encourage you, if you have a specific situation you'd like to hand to me today or afterwards, where you have a tenant who has evidence that their work order by the LTB has not been enforced, then we will send the enforcement officials out to deal with the landlord.

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**Ms. Cheri DiNovo:** Certainly Parkdale Legal has tried that many times. But I would like to move on.

Suffice to say that what I've heard from the minister, if I might paraphrase, is that they are not interested in moving ahead on landlord licensing or on per unit rent control.

Ontario's co-op and non-profit housing provides some of the most cost-effective housing in the province, and annual increases tend to be lower than in the private rental market, especially in non-profit co-ops, where residents meet annually to set their housing costs. Changes in programs and complicated funding formulas have reduced the amount of rent-geared-to-income subsidies available to many social housing providers, which means they are able to provide homes for fewer low-income households. Increasing rent subsidies to social housing providers is a quick and efficient way to increase housing affordability across the province. What is the ministry doing to enhance rent subsidies to deal with the affordability crisis in the province?

**Hon. Jim Watson:** Part of the reason we're going through an affordable housing strategy right now is to come up with a series of new and innovative ideas to try to deal with some of the challenges facing those looking for affordable housing and to reduce the number of individuals on wait lists.

Some of the programs we have brought forward to date include the federal-provincial program I've talked about this morning. We also have a couple of other programs that are assisting about 133,000 households; capital investments, which help create and repair up to 76,000; allowances and rent supplements, which will help make rent more affordable for 35,000 families; and the rent bank, which has now been stabilized, has prevented over 21,500 evictions to date.

Units under the affordable housing program are required to have rents at or below 80% of the average market rent. As of August 28, 2009, current average rents in AHP-occupied units in large urban areas—Toronto, Ottawa, London, Hamilton and Waterloo—representing about 3,277 units, are \$618 per month for a one bedroom, \$819 per month for a two bedroom and \$991 per month for a three bedroom. In addition to meeting the affordability criteria, an estimated one third of AHP units receive rent-geared-to-income subsidies, resulting in even greater affordability for the tenant.

As of August 28, 2009, 167 projects have a non-profit and co-op housing component to them. This represents 57% of the total rental and supportive projects. So there

are five co-op projects, 43 municipal non-profit projects and 199 private non-profits.

I should also commend the co-op federation. They've been very vigilant in attending almost all of the housing consultations throughout the province and have offered some very good input and leadership at the round tables that we did have. We're certainly looking forward to meeting with them on a bilateral basis sometime within the next three to four weeks as we start the second round of more in-depth consultations.

**Ms. Cheri DiNovo:** It was from them that we got a substantial amount of our research on co-ops and the fact that the co-op movement, if I can characterize it as that, is pretty well moribund in this province. In terms of, say, what we witnessed going back to the 1970s with the development of St. Lawrence Market, that started around co-ops. In fact, in Parkdale-High Park we had David Crombie come out and talk to us about how did he ever do St. Lawrence Market. He was very frank and forthcoming and said that it all started with co-ops and that the easiest thing this province could do to make affordable housing accessible to all would be to throw their weight behind the co-op movement. Certainly that's something that we would like to see happen and happen pretty dramatically because, again, it's a low-cost way, in terms of tax dollars, to leverage a number of rental units. Those that have tried to set up new co-ops—including myself—have found time and time again that it's a nightmare of red tape and bureaucracy to be able to get them off the ground.

Anyway, moving on, securing new supply is the next title.

**The Chair (Mr. Garfield Dunlop):** About a minute and a half left.

**Ms. Cheri DiNovo:** Okay, I'll leave this until the next—but suffice to say, I'm going to be then focusing on the provision of new housing supply. The government promised 20,000 new units in 2003 and has provided, two terms later, precious few of those. I'll talk about that.

**The Chair (Mr. Garfield Dunlop):** Thank you very much, Ms. DiNovo. I just want to point out that at the end of this 20-minute rotation with the official opposition, we'll have to recess for a few minutes and go up and vote on the motion of adjournment of debate.

Ms. Savoline.

**Mrs. Joyce Savoline:** The HST as it regards rental units: When the HST is implemented on July 1, 2010, items like home heating and electrical service bills, lawn care, snow removal, a whole vast list of services will all increase by 8%. This 8% increase will impact owners of apartments and they will most likely pass on that increase in rent to their renters. What has your government done to cushion that increase in rent?

**Hon. Jim Watson:** Just to clarify, as you know, the HST, if passed by the Legislature, will not apply on rent. It will obviously increase a landlord's day-to-day operations with respect to hydro and water and gas and so on. The HST-induced operating price increases will eventually be reflected in the CPI and therefore be

reflected in the 2012 guideline. The landlord can, under the Residential Tenancies Act, pass on these increases in cost to the tenant either through vacancy decontrol or through an application to the LTB for an above-guideline increase in rent on the grounds for extraordinary increases in the cost of utilities. There is no cap on the AGI rent increase justified for an extraordinary increase in utilities. An increase in this category is considered extraordinary if it is greater than the guideline plus 50% of the guidelines. So there was some confusion in the by-election that took place in St. Paul's where some candidates were claiming that the rent was subject to the HST, and that is simply not the case.

**Mrs. Joyce Savoline:** Minister, in that by-election in St. Paul's you actually wrote a letter to a candidate at the time, Eric Hoskins, suggesting that there would be no increase. Do you think it was inappropriate for a ministerial letter to be used as a piece of partisan flyer in an election?

**Hon. Jim Watson:** Anyone who writes to me, I write back on ministerial letterhead, and what they do with that letter is their choice. I suspect if your candidate had written to me on an issue I would have sent a similar letter and she could have chosen to use it on their brochure if she wanted to, unless it was listed as a confidential piece of correspondence, which it wasn't. It was very much a similar letter that I had sent to other people from that particular community who had written to me or emailed me, asking if there was a tax on rent under the proposed HST. I made it very clear that rent was not subject to GST, and therefore it would not be subject to HST.

1630

**Mrs. Joyce Savoline:** In previous questioning by members opposite, you talked about a list of prospective projects in Ottawa that received money. One of those is the LRT project. There seems to be a discrepancy in the amount of money that that project is receiving versus some large transit projects in other parts of the province, with the amount of money that the province is contributing. Can you speak to that, please?

**Hon. Jim Watson:** I'd be very happy to. This is a rather long-drawn-out exercise that the city of Ottawa has been involved with. The LRT proposal goes back several years under former mayor Bob Chiarelli, who proposed a light rail plan. Our government was the first government to come to the table with a \$200-million commitment for what was then going to be a \$600-million light rail program. Subsequently, the federal government did come to the table with \$200 million, and the municipal government would use a variety of their own revenue streams—gas tax, both federally and provincially—to make up its \$200-million contribution.

Subsequently, there was a municipal election before the first spike was put into the system. The new mayor and certain members of council decided to push what they called the “reset button” and start the process all over again with respect to what the new rail plan was going to be for the city of Ottawa.

A few months ago, the city adopted a new plan which was substantially different in terms of priorities and costs than the old plan. I believe it was estimated at the time at about \$1.8 billion, which was significantly more than \$600 million. That plan was subsequently sent to the Ministry of Transportation, which has the lead responsibility for doing its due diligence on the plan. Subsequent to that being submitted—and our staff are working on the due diligence to make sure that the plan makes sense economically, makes sense from a ridership point of view—we've now been told that there will be new cost estimates by the city that will be delivered to city council by the end of this month.

There have been a couple of newspaper stories: one that showed the price tag going up by \$100 million and, subsequently, an additional story that showed that it was going up by an additional \$200 million. There have also been some mixed signals sent out with respect to whether the council plan is going to go east-west or north-south first.

I have maintained the position that we are very much in the transit business and we want to partner with the city, but we're not prepared to give a blank cheque to the city, because the cost keeps going up and we need to nail down the specific costs from a taxpayers' point of view. We also need to nail down what the specific priority route is, because we can't go north, south, east and west all at the same time—it's financially not viable—and determine other obvious questions that are included in the risk assessment that the city has published, including whether we have the true costs for land acquisition. My understanding is that we don't have land acquisition factored into the cost estimates, and you can well imagine that if you have to expropriate or buy land, that's going to add to the price tag.

There was a story in the news media just a few weeks ago that showed that the configuration of the rail yards and the curvature of the track was going to add additional costs to the light rail project. Finally, if a tunnel is going to be part of the equation under downtown Ottawa, there were no cost estimates factored in for utility replacement and movement.

So there are a number of unanswered questions. I've indicated to both the mayor and members of council and the public, who I represent in my riding of Ottawa West-Nepean, that we want to be a partner. We were first at the table with money, but we're not prepared to give a blank cheque until we know exactly how much the project is going to cost and what the cost-benefit analysis is going to be, because the whole purpose of investing a substantial amount of money in transit is to see a substantial increase in ridership.

**Mrs. Joyce Savoline:** That was going to be my next question. You have met with the mayor and his committee on this issue?

**Hon. Jim Watson:** Yes. There was a group of councillors and the mayor's office that we were meeting on a fairly regular basis up until a few months ago. There was a bit of an interim period when the mayor was on leave

of absence because he was on trial, so we were not meeting directly with the mayor but with his chief of staff.

**Mrs. Joyce Savoline:** Okay. Bob?

**Mr. Robert Bailey:** Thank you, Minister. I had a couple of other questions that came up the other day in the meetings that I held in Sarnia-Lambton. These were issues that came from both landlords and tenants that presented themselves.

One they alluded to was, for want of another word, communications silos. This came from a tenant who's having difficulty obtaining affordable housing. The way he explained it at the meeting to myself and the other people there was—for example, in trying to obtain housing he was dealing with community and social services and then they'd say, "We can only do so much for you," and then they'd send him over to the Ministry of Housing. He'd have to go there and start another file. They'd ask him all kinds of information again. Sometimes he wouldn't have everything with him and difficulties in transportation. I just wondered, have you done anything or are you working in regard to eliminating those types of communications issues, or do you think that is an issue?

**Hon. Jim Watson:** No, I think it is an issue with some people. When they are in a desperate situation, they may not know the intricacies of how government works. I always encourage people to go to the local service manager—in your case, I believe it would be Lambton county that has the responsibility for the delivery of housing—to get on the list. If they are a victim of domestic violence, obviously they're given a higher priority. There's no reason for anyone in our society, in our province and in our communities to be living on the streets. There are opportunities, whether they're temporary shelters—other housing opportunities, while not perfect, at least can get someone into a bed or into a rooming house or a shelter.

One of the things I've heard, Mr. Bailey, a number of times over the course of the hearings is that there are too many silos within the housing community and particularly within the province, that so many ministries do have some responsibility for housing. You've got Comsoc that's responsible for certain housing projects. You've got Health that's responsible for supportive housing. You've got our ministry that provides funding for capital infrastructure. You've got the Ministry of the Attorney General and the Minister of Community Safety who have responsibility for funding of institutions like John Howard and Elizabeth Fry. So there are a fair number of cooks around the broth, and that's not always a very efficient operation.

We're looking, as we continue the consultation, to see what we can do to try to simplify, at least from the province of Ontario's perspective, the delivery of service so that it's not as confusing and we're not duplicating as much and spending as much money.

**Mr. Robert Bailey:** Thank you. The second question I had came from mainly landlords that were providing housing from time to time. They had tenants who were

looking for housing and they were residents with them, but they maybe didn't have the proper skills or had never learned the proper skills or had difficulty keeping the premises as the landlord would have liked to have them kept, and so that led to difficulties and eventually the landlord ended up evicting them—didn't really want to evict them, but because of the conditions of the apartment being left or the rental unit. Is there an opportunity for transitional allowances or transitional funding that would bring in, say, an outside agency, someone that could come in and, for example, help them with their life skills, like paying bills and/or maybe cleaning services? Is there something like that available or is that something that you looked at?

1640

**Hon. Jim Watson:** The only answer I have for you, Mr. Bailey, is obviously if the individual is a senior or they've got an illness, CCAC does offer certain light housekeeping duties and so on. There's the Victorian Order of Nurses. I'm not familiar, certainly, at a provincial level, as to whether there are any programs that would offer these life skill programs. There may be locally some organizations, whether it's funded through the United Way or other groups, but I'm not familiar. Maybe the deputy can confirm whether we have any programs of that nature.

**Mr. Fared Amin:** We don't have any programs of that nature. We have a lot more programs, as you know, to deal with folks who are recently unemployed. But in terms of providing transitional support for housing, the ministry does not administer any program in that regard.

**Mr. Robert Bailey:** It came up through those hearings with suggestions and these were comments that were made—not necessarily criticisms, but comments made—looking for those types of thinking, to consider those types of issues because the point these landlords were making was that they didn't mind providing this type of housing but they had a certain investment they wanted to look after, and the housing stock could become damaged. They didn't really blame the tenant; they didn't have the skills to be able to look after it. So that was more of a comment.

*Interjection.*

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

**Mrs. Joyce Savoline:** Okay, I'll start my next question. The Development Charges Act has been in place for awhile and there are some municipalities that are feeling that development does not pay its own way through the Development Charges Act. The acts are quite prescribed and it's a legal exercise, so municipalities must be very precise in their calculations as to what can be charged to developers when they are building in their communities. But I guess in the Municipal Act, there's also a vehicle that municipalities avail themselves of where they can also charge an allocation fee. This is in addition to the Development Charges Act and in some cases this actually can increase the development charge per unit quite substantially. So my concern is, as municipi-

palities take up on the availability of this in the Municipal Act, the developers will pay the money in order to continue to build their units, but the cost will be transferred to the new homeowners. I think that this begins to be a hardship, especially for first-time owners, and begins to erode the concept of affordable housing because the amounts are applied to all kinds of housing, so it considerably escalates the cost of a home. Are you aware that this is happening?

**Hon. Jim Watson:** I'm aware that there are some real challenges that the development industry is facing in Halton region in particular, because they're—

**Mrs. Joyce Savoline:** There are others.

**Hon. Jim Watson:** There are others, but I don't think as high an increase as Halton has put forward. The region of Halton has approved a \$7,889 charge for developers in the HUSP area, and that includes a \$3,299 interest fee alone to the region from developers to cover water, waste water and transportation infrastructure and a \$4,590 developer contribution covering the cost of servicing DC-exempt buildings, municipal buildings, schools and expansions to existing industrial areas. I believe there may be some legal action that is taking place from the developers towards the region of Halton.

The Premier, in a speech about a year ago—we were under some pressure by both the municipal sector and the development industry to open up the Development Charges Act. Both sides wanted it open for different reasons. The municipal sector wanted it open to broaden the scope of the development charges so that things like hospitals, admin buildings, land for parks, tourism facilities and waste management services could be included—as you know, they are now excluded from DCs—whereas the development industry wanted it tightened up so that fewer things could be included. The Premier indicated—given, at the time, we were just coming into a recession—that it was not the appropriate time to open up the Development Charges Act, 1997. He indicated at that point that under this term of government we would not be opening the DC act at all.

While there was some relief on the part of the development industry, there was some disappointment as well, I suspect, because they thought that if they opened it up, they could get what they want. But I told those folks in the development industry, “Be careful what you wish for, because you never know what's going to come up once you open up an act like the DCA.” I know my friend and colleague Mayor McCallion wanted it opened up for completely different reasons; she wanted to be able to include transit on a go-forward basis. As you know, you can only factor looking behind on transit.

**The Chair (Mr. Garfield Dunlop):** That pretty well wraps up this 20 minutes here, Minister.

**Mrs. Joyce Savoline:** I'll be back.

**The Chair (Mr. Garfield Dunlop):** Ms. DiNovo.

**Ms. Cheri DiNovo:** On a point of order: I'm just listening to the ringing of the bells. I'm aware that there's a vote. I'm wondering if, by unanimous consent, we can continue on through the ringing rather than recess. It's

fine with our party. Due to our agreement earlier, and within the spirit of that agreement, it will eat away at our time here.

**The Chair (Mr. Garfield Dunlop):** I need a ruling on that.

**Mr. Bob Delaney:** There's some merit to that. Can we postpone that discussion? Cheri, would you like to just start in on it and give us a minute here?

**Ms. Cheri DiNovo:** Sure, I'll start in on it.

**Mr. Bob Delaney:** We've got four minutes. We're a minute from being able to go upstairs.

**The Chair (Mr. Garfield Dunlop):** I don't have a problem with that, but I do want people to have the opportunity to vote if they'd like to go up and vote on this.

**Mr. Bob Delaney:** Okay. I'm just sort of looking at the numbers. It amounts to about the same numbers one way—

**Mr. Khalil Ramal:** It doesn't make a difference.

**Mr. Bob Delaney:** Yeah, it doesn't make any difference to the vote.

**Ms. Cheri DiNovo:** Whether we vote or not, I agree with Mr. Delaney. Just in the spirit of our agreement, what this does is eat away at our time to be able to ask questions.

**The Chair (Mr. Garfield Dunlop):** Okay, we can start right now and go for three minutes if you want.

**Ms. Cheri DiNovo:** Okay, let's do that as a beginning rather than waste any more time.

I just heard the minister for housing say, "There's no reason for anyone to live on the streets." I would ask if he means by that that it's the fault of the homeless that they are living on the streets. Also, congruent with that question, if it's not the fault of the homeless, whose fault is it that people live on the streets? Second of all, has the Minister of Housing ever spent a night in a shelter?

**Hon. Jim Watson:** No, it's not the fault of the homeless. In many instances, I'm told by professionals who deal with the homeless community, it's their choice to stay on the street because of a number of circumstances, whether it's mental illness or alcoholism or feeling unsafe in going into a shelter.

I volunteered for about five years at the Shepherds of Good Hope serving meals, and I've also been a volunteer at the Union Mission in Ottawa.

**Ms. Cheri DiNovo:** So did you spend a night in a shelter? Do you know what it's like to sleep in a shelter?

**Hon. Jim Watson:** No. I've spent much more time than just seven hours in a shelter. I've spent hundreds of hours helping out those less fortunate in my community.

**Ms. Cheri DiNovo:** As one of many founders of Out of the Cold, I can tell you that there are many reasons for sleeping on the street. Particularly for women and children, there are simply not enough shelter beds—or men and children. We had a family living in the parking lot of our church. Every church will tell you the same story, every church that takes part in Out of the Cold.

**1650**

I consider that what you said, that there's no reason for anyone to live on the streets, an incredible insult to those

who find themselves living on the streets as we speak, many of whom are going to die on the streets in the upcoming months. We know that from the Toronto Disaster Relief Committee. So I just wanted that on the record. I'm just appalled by that statement.

**Hon. Jim Watson:** With all due respect, if you'd listened to my statements as opposed to prejudging what I was going to say, I did not insult the homeless. I have great respect—

**The Chair (Mr. Garfield Dunlop):** I think we're down to about just a little over two minutes—

**Hon. Jim Watson:** I'm not going to stand for someone putting words in my mouth.

**The Chair (Mr. Garfield Dunlop):** We can pick up as soon as come back, Minister. We're going to—

**Ms. Cheri DiNovo:** We'll check with Hansard that that's what you said, Minister.

**The Chair (Mr. Garfield Dunlop):** We'll do our vote and we'll be right back here.

**Hon. Jim Watson:** All right.

**The Chair (Mr. Garfield Dunlop):** So we'll recess.

*The committee recessed from 1650 to 1654.*

**The Chair (Mr. Garfield Dunlop):** We can reconvene the meeting. Ms. DiNovo, we'll turn it back over to you.

**Ms. Cheri DiNovo:** Thanks.

**The Chair (Mr. Garfield Dunlop):** Minister, you had the floor. I guess you were talking at the very point that we recessed.

**Ms. Cheri DiNovo:** As I say, I was quite appalled at that statement—and we can check in Hansard to be sure—that there's no reason for anyone to live on the streets. I think of Cathy Crowe and Toronto Disaster Relief Committee and all the people who have died on the streets, all the people I've met in my years of ministry who've lived on the streets because they literally didn't have any options, and some lived on the streets because the options they looked at in shelters were so incredibly dangerous that it was much, much safer to sleep on the streets, which is saying something pretty egregious in and of itself.

Back to the supply or the lack of supply of new housing, I remember back in 2003 when Dalton McGuinty was running for election that he promised 20,000 new-build housing units, and presumably he meant in the one term at that point.

Again, this is from our stakeholders: "New housing supplies needed to reduce current shortage, restore vacancy rates to healthy levels, house the growth in population, replace substandard housing and replace aging housing. Ontario's population is slated to rise to 16.7 million by 2031, meaning that an additional 1.4 million new homes will be needed based on current household size."

So the question is, has the ministry done calculations as to how many new affordable units are needed each year to prevent levels of core need from rising; that is, to meet increased supply needs?



**Hon. Jim Watson:** Let me just preface—you quoted Cathy Crowe. I have a quote from Cathy Crowe that talks about her concern regarding the NDP when she said, on November 15, 2008, “I’m going to preface my question by saying that the mailings I’ve received from the Ontario NDP have more frequently than not not mentioned housing and homelessness.” That was at an all-candidates leadership debate for the NDP on the issue of housing in municipalities. So this new-found interest on the part of the NDP on housing, you might want to start putting more emphasis on housing issues—

**Ms. Cheri DiNovo:** I would love to have Cathy Crowe respond to that, but anyway—

**Hon. Jim Watson:** She said this at an all-candidates meeting. So you better talk to her.

**Ms. Cheri DiNovo:** And she’s in support of your housing policies over the last two terms? Please.

**Hon. Jim Watson:** You asked me a question. If you’d like to be polite and allow me to answer it, I’d be happy to.

**Ms. Cheri DiNovo:** Go for it.

**Hon. Jim Watson:** We have targeted rental units of 9,000 in our capital program. Going back to the AHP program in 2005—units approved, 10,002; northern target units, 1,500—units approved, 1,693; homeownership target units, 4,500—units approved, 2,898; for a subtotal of 15,000 compared to 14,593, and funding of \$549 million. With the housing allowance rent supplements of 5,000 to bring the total to target to 20,000 units approved under the housing allowance rent supplement of 3,721, for a total of 18,314.

So we are very close to meeting our target of 20,000. We will obviously exceed that as a result of the new program that we signed just a few months ago with the federal government.

To give you an example of some specific projects that have been approved, starting as of September 25, 2009: In Toronto, 171 units, and of those, 127 for seniors; in Ottawa, 61 units, 15 for seniors, 10 for persons with disabilities; Hamilton, 81 units, all for seniors; Windsor, 45 units; Peterborough, 71, with 35 for seniors, 12 for persons with disabilities; Nipissing, 85 with 60 for seniors, 25 for persons with disabilities.

With respect to rental and supportive units—these are all new numbers—Halton, 120 units, 13 for victims of domestic violence, 17 for people with mental illness; Niagara, 108 units total, 16 for victims of domestic violence, 19 for people with mental illness; Windsor, 122 units total, 13 for victims of domestic violence and 17 for people with mental illness—

1700

**Ms. Cheri DiNovo:** On a point of order, Mr. Chair: I’m just wondering if the minister is going to outline every single housing unit that’s been built. That wasn’t the question that I asked him—

**Hon. Jim Watson:** I’ve got three more.

**Ms. Cheri DiNovo:** —but it would certainly chew up all my time. What I asked him about was new-built units and what the targets were for them. I heard some obfus-

cation about what was targeted and what was actually built, so I’ll go back. For example, in 2008 how many new-built units did your ministry provide?

**Hon. Jim Watson:** I’m reading off new-build units and I have three more to go: Hamilton, 204 units, 30 for victims of domestic violence, 28 for people with mental illness; Ottawa, 255 units total, 19 for victims of domestic violence, 53 for people with mental illness; and finally Toronto, 1,048 units total, 118 for victims of domestic violence, 158 for people with mental illness.

As you can see, what we’ve tried to do is to take the programs, either home ownership, new build or rent supplement, and spread them throughout the province of Ontario so that every region of the province is actually able to benefit from the programs that we have put forward as a government. The target under the AHP was 20,000. We’ve fallen short by approximately 1,600 because the units-in-progress figure is 18,314.

**Ms. Cheri DiNovo:** According to the ONPHA, it estimates that the annual need for new rental housing is about 10,000 units—that’s what they’re saying—and in 2008, only 3,000 new rental units were built, so well behind the curve. Again, there’s some obfuscation, might I point out, between new builds, which is what I asked about, rent supplements and other varieties of housing. New builds was what I asked for.

It’s interesting: My husband and I were in Sweden, population nine million, which had a program called the million-unit program. In 10 years, they built 100,000 new units of housing—built new units—per year. If they can do it with nine million people in that tax base, surely we can do way better than what we’re doing here.

Moving on, will targets be set for specific populations—that’s another question—such as aboriginal people? I’m talking here, of course, about off-reserve. In terms of your targets going forward, have you broken them down in terms of specific populations?

**Hon. Jim Watson:** In fact, we do have the aboriginal housing program. We’ve signed three agreements with First Nations, Metis and Inuit communities. We are now engaging the aboriginal community to determine how to invest the \$80 million for off-reserve housing. Based on the community’s recommendations, we entered into memorandums of understanding with two aboriginal organizations.

It’s very important—the aboriginal community was very clear—that they want to design, deliver and administer their programs, and we’ve agreed to that. So the Ontario Aboriginal Housing Support Services Corp. is the program administrator for the FIMUR program. Through this program, \$60 million will be available for new affordable rental units and ownership loans for off-reserve aboriginal people outside the GTA. We signed that agreement in Thunder Bay. The Miziwe Biik Development Corp. is the program administrator for the GTA aboriginal housing program. Through this program, \$20 million will deliver 360 units in the GTA.

The administration agreements have been signed with the organizations. My ministry continues to work with

those organizations, and we look forward to seeing some ground being broken very shortly, both in the GTA and outside the GTA, to spend this \$80 million.

**Ms. Cheri DiNovo:** Moving on to co-op and non-profit housing again, this question has been generated by them and the Ontario Non-Profit Housing Association. Co-op and non-profit housing have a long history of success in Ontario and continue to provide good-quality and cost-effective housing to hundreds of thousands of people. The provincial government in the late 1990s, when it decided to download most housing programs to municipalities, said that it wanted to simplify administration through the Social Housing Reform Act, but ended up substituting one complex administrative burden with another complex administrative burden. Groups such as the Co-operative Housing Federation of Canada and the Ontario Non-Profit Housing Association believe that the SHRA needs an overhaul. Is the ministry exploring options to reduce the administrative burden associated with the act?

**Hon. Jim Watson:** The short answer is yes. That is one of the irritants that a number of housing providers have brought forward to the affordable housing consultation process. I believe it's overly prescriptive and cumbersome, and it's about 600 pages. We can do better and we will do better. I've directed our staff to start looking at ways that we can simplify the act. When we start the next round of in-depth consultations next week, we're going to be asking for specific recommendations on how we can simplify the act.

I know, for instance, a good example is that when we had the rent bank program, there were four requirements for report back to the ministry for a relatively small amount of money. While I believe it's important to have accountability in our system—and we're using tax dollars; I appreciate that—we've made it too cumbersome for a lot of these not-for-profit organizations and even the municipal sector. I would rather have them spending time, money and effort building homes and not filling out government paperwork.

**Ms. Cheri DiNovo:** This flows from that: The Ontario government also needs to ramp up its investments in new co-op and non-profit housing. In 2003, the McGuinty Liberals promised they would fund 26,600 new units of co-op and non-profit housing. When does the ministry expect to meet its promise of 26,600 units of co-op and non-profit housing?

**Hon. Jim Watson:** We'll undoubtedly surpass that as a result of the investment that we are currently spending in conjunction with the federal government through the extension of the affordable housing program. In addition, we also will be able to bring back into service a number of units that are in disrepair as a result of being neglected for lack of money, to the tune of 50,000 different units that will be upgraded.

I've had the pleasure, for instance, of visiting a number of these units over the course of the last couple of months. I've seen first-hand new balconies that have been put in place in one particular neighbourhood in

Ottawa, and new kitchens and counters and so on, at Regina Towers in my riding of Ottawa West—Nepean. So the money is getting out the door. It is being spent.

I was with Mr. Delaney and Mayor McCallion and others in Mississauga when we launched the \$100-million affordable housing initiative, and there was a real sense of joy on the part of the tenants who, after years of waiting for retrofits and renovations to their building, were finally getting new windows and new appliances—

**Mr. Bob Delaney:** New roofs.

**Hon. Jim Watson:** —and new roofs in that particular community in Mississauga. So the money is flowing. I see it on a daily basis. I'm very proud that our government is back in the housing business. I'm very proud of the fact that we are increasing opportunities for home ownership, increased rental opportunities for affordable housing, and rent supplements for individuals who live in private-sector apartments.

**Ms. Cheri DiNovo:** The ministry website, however, indicates that as of August 28, 2009, after six years, the government is just over halfway to its target, having created 14,593 affordable housing units, about 9,000 of which are occupied now. That's from your own website, Mr. Minister. But I'd like to probe a little further as well and ask what the minister defines as "affordable."

**Hon. Jim Watson:** When an individual is paying more than 30% of their income to rent—that's the common definition that has been accepted by various housing groups throughout North America, for that fact.

**Ms. Cheri DiNovo:** And how many of those units are, by that definition, affordable? Of the 14,593 being created, 9,000 of which are occupied, how many meet that 30% criterion?

1710

**Hon. Jim Watson:** I think it's now 10,002 that are occupied or approved. Deputy?

**Mr. Fareed Amin:** Just to clarify, the minister mentioned that there are 10,000 rental units that have been approved. With 1,693 for northern Ontario and 2,898 for the home ownership program, the total is 14,593. When you include the housing allowance rent supplement, which is 3,721—

**Ms. Cheri DiNovo:** We're not talking about that now.

**Mr. Fareed Amin:** —it gets to a total of 18,314.

**Ms. Cheri DiNovo:** I wasn't asking about the rent supplement; that's different. I'm talking about new builds.

Again, of the 9,000 new units of co-op and non-profit housing that are occupied, how many are affordable by the 30%-of-income definition? If you don't have the figures, that's fine, but I would like the figures.

**Hon. Jim Watson:** They're all considered affordable housing units, because the rent is subsidized and geared to income.

**Ms. Cheri DiNovo:** So all 9,000 are only 30% of income?

**Hon. Jim Watson:** No, there's a mix. Look at Regent Park. Not every unit in Regent Park is rent-geared-to-

income. There's some market rent; there are some rent supplements. It's not simply one-size-fits-all.

We have also invested in home ownership. We think home ownership grants are a good opportunity to get those people who just don't have the financial means to put down a down payment out of affordable rental housing to free up the unit for another individual or family and get them to experience what many consider the Canadian dream of owning their own home. We see that through Habitat for Humanity, which our program helps to support, and we certainly see it through the home ownership program. On the home ownership program, we have not met our targets. We're a little down. The target was 4,500; we're just under 3,000. So we're about 1,500 units below, but we're going to be more aggressive in advertising and marketing that program to get all those units taken up.

**Ms. Cheri DiNovo:** Just to conclude, and certainly challenge me on this in writing if you think this is incorrect, only about 2,500 units of affordable housing have been built since 2003, according to our independent stakeholder researchers. Again, we don't have a figure for how many of those 9,000 are really affordable, but our researchers are saying only 2,500 are. I'll leave it at that.

**Hon. Jim Watson:** All these units that are being funded are considered part of the affordable housing program, so they would be considered affordable housing units on varying scales.

**The Chair (Mr. Garfield Dunlop):** Thank you, Ms. DiNovo. We'll now go to Ms. Savoline

**Mrs. Joyce Savoline:** My question is about official plans. Since the Places to Grow and the greenbelt plans have been in existence, municipalities have been required to review their official plans. As you know, that's a long, detailed and very public process. They were asked to do that and have their plans meet the Places to Grow and the greenbelt plans by June 16, 2009. My question is, how many municipalities have submitted their amendments to the official plan based on the Places to Grow and greenbelt plans?

**Hon. Jim Watson:** I'll ask Larry Clay, who is our director of planning, to come forward and give you a specific example. There are a few upper-tiers still not in conformity; I can list those if you want. But Mr. Clay can answer specifically what we're doing with respect to meeting the deadline.

**Mr. Larry Clay:** Thank you, Minister. The requirement for conformity is under the Places to Grow Act, which of course is with the Ministry of Energy and Infrastructure. Our ministry's role is to support and review that through the local official planning process. Minister Smitherman has indicated that, for purposes of conformity, only upper-tier municipalities are required to conform by June 16. What has happened over the course of the past few months is that each upper-tier has either submitted their plans for approval or submitted partial plans. We're working with each of them, in many respects just to kind of finish that off.

Every upper-tier municipality has either completed or is nearing completion of those official plans in some

form. The lower-tiers—all the area municipalities—were given a one-year extension to conform, obviously so they can get the upper-tier plan in place and then their official plans, which have to conform with the upper-tier, can be done.

**Mrs. Joyce Savoline:** So at this point in time all upper-tiers have submitted a partial amendment or a full amendment?

**Mr. Larry Clay:** All upper-tiers have either finalized their official plans or, in some cases, are in finalizing getting them through council, have submitted to us or submitted partial official plan amendments.

**Mrs. Joyce Savoline:** I guess my concern is their vulnerability if they're challenged in a development, because they're still working with their old official plans and yet the Places to Grow legislation is in place as well. I can understand that there's a transition period, but I'm wondering how long that will be allowed to continue, because I think it places a vulnerability on municipalities when there's this difference between the regulations.

**Mr. Larry Clay:** Even in situations where the official plan hasn't been finalized or approved, all developments initiated after the Places to Grow Act was introduced still have to conform with the Places to Grow Act. The act of getting official plans into conformity is one part of it, but developments still have to comply with the legislation.

**Mrs. Joyce Savoline:** With the old plan?

**Mr. Larry Clay:** With the Places to Grow Act.

**Mrs. Joyce Savoline:** Okay. In the case of the lower-tier municipalities, why was the one-year extension needed?

**Mr. Larry Clay:** Again, I think there was a recognition that the upper-tier and regional municipalities required the time right up till June or a little bit past to get theirs into play, and it was impractical for lower-tiers to get their plans in place, because theirs nest inside or underneath the regional plans. So there was a recognition that you need to give lower-tiers enough time to see what was in the upper-tier plan and make sure their plans conform that way.

**Mrs. Joyce Savoline:** When do you expect to be giving approval to these new plans?

**Mr. Larry Clay:** When we receive an official plan for review, we have 180 days under the Planning Act to approve it, and that process is ongoing. As we receive them, we'll be reviewing them. We work with each municipality to consider issues that are raised or negotiate some technical amendments, but we have a requirement to make an approval within 180 days of receiving that plan.

**Mrs. Joyce Savoline:** Have any of these new plans been challenged?

**Mr. Larry Clay:** As yet, no.

**Mrs. Joyce Savoline:** Thank you, Mr. Clay.

Minister, I believe there is a reasonable process in place in the landlord and tenant act for filing grievances and notices of termination and that kind of thing. But I think there is a crack in the door for some abuse of that process, and I don't believe that abuse of any process is healthy regardless of from where it comes.

I have a particular situation in my constituency, although I'm led to believe this happens in other ridings as well. There are times when a tenant and a landlord disagree on the tenant vacating the property, and so the landlord has the option to file an application with the board, and most likely that would result in a hearing. If the board agrees that the tenant needs to be evicted, then there's a date set for when the tenant must vacate the property.

If the tenant doesn't leave by that date, then another whole process kicks in. The landlord has to file an order with the court enforcement office, and the sheriff will come and evict the tenant. Then, sometimes a little game starts to be played. Say there was an arrears in rent—three months, four months, whatever—and all of a sudden the arrears are paid up. Now we start all over again. The tenant pays their arrears and then starts a new process where they become in arrears again. The landlord then must again go to the board and go through that whole process.

I don't think that was ever the intent of what needed to happen here, so I'm wondering: Is your ministry considering any kind of review so that the intent of what you meant to happen through this process is really happening?

**Hon. Jim Watson:** As you know, the changes to the Residential Tenancies Act were just implemented a couple of years ago. I understand the dilemma and I've heard of this situation where it's almost a game of cat and mouse, where they delay paying and then they have to start the whole process over.

I'll ask the deputy or the assistant deputy to comment on that specifically, but I can tell you that we did hear loud and clear from landlords that the vast majority of their tenants are good tenants. But there's that small amount that causes an awful lot of trouble for other tenants and for the landlord themselves.

We did provide a fast-track eviction process when a tenant is involved with illegal drug activities; there are actions that may impair the safety of other tenants or the landlord; deliberate damage to a unit or to the apartment building; and causing disturbances in a small complex, where the landlord also lives in the complex. In fast-tracked hearings, the notice period is cut in half, hearings are scheduled more quickly, the Landlord and Tenant Board understands the urgency, and if the application is successful, the LTB may order the tenancy terminated immediately and, in such an order, request the sheriff to expediate. So we are in contact with the sheriff, the sheriff moves in, the person is evicted, the locks are changed and that particular situation is resolved.

With respect to the issue, Deputy, at some point is there some ability, if they simply are always late, to ask the LTB for an eviction so that they don't simply toy with the landlord?

**Mrs. Joyce Savoline:** It gets to be a merry-go-round.

**Mr. Fareed Amin:** As the minister said, we've tried our best to streamline the process to ensure that it's fair to both the landlord and the tenant. In fact, as you know, the

process is much more streamlined now. Rather than a lengthy time to get a hearing, I think we're looking at two to three weeks.

There is nothing in the current system to prevent what I would describe as the unfortunate system that you alluded to—

**Mrs. Joyce Savoline:** Let's call it habitual arrears.

**Mr. Fareed Amin:** What we will do is try to see if there are any administrative best practices that we could use to ensure that we prevent some of these things from happening in the future.

Also, I think there's a possibility of us looking at some of these issues and concerns as part of our long-term affordable housing strategy. But it is something that we're really trying to ensure, that the process of getting to a hearing and the implementation and the enforcement of that decision are done fairly quickly, in a very seamless way that respects the rights of the landlord as well as the tenant.

It is really tough, though, for us to legislate a situation where individuals are bent on doing things that are totally inappropriate, but your comments are well taken. We'll look at those concerns.

**The Chair (Mr. Garfield Dunlop):** We're going to recess again for a couple of minutes. We'll be right back.

*The committee recessed from 1722 to 1729.*

**The Acting Chair (Mrs. Joyce Savoline):** Thank you for coming back.

Mr. Dunlop, you have nine minutes and 10 seconds.

**Mr. Garfield Dunlop:** Thank you very much, everyone. It's interesting, playing musical chairs here this afternoon as we try to finish off this round of questions.

Minister, I don't expect you'll have these answers readily available, but it's something I might like to see in the future, at some point, if you could provide them from the ministry.

I hear from my local constituents, ratepayers, business people etc. They seem to think, in a lot of cases, that a lot of municipalities have grown in size as far as the number of municipal employees. I don't know whether that's true or not. But I'm curious: Obviously you'd know the number of municipalities, of course, in the province of Ontario, but would you happen to know, for example, when you came to power in the fall of 2003, the total number of municipal employees on the payroll in the province of Ontario and what those numbers may be today, or even what they might have been at the beginning of this year, 2009? I don't have that information to back up any arguments I have from people who ask me about that.

**Hon. Jim Watson:** I don't have the information, the total number of municipal employees, but I'm sure we can—we might be able to track it down through AMO.

I don't know if in our financial reports—

**Interjection:** The FIRs.

**Hon. Jim Watson:** The FIRs have that? Well, our FIR reports would tell us the total number of employees. We can take all 444 FIRs, add them up and give them to you.

I can tell you, in the case of our ministry, we started in 2004-05 with almost 958 full-time equivalents in the

ministry. Today we're at 804, so we've actually decreased the number of full-time equivalents at the ministry.

You might be interested, Mr. Garfield—

**Mr. Garfield Dunlop:** Mr. Dunlop.

**Hon. Jim Watson:** Mr. Dunlop—

**Mr. Garfield Dunlop:** You're getting as bad as her.

**The Acting Chair (Mrs. Joyce Savoline):** That's why I started calling him Mr. Dunlop.

**Hon. Jim Watson:** It reminds me: My first parliamentary assistant was Mario Sergio, and I used to call him Sergio all the time because he also represented the same riding as Sergio Marchi, so it was always very confusing.

The number of consulting contracts—that's been in the news, obviously, a fair amount over the last little while. I'm pleased to report, in our ministry, we had 67 consulting contracts in 2006-07, and that figure dropped to 37 in 2007-08 and 23 in 2008-09. The value of those contracts has gone down from \$3.3 million to \$1.4 million. As well, our travel expenses claimed by staff have also fallen each year, from \$1.6 million in 2006-07 to \$1.1 million in 2008-09. Our travel expenses, air and rail, have gone down from \$492,000 to \$347,000. Even in temporary help services, we've gone from \$697,000 to \$204,000.

So we've tried to be fiscally prudent at the Ministry of Municipal Affairs and Housing. I give great credit to my deputy and his predecessor, John Burke, and the great staff that we have here who watch the bottom line very carefully.

We'll get you the figure as to the total number of employees, because they're required to submit that on an annual basis.

**Mr. Garfield Dunlop:** For all I know, the numbers may have reduced as well. But I hear that from constituents, and I wanted to get some background. I thought this would be a good opportunity.

Something I want to ask about is the financial position the province finds itself in today; I think we're going to find out even more on Thursday with the deficit. I'm wondering: When you're projecting housing units etc., and doing comprehensive planning, strategic planning for the future of the ministry, how will you handle something like a \$20-billion deficit? Are you going to carry on as usual and, whatever happens with the economy, continue to have so many housing units etc., and so much funding transferred to the municipalities, or will you have to take a serious look at some types of cutbacks or reduction in services or whatever it may be? What would your plans be at this time as you look down the road? We see a \$20-billion deficit this year, and God only knows how much it could be next year. Have you done any thinking on that?

**Hon. Jim Watson:** As you can imagine, it's a similar situation with the federal government and their deficit. A good portion of the deficit, I suspect—Minister Duncan will speak to this more precisely—is the fact that we have invested a significant amount, in the billions of dollars, in infrastructure, which is one-time money not

built into the core operating budget of the government of Ontario. There's no question that a combination of decreased revenues plus increased, stepped-up infrastructure have created a deficit at, I believe, every government in Canada. So we're not unique on that front.

We go through what is known as an RBP, a results-based plan, every year, which has to be approved by the Management Board and the treasury board. Following Minister Duncan's statement, our staff will work with Cabinet Office and develop our plan for the future, which, in essence, is our blueprint that will be presented to the minister, and he will have to decide whether it goes ahead or is altered or modified into the budget process for next winter/spring. It's certainly much more challenging this year than it would have been two years ago, when we had substantial surpluses for a number of years.

**Mr. Garfield Dunlop:** I guess my worry is how the municipalities plan around that as well, because they're obviously looking at the numbers coming out of the federal and provincial governments. I think most municipalities are probably appreciative of the fact that stimulus money has been put into the economy to try to create jobs. In fact, it's the most thriving part of the economy, in some cases, because a lot of contractors are extremely busy today, where other sectors of the economy—tourism, agriculture etc.—are not quite as healthy.

In your conversations with, for example, AMO, do they give you any kind of indication of what they are expecting over the next three to five years, or is that something you do on a yearly basis when you're meeting with key stakeholders?

**Hon. Jim Watson:** With respect to AMO and the municipal sector vis-à-vis infrastructure, they know they have a commitment from us and from the federal government for the next two fiscal years. So in many instances they've got more on their plate than they can handle, because there is a fairly large influx of infrastructure money that is being spent, and it has to be spent before March 31, 2011, under the federal government guidelines.

So they've got a lot on their plate, not that they're not thinking beyond that. We haven't really even broached beyond March 31, 2011, with the exception that in the housing portfolio we know that we have a commitment by the federal government for another three years of the affordable housing program or the affordable housing initiative—they call it AHI; we call it AHP.

That money—in many instances, this year's money—is already being spent, so it's not a question of it being clawed back, obviously, because the contracts have been signed, the graders are out there and the work is being done. That will ramp up even more in the next construction season, because I think some people realize there were some delays in getting approvals and so on, and they perhaps missed one construction season. So it will be very busy in the next little while.

**Mr. Garfield Dunlop:** Okay, thank you.

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**The Acting Chair (Mrs. Joyce Savoline):** Ms. DiNovo.

**Ms. Cheri DiNovo:** Again—this is my last kick at the can—I go back to those chilling statistics: 130,000 waiting on the affordable housing roster, 70,000 in the GTA alone, and a 10- to 12-year waiting list; and to the quote I’m still shuddering over that there’s no reason to sleep on the streets, which I think is the 2009 equivalent of, “Are there no prisons? Are there no workhouses?” Suffice to say, I’m appalled at the responses and the glibness of them. The lack of concern is really what’s most galling.

These are questions about the Landlord and Tenant Board that are in fact submitted by tenants from my riding, who call it the landlord board, and here’s why. In 2008, they handled 69,000 eviction applications but only 1,200 applications for maintenance. Why is that?

**Hon. Jim Watson:** Let me just begin with once again correcting the record with respect to my comments about individuals who are living or sleeping on the street. I was very clear that it was not meant to insult those individuals, and I find it very sad and quite pathetic that you would demonize those individuals who are living on the street.

**Ms. Cheri DiNovo:** Oh, come on. It was you that did that, Jim. Check Hansard. We certainly are.

**Hon. Jim Watson:** I’m sorry—

**Ms. Cheri DiNovo:** I’m appalled. I lived on the street, and I’m appalled on behalf of myself and of all those who are on the street right now.

**Hon. Jim Watson:** I indicated that anyone who wanted help could find it in our society, because we’re a caring society and we have put in place various mechanisms that ensure, whether it’s emergency shelters or shelters or affordable housing or temporary—

**Ms. Cheri DiNovo:** There are not shelters for all of those sleeping on the street.

**Hon. Jim Watson:** I see it all the time. Every time there is a—

**The Acting Chair (Mrs. Joyce Savoline):** I don’t want a debate.

**Hon. Jim Watson:** —cold weather warning in the city of Ottawa—

**Ms. Cheri DiNovo:** People die every year.

**Hon. Jim Watson:** —or the city of Toronto, individual facilities are opened up for individuals—

**Ms. Cheri DiNovo:** Never enough; I’ll tell you that. Never enough.

**Hon. Jim Watson:** —so that they don’t have to sleep on the streets.

I think it is very sad that someone ends up on the street, and that’s why this government, more than any other government—including the NDP government, who talked a good tale but didn’t deliver the goods—actually has put money into programs, whether they be through ComSoc, through the housing minister, through the health ministry or through the affordable housing initiative. We are building more affordable housing, we have provided more money than ever before for emergency shelters and the homelessness initiative that this government pushed for through the previous federal govern-

ment. It was this minister, in addition to the provincial and territorial ministers, who kept raising the red flag that the homelessness initiative programs were about to elapse on March 31 of this year. That was exactly why the federal government realized that they needed to be at the table with us, and I take great pride in the fact that I have taken a leadership role on the national stage to ensure that these programs continue and don’t simply collapse as of March 31.

Can we do more? Absolutely. Is it disgraceful in a rich, caring and thoughtful society like Ontario’s that people are living in the street? Of course it is. But the fact of the matter is that for individuals who seek help, there is a social safety net there. It’s not perfect, and it’s not an ideal situation, but it’s a situation that I believe, when the community, the not-for-profit, the United Way, the Shepherds of Good Hope and Union Mission all work together for the good of these individuals—I’m very proud of the fact that our government is there, hand in hand with those individual organizations. I make no apology for being part of a government that is actually putting its money where its mouth is, that brought in the rent bank that staved off 21,000 evictions of individuals and families in the province of Ontario. That is a significant achievement and something we should all be celebrating, regardless of partisan positions.

With respect to the Landlord and Tenant Board, we have made changes. I don’t believe it is as slanted as you say it is in calling it simply the landlord board. What we’ve tried to do is bring some balance back, because we believe the previous government looked at the Landlord and Tenant Board through the lens of the landlord. We’re looking at it through the lens of the landlord and the tenant. We have made significant changes to the Landlord and Tenant Board so that, among other things, rent increases are at the rate of inflation and don’t surpass the rate of inflation. We’ve also brought in a process to eliminate unfair evictions. There are no longer automatic evictions. That is something new that was brought in by this government. Every tenant facing eviction now has access to a hearing at the Landlord and Tenant Board, which was not the case before.

We also brought forward better maintenance of buildings provisions. There were times when I was a city councillor that a landlord was given an order to fix a furnace or fix a heating system and it was not fixed, yet the increase went ahead anyway. That was patently unfair. Tenants in buildings with serious maintenance problems may now apply for a freeze on rent increases. That’s the ultimate punishment of a landlord: to freeze a rent increase. You have the mechanism that you can go through the property standards bylaw of municipalities. I used to send people to property standards all the time—

**Ms. Cheri DiNovo:** If you question these stats, they come from the Landlord and Tenant Board itself: 69,000 evictions, 1,200 applications for maintenance. I’d like to know why those stats exist.

**Hon. Jim Watson:** Because those are the stats that are brought forward.

**Ms. Cheri DiNovo:** Why is it so skewed in favour of the landlords?

**Hon. Jim Watson:** With all due respect, it's not a question of being skewed in favour of the landlord. There happened to be more evictions in the particular year you are quoting. Quite frankly, there are a lot more tenants than there are landlords, so the nature of the numbers is going to be that you're going to have more people in the tenant category than the landlord category. There are hundreds of thousands of tenants and there are probably only thousands of landlords, so just the sheer number of tenants.

But I think you'll agree with me, Ms. DiNovo, that the changes we made to the Residential Tenancies Act in 2006 did bring back a greater sense of balance. I certainly heard that from tenants I've talked to in my hometown over the course of the last couple of years. They're certainly much more appreciative of the balanced and transparent approach to the increase in rent. During your time in office, they saw a record—

**Ms. Cheri DiNovo:** It wasn't my time; it was Bob Rae's time in office.

**Hon. Jim Watson:** Don't distance yourself from your party. You're a New Democrat, and the highest increase by party was 6%.

**Ms. Cheri DiNovo:** I do distance myself from Bob Rae.

**Hon. Jim Watson:** Under the PCs it was 3.9%. The Tories did better than the NDP when it came to increases. The aggregate of your party was 27%, our party was 14% and the Tories again defeated and beat you at 23.9%. We had instances when the party was—look at this: 5.4%—

**Mr. Bob Delaney:** On a point of order, Mr. Chair: It would be worth mentioning that sitting here in estimates, our purpose is to consider the ministry's plans and budget for the upcoming year. As satisfying as it may be to engage in some of these things, it may not be productive for the balance of our time here.

**The Chair (Mr. Garfield Dunlop):** Thank you very much, Mr. Delaney. We could maybe get a little more onto the estimates and finish up our time a little more peacefully. Thank you.

Go ahead, Ms. DiNovo.

**Ms. Cheri DiNovo:** It's hard to be peaceful. I feel passionate about this, as do thousands of Ontarians who are living on the streets.

Why is it that with all the property—and that was an estimates question, by the way: 69,000 eviction applications and 1,200 applications for maintenance.

The minister mentioned earlier that there was the possibility of a rollback of rent or a rent freeze in certain instances, and yet not one of those tenants received a rent reduction or a rent freeze. There was not one instance of a rent freeze or rent reduction in the year 2008. Again I ask: How well is the system working?

**Hon. Jim Watson:** We'll go back and verify the statement you just made from the chair of the Landlord and Tenant Board and determine whether it's accurate or not.

**Ms. Cheri DiNovo:** How much time do I have left?

**The Chair (Mr. Garfield Dunlop):** You have about 10 minutes.

**Ms. Cheri DiNovo:** Wonderful. Moving on then, the understanding about the shelter rates for a single person on OW is \$356 per month. That is only half of the average rent for a bachelor apartment in Ontario, which is \$690. A shelter allowance for a single mother with two children on OW is \$607, whereas the average two-bedroom apartment rent is \$948. How are individuals and families expected to secure housing when shelter allowances are so inadequate?

**Hon. Jim Watson:** As the honourable member may know, that is a responsibility of the Minister of Community and Social Services. It's my understanding that Minister Meilleur is going to be appearing before the estimates committee, so you may wish to ask her that question at that time.

1750

**Ms. Cheri DiNovo:** One would think that the Minister of Housing would have some input about housing allowances and be interested in this topic, though.

**Hon. Jim Watson:** I do have an interest, but I also respect the fact that I have another colleague who has direct responsibility for that particular file. As you know—you're a critic for certain portfolios I'm a minister for a portfolio—we respect each other's responsibilities. Minister Meilleur, I'm sure, would be very happy to talk about the shelter allowance program.

The shelter allowances have, as you know, been increased, as have Ontario Works and ODSP levels, over the last several years since our government came to office, after close to an eight-year freeze.

**Ms. Cheri DiNovo:** One would hope the minister would agree that they're still far below the poverty line in Ontario.

Moving on, this is regarding the building code: Organizations such as Natural Resources Canada, the city of Toronto, and CMHC are promoting the concept of solar-ready houses. This involves constructing buildings to be solar-ready so that they require minimal retrofits in order to install solar water heating or photovoltaics in the future. This can include installing a low-cost conduit from the attic to the mechanical room or reserving space for future equipment installation. Each of these modifications can cost less than \$100 during original construction but could cost thousands of dollars to add as a retrofit. Requiring buildings to be solar-ready is a cost-effective investment as the relative costs of solar energy technologies decrease.

The example given to me was, in September 2008 the city of Vancouver revised their building code to require all one- and two-unit dwellings to be built solar-ready.

Has the ministry explored requiring that new buildings be solar-ready through the building code?

**Hon. Jim Watson:** As the honourable member may know, through the Green Energy and Green Economy Act we have brought changes to the building code that clarify that energy and water conservation are purposes

of the building code, which is a significant alteration of the code; require regular five-year reviews of the code's energy conservation provisions; and finally, mandate the creation of a building code energy advisory council, which is currently being established.

I was very pleased to hear, just yesterday, that there are approximately 70 applications for that building code energy advisory council. The purpose of the council will be to provide strategic advice to the government on the future direction of energy-efficiency provisions in the building code, and members are being recruited through the public appointments process.

I might also point out that our government is creating a greener Ontario and a culture of conservation. Energy-efficiency requirements of the building code support these priorities, and let me just give you a couple. Our government amended the building code in 2006 to increase energy conservation requirements for houses and larger buildings and to reduce barriers for the use of green technologies. Secondly, the energy conservation requirements of the building code strike a balance between tough new energy conservation standards and continued housing affordability. And by 2012, which is not too far away, the energy conservation requirements introduced in the 2006 building code are expected to save enough energy to serve 380,000 homes, or enough to power the city of London, and reduce greenhouse gas emissions equivalent to 250,000 fewer cars on Ontario roads.

Most of the changes that are introduced in the 2006 code are already in force. Some additional requirements for residential and commercial buildings are being phased in through to 2011. As you know, it takes some time to get the code updated and get the building industry up to speed on these changes. But since December 31, 2008, for instance, one of these changes requires a near-full-height basement insulation in homes, which makes the basement more energy-efficient and cuts down on greenhouse gas emissions.

So we actually have the most energy-efficient building code in the country, and other jurisdictions, other provinces, often wait and follow our lead, and I'm proud of the work that we're doing.

I look forward to having the building code energy advisory council up and running within the next several months, which that would offer me, as minister, advice on a regular basis on how we can do better.

**Ms. Cheri DiNovo:** So right now we don't require that one- or two-unit dwellings be built solar-ready, in other words.

**Hon. Jim Watson:** No, we don't.

**Ms. Cheri DiNovo:** Okay. I'm going to get back to energy and environmental audit questions, but I'm aware of the time. I want to ask this because it's important—about the OMB and SLAPP suits. I brought forward a motion to reform the OMB. I've certainly been before the OMB many times on behalf of constituents. The process, as anybody who's been before the OMB knows, is incredibly slanted on the developer's side. They have the money and the resources to have planners and lawyers on

the payroll, and they're usually up against citizens' groups who are taking a day off work, who don't have the planning expertise and don't have the lawyers on their payroll.

In fact, this is not my experience only or my opinion only or that of my constituents', but the Environmental Commissioner of Ontario in his report stated, "The planning system is hugely weighted in favour of those in the development industry who have the resources, knowledge and experience and access to a stable of planning, environmental and other professionals with specialized expertise to skilfully argue their case before the Ontario Municipal Board." Do you agree with his statement that the system is stacked in favour of developers?

**Hon. Jim Watson:** I had the opportunity to speak to the Environmental Commissioner yesterday and we agreed to disagree. He believes there is a need for anti-SLAPP legislation. I indicated that there were no provinces that had anti-SLAPP; in fact, Quebec does. BC did, but it withdrew.

The OMB, as you know, is authorized to award costs. It does so very rarely, when someone's conduct is clearly unreasonable, frivolous or in bad faith. The ability to award costs helps to ensure the process is fair for all by discouraging unreasonable contact. We've also established the citizen liaison office, and individuals can call the liaison office at a toll-free number or visit the OMB website.

But the government is not preparing any legislation or regulation that would bring in anti-SLAPP legislation, because we think there are two sides to every issue that goes before the OMB, and there are times when, for vexatious reasons, someone in a neighbourhood is bringing forward a case against another neighbour. This is not just about development and big developers; this is also about neighbourhood disputes that can go to the OMB. You have an individual who doesn't happen to like his neighbour, and all of a sudden, it gets all the way to the OMB, and that neighbour isn't a wealthy person. I think it's incumbent that there be some mechanism in place, because if there was not a mechanism in place, then the matter would have to go to the court system, and the court system is substantially more costly.

From time to time, I have people telling me we should get rid of the OMB. I don't subscribe to that. There are times when the OMB makes decisions that frustrate me as a taxpayer or as a minister, but at the end of the day, if not the OMB, then it's through the court system, because in a democracy you need some right of appeal as an ordinary citizen to correct an injustice that has been made by a municipal government, a developer or a neighbour. The OMB is substantially less expensive and cumbersome than the court system. That's why I think, in throwing out the OMB, you have to ask those people what the alternative is. The alternative in a democracy is a court date, and good luck containing the costs at the court system.

**The Chair (Mr. Garfield Dunlop):** You've got about a minute.



**Ms. Cheri DiNovo:** Sure. Just to sum up, actually 25 states have anti-SLAPP legislation and—you're correct—Quebec as well. Even the threat of a SLAPP suit is enough to send a chill through citizens' groups. I was wondering—and the minister can walk away with this, and I'd love to have an answer to it—if they've actually studied how many citizens do not come forward because of fear of SLAPP reprisals. Certainly it's been written about in all the dailies.

**Hon. Jim Watson:** If they haven't come forward, you wouldn't know those statistics. So I think it would be very difficult. I can tell you, though, that the number of cases filed at the OMB—I indicated this once before—has decreased by 11% in the last year, from 1,932 cases to 1,581—

**Ms. Cheri DiNovo:** Do we know why?

**Hon. Jim Watson:** A couple of reasons. It's thanks, in part, to changes to the Planning Act. Secondly, we believe that that number would fall down substantially if municipalities adopted the local appeal board, similar to the committee of adjustment, that would empower local

individuals to make the decisions on minor variances and consents. So that mechanism has been given to the municipal sector, and we challenge them to put that in place.

**The Chair (Mr. Garfield Dunlop):** That's good, Minister. That concludes the time for estimates. We have the votes now. I thank everybody for their patience here this afternoon with our revolving door and the musical chairs. I want to ask the question.

Shall vote 1901 carry? Carried.

Shall vote 1902 carry? Carried.

Shall vote 1903 carry? Carried.

Shall vote 1904 carry? Carried.

Shall the 2009-10 estimates for the Ministry of Municipal Affairs and Housing carry? Carried.

Shall I report the 2009-10 estimates of the Ministry of Municipal Affairs and Housing to the House? Agreed.

Thank you to the minister and to all the staff in the Ministry of Municipal Affairs and Housing.

We will be adjourned until next Tuesday morning at 9 o'clock. Thank you.

*The committee adjourned at 1758.*





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