



Legislative Assembly of Alberta

The 27th Legislature
Second Session

Standing Committee
on
Community Services

Department of Housing and Urban Affairs
Consideration of Main Estimates

Tuesday, May 5, 2009
6:30 p.m.

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Second Session**

Standing Committee on Community Services

Doerksen, Arno, Strathmore-Brooks (PC), Chair
Hehr, Kent, Calgary-Buffalo (AL), Deputy Chair

Benito, Carl, Edmonton-Mill Woods (PC)
Bhardwaj, Naresh, Edmonton-Ellerslie (PC)
Chase, Harry B., Calgary-Varsity (AL)
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Also in Attendance

Fawcett, Kyle, Calgary-North Hill (PC)
Mason, Brian, Edmonton-Highlands-Norwood (ND)
Taylor, Dave, Calgary-Currie (AL)

Department of Housing and Urban Affairs Participant

Hon. Yvonne Fritz	Minister
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6:30 p.m.

Tuesday, May 5, 2009

[Mr. Doerksen in the chair]

**Department of Housing and Urban Affairs
Consideration of Main Estimates**

The Chair: Good evening, ladies and gentlemen. I'm pleased to welcome you here this evening. The Standing Committee on Community Services has under consideration this evening the estimates of the Department of Housing and Urban Affairs for the year ending March 31, 2010. I'm particularly pleased to welcome the people who may be listening to the audio broadcast this evening.

I think to begin with we'll ask the committee members to introduce themselves. Minister, if you'd introduce your staff at that point as well, I'd appreciate that.

Mr. Fawcett: Kyle Fawcett, MLA for Calgary-North Hill. I'm not a member of the committee but an observer tonight.

Mr. Benito: Carl Benito, Edmonton-Mill Woods.

Mr. Taylor: Dave Taylor, Calgary-Currie, Official Opposition critic for Housing and Urban Affairs.

Mrs. Sarich: Janice Sarich, MLA for Edmonton-Decore and parliamentary assistant to the Minister of Education.

Mr. Jacobs: Broyce Jacobs, Cardston-Taber-Warner, sitting in this evening for Thomas Lukaszuk, Edmonton-Castle Downs.

Mr. Johnston: Good evening. Art Johnston, Calgary-Hays.

Mr. Rodney: Good evening. Dave Rodney, Calgary-Lougheed.

Mr. Hehr: Kent Hehr, Calgary-Buffalo.

The Chair: I'm Arno Doerksen, chair of the committee and MLA for Strathmore-Brooks.

Minister Fritz, if you'd introduce your staff. Then I've just got a few introductory comments, and then we'll go to your opening statement, please.

Mrs. Fritz: Thank you, Mr. Chairman. Hello, everyone. It's good to see you here. I know we're here for the next three hours, but it's great to be here. Even though we're near the end of the estimates, this is good.

Anyhow, I'm pleased to introduce today Marcia Nelson, who's my deputy minister that many of you have met and know. To her right is Robin Wigston, who's the assistant deputy minister for homeless support and land development. To my left I have Faye Rault, our senior financial officer. To Faye's left is Mike Leathwood, who's our ADM for housing development and operations. Also, if you don't mind, Mr. Chairman, I'd like to mention that here with me as well is my executive assistant, Tim Morrison. Tim, you can just wave.

Thank you.

The Chair: Thank you, Minister.

Just to remind us, I think we've been through this a number of times in the last couple of weeks, but we know that the vote on the estimates will be deferred to the Committee of Supply on May 7, later this week, as well as any amendments that may come forward.

Amendments, as you're aware, need to have been reviewed by Parliamentary Counsel no later than 6 p.m. this afternoon.

As is usual, the standing orders govern who may speak. Committee members, ministers, and other members may address the chair this evening, but department officials and members' staff may not address the committee.

Speaking time is also governed by the standing orders. We'll have a 10-minute introduction by Minister Fritz, followed by the next hour, which will be at the discretion of the Official Opposition in either 10-minute blocks of speaking time or 20 minutes in an exchange with the minister. That will be for the first hour. Following that there will be 20 minutes offered to the third-party opposition. I'm going to suggest that at that point, after the first hour and 20 minutes, we take a strict five-minute break and then come back. The clock will run.

As was indicated, we have three hours this evening unless we exhaust the discussion prior to that. Otherwise, at 9:30 we will adjourn. Points of order will be dealt with as they arise, and the clock will continue to run.

With that, we'll go to Minister Fritz, please.

Mrs. Fritz: Thank you again, Mr. Chairman. Colleagues, I'm pleased to present our second budget. I don't know if all of you were here for our first budget that we had done for the Department of Housing and Urban Affairs, but I'm very pleased to present our second budget. I know that you'll see that it is significantly different. We've moved forward in the past year.

As you know, safe and affordable housing is a fundamental requirement for the well-being and prosperity of all Albertans. Alberta is a leader in addressing issues around affordable housing and homelessness. Our economic situation and our growing population have resulted in a tighter rental market, higher than average rents, and increases in the number of homeless. While the housing market continues to adjust its pace and price, working Albertans, seniors, and people with disabilities continue to be challenged in finding an affordable place to live. While the overall vacancy rate may be increasing, there's still a limited affordable housing supply, especially for those at the lowest income levels. Alberta is responding. We're taking action to address these challenges to end homelessness as we know it today in Alberta and to ensure that Albertans have access to affordable housing.

First, I want to take a moment to point out the highlights of our business plan and then speak to the budget that was allocated to support the business plan's implementation. The Housing and Urban Affairs business plan identifies three core businesses. They are homelessness, affordable housing, and urban affairs. Our focus has shifted from providing access to emergency shelter and transitional housing to ensuring that safe and stable housing is available for the estimated 11,000 people who are homeless. For the first time housing with supports for our homeless has been added to Alberta's housing continuum. Our new business plan helps keep people in their homes through subsidized rental housing, the rent supplement program, and the homeless and eviction prevention fund.

We are leading the cross-ministry land disbursement policy framework for affordable housing. Through this initiative we will work with other ministries to identify additional lands that can be sold for a nominal sum to increase the availability of affordable housing. We are also leading the development of Parsons Creek, a thousand-acre land parcel near Fort McMurray, and that's in consultation with a community development advisory board. Together we are ensuring that land is available to facilitate the creation of additional affordable housing units in the region.

To be more accountable to Albertans two new performance

measures are under development. We will measure the number of homeless Albertans that are successfully transitioned to permanent accommodation as well as the number of acres of serviced land available for sale to developers.

Now for our 2009 budget highlights that support this year's theme, Building on our Strength. First, ongoing capital funding will allow us to promote the development of affordable housing across the province. We will continue to develop 11,000 new housing units across Alberta. Specifically, the budget includes \$468 million over three years to support the development of more affordable housing units, and \$178 million of this is dedicated to 2009-2010 initiatives.

Next, \$400 million has been dedicated to support our homeless initiative over the next three years under a Housing First approach. We will develop 2,700 secure housing units for our homeless population. In 2009-10 \$100 million will be spent on these programs. Also under the homelessness initiative an additional \$32 million in operating support will be provided this year for critical outreach services. As a result we will have provided permanent housing supports to 1,000 homeless Albertans. These funds will be provided to community-based organizations and service partners, which are on the front lines of delivery. It will help homeless people get the treatment they need and develop job and life skills to help them maintain their housing.

We will still need emergency shelter space to meet the immediate and emerging needs of the homeless. This year we've allocated more than \$40.5 million to support more than 3,600 emergency spaces in 34 facilities under the emergency transitional shelter program. My ministry will also help over 10,000 low-income Albertans in need of safe and affordable housing by providing \$56 million through the rent supplement program that helps keep rents affordable. Beginning this month, to help better manage our costs, households receiving rent shortfall assistance under the HEP fund will do so under the ministry's direct-to-tenant rent supplement program. As a result, approximately 10,000 households that were previously supported through the homeless and eviction prevention fund that was administered by EI will be transitioned to this program under my ministry. Thirty-four million dollars has been allocated to support this fund.

6:40

Also, funding of \$42 million to the Alberta Social Housing Corporation will cover operating deficits for community housing and seniors' self-contained housing developments. This funding supports over 10,500 community housing units to some 33,000 low-income Albertans and 14,000 seniors' self-contained units that house 15,000 low-income seniors.

We will also provide \$5.1 million to the more than 2,300 Albertans with special needs who reside in over 1,600 units. This funding will enable public, private, and nonprofit organizations to provide supports for those with special needs.

Albertans agree that the family home is very important to our society so that we can stay healthy, productive, and sustainable, and we know that. This budget and business plan for Housing and Urban Affairs moves us forward, I believe, in helping Alberta's low-income residents and the homeless. We are providing supports and services that are meeting people's needs today. We are developing long-term solutions for the future. We have set a new direction to move people off of the streets. As we are working in partnership with communities and other ministries, we're working to help build a stronger Alberta.

Mr. Chairman, I hope that helps just as a start, because I know it's going to be another couple of hours here. I look forward to addressing the committee's questions.

The Chair: Thank you, Minister. Before we begin our exchange, we've had a number of members come this evening that haven't introduced themselves yet. We'll begin with Mr. Mason, please.

Mr. Mason: Brian Mason, Edmonton-Highlands-Norwood.

Mr. Bhardwaj: Naresh Bhardwaj, Edmonton-Ellerslie.

Mr. Johnson: Jeff Johnson, Athabasca-Redwater.

The Chair: Thank you.

With that, we'll go to Mr. Taylor to begin with either a 10-minute speaking time or an exchange, at your pleasure.

Mr. Taylor: Thank you, Mr. Chair. Then to start out, Mrs. Fritz, can we do the back and forth in 20-minute blocks?

Mrs. Fritz: Yes.

Mr. Taylor: Excellent. Wonderful.

Mrs. Fritz: Can I just ask this question? If I sit back here, Mr. Chairman, this is still working, then, right? You don't have to lean into the mike like this? It sounds louder to me when I'm leaning into the mike.

The Chair: It does. The volume picks up when you lean into it, but I think we can hear you.

Mrs. Fritz: Okay. Good.

Mr. Taylor: Good. Well, congratulations on getting the 10-year plan through the proverbial sausage machine somewhat intact.

Mrs. Fritz: Thank you.

Mr. Taylor: I know that that was very important to you. Even more importantly, it's very important to an awful lot of Albertans, so that's good. I will have a number of questions about that as we go on.

Just kind of to set the stage, let's talk a little bit about the rental market, first of all, where it is today in terms of vacancy rates, in terms of average or typical rents for one-bedroom or two-bedroom suites, and where you see it going over the next 12 months and, frankly, over the next three years.

Mrs. Fritz: Thank you. I think that the rental market in the way that we've seen it and what I know for today – I know that you asked that – seems to be stabilizing across the province. We're no longer seeing large one-time increases in rents that were occurring a few years ago, Mr. Chairman, which is good news, actually. In fact, the average increase in rental rates in '07-08 was 6.8 per cent, and this is a 60 per cent drop from the increases that were seen in 2006-07. I don't think many Albertans realize that, but that is actual, and that's through CMHC that we know this to be actual data. Vacancy rates have risen by over 55 per cent since 2007, and they're expected to increase even further in 2009.

Mr. Taylor: In terms of what the vacancy rate would be as opposed to the increase in the vacancy rate, are we looking at – what? – about a 5 per cent vacancy rate, 4 per cent, 3 per cent?

Mrs. Fritz: It depends on the municipality. In Grande Prairie, for

example, at times we've noticed that the vacancy rate has been at 10 per cent, has gone to 6 per cent, back up to 9 per cent. It varies, but it's at the higher level. Then if you're in some of the larger municipalities like Calgary and Edmonton, in Calgary the vacancy rate has been about 4 per cent. You know, it just depends. At least that's the information that I've had through the Apartment Association. What's important about all of this, I really think, is that people will have far more choices on where they rent. Does that help?

Mr. Taylor: It does help, yeah.

There's a certain level, of course, where vacancy rates are a concern. One way you notice it is when landlords start offering incentives: to sign for two years as opposed to one year, the cable gets thrown in for free or something like that. But there's a certain level beyond which the vacancy rate actually has the effect of bringing down rents, and as you noted, we've certainly seen a slowing in the rate of increase in rents over the last year.

I'm wondering: do you continue to see rents going up from where they are now? Do you see them holding the line? Do you see them coming back at all? The reason why I ask that, very simply, is because, you know, even if rents plateau, if they're plateauing at a very high level, even with more choice out there it's still not necessarily affordable choice for an awful lot of would-be renters.

Mrs. Fritz: I think that rents have stabilized, as I said, and from the data that I've seen through CMHC – they do the survey, I think, every three to four months – I would expect that they would just continue to stabilize. We're not going to see the dramatic increase in rents that we saw in the past, and I don't think that we're going to see a real dramatic decrease either. It really is based on the local municipalities, you know, for people that are staying in the local communities or whether or not they're moving to the larger communities, especially based on our economic situation.

Mr. Taylor: So for Calgary, for Edmonton you would see things remaining relatively where they are today for the next year?

Mrs. Fritz: I would.

Mr. Taylor: Do you have any projections two, three years out?

Mrs. Fritz: When we discuss it in our ministry, you know, especially with our three-year business plan, we have been very aware of the change in the economy, and that is one of the indicators for us as to whether or not rents will, for example, decrease. You mentioned that you noticed as well that landlords are now offering incentives for people to rent depending on the accommodation, where it's situated. We're thinking that even in three years, hopefully, they'll come down some, but I certainly couldn't say to you a percentage.

Mr. Taylor: Okay. But if trending in any direction, trending down as opposed to trending up?

Mrs. Fritz: Yes.

Mr. Taylor: That's good to know.

Mrs. Fritz: Is that in keeping with what you're learning, though? I know you said that this is back and forth. I'm interested in what you're thinking about that.

Mr. Taylor: Well, I'm certainly getting the sense that the vacancy situation is not as tight – and it was very tight a year or so ago – as

it used to be. But I'm not hearing a lot of anecdotal stories about, "Gee, I just got my lease renewal notice, and they offered to throw the cable in for free" or something like that. When you think back five years even or more, that sort of incentive to sign on was a lot more common. It was nonexistent a year or so ago. I don't know that it's all that common yet.

I'm not getting the sense that rents are coming down at all. I'm getting the sense that they are, if anything, still going up a little bit. Certainly, they've plateaued at a high level. As you're putting together your budget plans for your ministry, that's got to be an ongoing source of concern because that's been a fair drain on your cash. The HEP fund has been a much more expensive fund than it was envisioned to be originally.

Mrs. Fritz: I agree.

Mr. Taylor: You've made some changes in the HEP fund. Would you mind walking me through this? Does the HEP fund still exist, or has it been outright cancelled? I mean, it sort of looks like it's been replaced, it's not there, it's over in Employment and Immigration, but you still talk about it. It's a bit of a moving target these days.

6:50

Mrs. Fritz: We do have a line item in our budget. It's 2.5.2. I'm just going to refer you to that.

Mr. Taylor: Yeah, and I see that the estimate for '09-10 is less than half what it was for last year. You've dropped it from \$77,500,000 to \$34 million as the estimate going forward for '09-10. Okay. Let's talk about 2.5.2. What does the \$34 million do, and who does it do it for?

Mrs. Fritz: The \$34 million is allocated here for the HEP fund as a line item, as you'll see, hon. members, but I'm going to ask you to reflect back to, as the member mentioned earlier, the HEP fund having been much higher than that. The HEP fund previously had been placed in this department but was administered through EI. It had begun, as you remember, through the Affordable Housing Task Force report. There was a recommendation that we have an emergency eviction prevention fund. That was \$7 million that was recommended at the time, and that's only been about two years now.

Anyhow, the need for the fund itself, through EI, grew substantially. As we moved along with the HEP fund, though, we saw that administratively it was important to recognize which department was providing which service. The line item that you see here for the HEP fund of \$34 million is to assist with people who have already been qualified through EI for the rent supplement program, and those individuals have been moved to our department. This \$34 million will assist with that rent for the individuals that have moved to our department. There are almost 10,000 people, and they'll be moving straight across from EI to this department without having to qualify further for rent supplement, and the assistance that we give will be over a 12-month period. Does that help?

Mr. Taylor: Well, honestly, no.

Mrs. Fritz: Help me, then, with your questions about what else you'd like to know.

Mr. Taylor: Okay. What we're trying to find out – you and I and the Member for Calgary-Buffalo talked about this a little bit in question period the other day. I think it was the Member for

Calgary-Buffalo. I'm looking at a directive from Alberta Works income support, transition of homeless prevention benefits, dated March 24. That was the date it was issued. The effective date was April 1. It talks about the government of Alberta's decision that effective April 1, 2009,

the provision of homeless prevention benefits will be incorporated into existing GOA programs on the basis of whether the shelter need is ongoing or emergency. As a result:

- [Housing and Urban Affairs], through its local Housing Authorities, will be responsible for the provision of benefits to households that have an ongoing shelter need.
- The Income Support program . . .

It lives at Alberta Works.

. . . will be responsible for the provision of benefits to households that have an emergency shelter need.

This is where it gets a bit confusing because to me it seems that the direct-to-tenant rent supplement is an ongoing program to meet an ongoing need. The HEP fund, at least as it was envisioned – and this is pretty clear by virtue of the fact that, you know, your budget initially for the HEP fund was 10 per cent of what it has become – was looked at as an emergency. You know, somebody is in trouble. They're going to be out on the street at the end of the month if we can't help them out with the rent for a month or two till they get back on their feet or get stabilized in one way or another.

It sounds to me like the HEP fund or the thing that takes the place of the HEP fund is still living over in EI and that it has become a lot harder to get and that a lot of people, a lot of these 10,000 if not all of them, whom you refer to that were on the HEP fund have been funnelled into their local housing authorities, where you're going to administer the direct-to-tenant rent support. When I look – just give me a second to find it here.

Well, I'll come back to that part. While I go looking for that, why don't you, if you would, answer the question so far.

Mrs. Fritz: I think that this may help. I'm not sure, but I hope it does. If you look at the EI responsibility as being urgent, that responsibility is more short term. It's a responsibility where an individual who has a need for help with arrears, whether it be utilities or with rental arrears or whether the individual needs help with a damage deposit or whether they need assistance in any other way because they've been evicted – EI is the intake for that person. That's the right department to be in, and that's where the program lies.

For this department it's longer term. It's for an individual that needs assistance to have their rent subsidized because they've had an increase, for example, in their rent by a landlord and they could no longer meet that increase, whether it be \$50 or in some cases \$600 a month. It's much longer term. That means that we are providing the assistance with the rent subsidy for a 12-month period in this department. It's just much easier for the individual so that they don't have to continue to apply. I know that your concern as well is stability for the individual and sustainability of where they're at.

Mr. Taylor: I'm not sure that it is all that much easier for the individual, that it's not, in fact, harder for the individual.

In the document that I referred to before – I don't know if you have the document in front of you, but I'm sure that you've seen it at some point along the line – under Procedure, ongoing shelter need:

1. Beginning April 1, 2009, Albertans requesting assistance with an ongoing shelter need must be referred to . . .

And that's underlined.

. . . a Housing Authority for assistance through one of HUA's rent supplement or subsidy programs. Even though clients may receive

less than their full shortfall or be put on a waiting list by the Housing Authority, the Income Support program cannot exceed its regulated shelter maximums.

That starts to sound – listen; if I'm wrong, by all means, you know, set me straight here – as though what was the HEP fund or maybe even what was the rent supplement program has suddenly become considerably less generous, if you will, for lack of a better word, so that the rent supplement is no longer going to in many cases either supplement the full shortfall or even kick in for perhaps months and months and months after the person applies for it.

We know that, depending on the tenant's circumstances, the waiting list to deal with a local housing authority may be two years or even longer. I have a client in my office – I won't identify her because I didn't ask for her permission to do that – who was trying to deal with Calgary Housing, had not heard from Calgary Housing. Someone in my office called Calgary Housing and was told: while – and I'll leave the name out – is a priority case, we are too busy to deal with all our applications immediately, and we have no money for subsidies at the present time.

You see where I'm going with this. The rent supplement program was supposed to keep people with roofs over their heads at a time when we were terribly short of roofs to put over people's heads in this province. Although your ministry has done a good job of quarterbacking the construction of new affordable housing units – I think you're well along the way to meeting your 11,000-unit target over the space of the five years that you set out to do that – we're still short of roofs to put over people's heads that they can afford. If now there is no longer enough money in the rent supplement program and/or the HEP fund program for local housing authorities to look after the needs of the clients who are coming to them or to look after the entire need, then we've got a problem, and it's called: we're going to be putting people back into homelessness again. Can you address that?

7:00

Mrs. Fritz: I can because I've had the same concern. Like, if I heard that from Calgary Housing Company, which I haven't, I would have. I can tell you that by tomorrow morning my staff will be calling Calgary Housing Company to see what's happening there. I haven't heard that at all, actually, about the budget. Also, I don't have the information – you asked if I had that with me here right now, and I don't – that you quoted from earlier.

Having said that, the rent supplement program is still exactly the same. It's 30 per cent of income for a period of 12 months. People that are assisted through the rent supplement program are continued on a much longer basis, a 12-month period, whereas EI, as I said, is short term.

Mr. Taylor: Before the switch, how long were they covered under the rent supplement?

Mrs. Fritz: Through whom?

Mr. Taylor: Before the switch from EI over to your department.

Mrs. Fritz: Well, you'd have to ask EI for the exact information, but I think it was up to three months.

Mr. Taylor: So the direct-to-tenant rent supplement program was only good for three months?

Mrs. Fritz: No. The direct-to-tenant rent supplement program is in my ministry.

Mr. Taylor: Okay. How long is it good for?

Mrs. Fritz: With this ministry?

Mr. Taylor: Uh-huh.

Mrs. Fritz: As I said, it's remained exactly the same.

Mr. Taylor: So it's always been 12 months?

Mrs. Fritz: Yes.

Mr. Taylor: And at the end of 12 months what happens?

Mrs. Fritz: Well, every situation is unique. You know, every person is an individual, and it would depend on their circumstances.

Mr. Taylor: Well, let me put it another way, then. Is there the opportunity to reapply for another 12-month period?

Mrs. Fritz: People can apply for renewal. Also, many have assistance to do that much as, perhaps, a person that had phoned you in regard to the Calgary Housing Company. Workers do work with people for rent supplement.

One of the other ways that I have of measuring or trying to learn what is happening out in the community would be through our organizations like Alpha House in Calgary. I visited there on Friday afternoon for about an hour and a half and discussed this very program. I don't know if it's reassuring to you, hon. member, but for me it was. They were pleased that the clients that their workers are supporting and assisting were eligible for the direct-to-tenant rent supplement program for a 12-month period because they knew it would create sustainability for their clients. I'm actually hearing that at a number of organizations that are assisting people. They just found that it was much better for them to be in the right program. This is a new ministry. [A timer sounded] Does this turn off when that happens? What happens?

The Chair: No, it doesn't, Minister. It goes poof for just a second.

Mrs. Fritz: Okay.

Mr. Taylor: And then we just essentially go into another 20-minute cycle and then another 20-minute cycle following that.

The Chair: We'll continue. We're going to do another 20 minutes, Mr. Taylor, sure.

Mr. Taylor: And then our time together is done. We're right off.

So we come back, then, to the fact that the budget has been cut by more than 50 per cent, and I'm referring you to line 2.5.2 on page 258, the housing and eviction prevention fund. You are saving money through these changes, right?

Mrs. Fritz: You might want to elaborate on why you think that.

Mr. Taylor: Well, because there was \$77 million in the budget last year, and there's only \$34 million in the budget this year.

Mrs. Fritz: There was \$44 million in the budget for '08-09; \$10 million of that was reallocated to our direct-to-tenant rent supplement program, and 33 and a half million dollars – I know you know, hon. member, because it was through supplementary estimates – was one-time funding.

Mr. Taylor: Yeah. I mean, there's sustainability in here for your ministry as well.

Mrs. Fritz: Uh-huh.

[Mr. Hehr in the chair]

Mr. Taylor: Yeah. Which I don't necessarily disagree with, understand? I'm just trying to get to what's actually happening here and what the motivation for it was. It certainly did seem to us as though the HEP fund was turning into a money pit, quite frankly, that you were just shoveling dollars down a very, very deep hole month after month after month, and the hole was getting deeper and deeper and deeper. I would say that it was unsustainable. So I can understand your making changes. Clearly, you know, the concern that I would have is that the changes were made in such a way as to stop the bleeding in your department without hurting a whole lot of people who were being helped by this program.

If you had it to do all over again, given that you budgeted \$7 million for the HEP fund and you ended up spending over 10 times that amount, would you perhaps have fought a little harder to bring in rent caps? Part of the reason why so much money flew out the door with the HEP fund was because rents were going up also, as we find out, at an unsustainable clip? In an environment of chronic affordable housing shortage a lot of people got caught in that tornado.

Mrs. Fritz: You know, I always tend to look forward. What I've learned with this program is that it's really important that we help in the best way possible the 10,000 people that we know have been assisted through the HEP fund. Those 10,000 people are going to have sustainability and, I've said before, just peace of mind. They don't need to keep filling out applications; they're going to have stability with their housing for a 12-month period. That assists them in a much better way.

Mr. Taylor: Would they not, though, have peace of mind if they had some certainty around what the rent was going to be, if they knew that the next time their lease came up for renewal it was only going to go up by a certain per cent or it wasn't going to go up by any more than a certain per cent?

[Mr. Doerksen in the chair]

Mrs. Fritz: You see, that decision has already been made. I'm serious. I've moved way forward from that decision. That decision was made two years ago. This is a new ministry. I can tell you that I'm pleased that the people that have been assisted are in the right ministry, in the right program, and that they will have sustainability for themselves and their families.

Mr. Taylor: You're satisfied that there's now enough stability returned to the housing market that over the next three years of this business plan, your ministry will have enough in its budget to provide direct-to-tenant rent supplements for every renter who needs it in a timely fashion?

Mrs. Fritz: I know that for today that's a truism, but I also know that with the economic times the way they are, we may have more people that require assistance with rent. We evaluate that as we go along, and when we do, we'll just go through the correct process in order to assist people in the best way we can.

Mr. Taylor: Okay. This borders on the hypothetical, and I understand that, but if that happens, where are you going to get the money from? Budget 2009-2010 restricts you to – what? – a 1 per cent increase in your existing budget? Do you have wiggle room in this budget if things go south?

The Minister of Finance and I have sat here and the President of Treasury Board and I have sat here, and we have talked about the projections in the budget, the rather optimistic projection for the average price of a gigajoule of natural gas this year, the possibility that they're off on their oil price projections, that they're off on their projections of currency valuations. An awful lot of things are going to have to go awfully right during the next six months for there to be the quick and rather sharp recovery that forms the projection that this year's budget, this year's math is based on, unless we're going to go for that \$2 billion fiscal correction. I sure as heck hope that that \$2 billion fiscal correction doesn't come at the expense of your department because you're doing important work. You know I feel that.

Mrs. Fritz: Yeah. I do, and I appreciate that. I really think, as I see the picture in the future here in this next year, that what's going to happen is that the affordable housing developments that have been supported – there have been 5,700. You'll see those starting to come forward. I think that that will then in our department assist people that we have requiring rent supplements. There will be more affordable housing. It just creates sustainability overall in the budget.

7:10

Mr. Taylor: Of those 5,700 how many are completed now? Do you know?

Mrs. Fritz: I do, and I know I need to ask my staff. I asked them to have that available for me.

Mr. Taylor: That's okay. We can take a few seconds out of our time.

Mrs. Fritz: Yeah, we will. Out of the 5,700 there are 696 that are completed. You have to remember that this is over a two-year period.

Mr. Taylor: And the other 4,900 are under way to some extent.

Mrs. Fritz: Yes, and should hopefully be completed at the end of this year.

Mr. Taylor: Yeah. Okay.

Mrs. Fritz: That's reasonably quick, actually, from what I've heard. Municipalities can take a very long time for permits and all of the processes that people have to go through for their developments.

Mr. Taylor: Well, you used to be a city councillor in Calgary.

Mrs. Fritz: Yes.

Mr. Taylor: You know something about the snail's pace of permitting in our city. I understand that.

The homelessness side of the equation, if we can, and the \$100 million this year that is dedicated to addressing that issue. That's supposed to produce, I believe, about 700 units, if I'm correct, of housing for the homeless?

Mrs. Fritz: That's correct, Mr. Chairman.

Mr. Taylor: Can you describe that housing? Can you compare it to what you're building in terms of affordable or below-market housing? Just so we have an idea of the difference.

Mrs. Fritz: That's a good question. Also, as I've said, with visiting with organizations – I was just at Boyle Street Community Services Co-op last week, my most recent one, a very good focus group, asking people what they would like to see this housing look like because it is the first time that we are going to have permanent housing for individuals that are homeless. I've always said that it's, you know, more modest, about 400 square feet, generally individual occupancy for people that may not have an income. It's housing that will be interspersed throughout the community. It's significantly different than affordable housing.

But when you look at the amenities that people would like to see in that housing, some of the units that I have seen – for example, the Mustard Seed would be one where they have, you know, a model unit. The fridge is like the smaller bar fridge. I think it was Thursday that I was there. I learned that people actually want to have a full-size fridge, and it's because of shopping and so that they can freeze food. They can take advantage of when there are bargains, you know, at the grocery store. It's just much better to have a larger fridge. There are other things they had to say as well. I asked about bathtubs. They said: "No. We'd like showers." And that was collective. So we're learning about that.

Does that help you generally, though, about the size and the location?

Mr. Taylor: We are talking here about single-occupancy suites, for lack of a better word.

Mrs. Fritz: Yeah. Some families.

Mr. Taylor: It's like a bachelor suite, right?

Mrs. Fritz: Yes.

Mr. Taylor: It's not like a dormitory or a floor in residence with shared bathroom facilities and all the rest of that.

Mrs. Fritz: No.

Mr. Taylor: Okay.

Mrs. Fritz: Having said that, Mr. Chairman, I don't want to mislead you. It could be that when some proponents come forward with their proposals, they would like to see a communal kitchen. There were three individuals, men, at Boyle Street that were sharing a kitchen, for example, and found that to be really worth while. So there is going to be some individuality in what proposals come forward.

Mr. Taylor: Okay. The reason why I'm asking this is because there are different terms, and I'm trying to get the sense of how you're addressing these different definitions of housing for the homeless. There's a Housing First model, in which you find the homeless guy – I'll call him the homeless guy – permanent accommodation and follow it up immediately with whatever kind of support it's deemed that that particular individual needs. I'm sure some of the 32 million in outreach work speaks to that. Then there's permanent supportive housing. For folks who are never going to sort of live totally independently, there is supported or supportive housing. There's transitional housing.

Clearly, the 10-year plan has to work across that continuum. Is there a clear sort of road map that you have laid out that says that of the 2,700 units of housing for the homeless that we anticipate building over the next three years or at least starting over the next three years, a certain percentage is going to be permanent supportive housing, a certain percentage is going to be transitional housing of some sort or other, and a percentage is going to be housing that comes with a support worker for as long as the support worker is needed, but as that individual transitions off needing, you know, visits twice a week to maybe twice a month to maybe – I don't know – twice a year and becomes more and more independent, he's in housing that he can call his own and live entirely independently?

Mrs. Fritz: I think this is a very important area, Mr. Chairman. I can't understate that. The member is absolutely correct. Throughout the province I'm finding that various municipalities do have a number of definitions, and they don't always coincide with one another through the municipalities, to the point where the definitions have come forward in plans as well. For example, with the Edmonton housing plan I'm just going to say – and you had indicated some of the terminology – that for goal 2 with the Edmonton housing plan they had under definitions that long-term supportive housing includes on-site supports for clients with complex needs so that they can live as independently as possible, supported housing was support services that are not on-site but can be brought to clients if necessary, social housing for low-income households requiring ongoing rent subsidies, and then affordable housing for low-income households who typically won't need ongoing support services or subsidies.

The member mentioned other housing like transitional housing and whatnot. I really think that's why it's important to recognize that in our 10-year plan for the province we've identified our cornerstone as being the Housing First model. That Housing First model is, of course, rapid housing and the individual provided with the support services. I know now, having seen various 10-year plans, that every local municipality has identified their own needs and will come forward with their own proposals. They may include exactly some of what you've mentioned, hon. member, in different ways. Housing First, though, is our very main pillar in our plan.

Does that help?

Mr. Taylor: Yeah, it does help.

Mrs. Fritz: Because I think that's what we're going to see.

Then the other thing that's actually quite exciting about this is that because it's the very first time that we've had housing for the homeless that's permanent housing, we are going to see such a wide variety come forward. As we do, we'll learn from that as we move forward. Remember, it is a 10-year plan.

Mr. Taylor: Exactly. There needs to be some flexibility built in there. One of the hallmarks of a 10-year plan is that you set out what you think, using the best research that you can employ, is going to work. But you know full well you're going to find that some of the ideas that you have don't work as well as some of the others, so you need the flexibility to be able to say: okay; we're going to pull out of that and redirect, redeploy some of those resources into this area because it's working like a charm. Correct?

Mrs. Fritz: Yes.

Mr. Taylor: Yeah. Okay. Now, one of the things that struck me about the American experience, at least certainly in some of the

older northeast U.S. cities that have adopted 10-year plans, is that they've had the advantage of having a pretty significant inventory of vacant housing. Support agencies, social agencies have been able to go to landlords in existing buildings in New York or Philadelphia or someplace like that and say, "Okay. We'll sign the lease with you. We'll pay the rent. We'll get the homeless guy in there. We'll take responsibility that everything is good. If there are any problems, any trouble, we'll make good on that. We'll get the guy the support he needs, and we'll go forward from there." It's met with a lot of success. It really has. We don't have that kind of inventory of housing in Calgary or Edmonton or, for that matter, Fort McMurray or Grande Prairie or anywhere else in this province. Do we?

7:20

Mrs. Fritz: Well, what we do have is that agencies are following best practices. That is one of them that you've identified, and that's modelled after the United States. But I think our agencies were well ahead of that, actually, in some cases.

Mr. Taylor: So are they having success finding – what was the term you used? – not Housing First but existing apartments for the rapid exit program. That was the term I was looking for.

Mrs. Fritz: Yes. In fact, it's highly successful. At Alpha House, when I was meeting with the executive director there, she very much explained to me the importance of having their workers go with people to access the housing, and they continue to give the support throughout. The reason why is because then the landlords are more willing to take clients that are so high risk.

Mr. Taylor: Yeah. Understood. Now, forgive me; I should know the answer to this question, but I don't. You're here and as the minister I bet you do, so I'm going to ask you. Is it the responsibility of your ministry under the provincial 10-year plan to ensure that while the Housing First model is being followed, the support that goes with the supportive housing is in place at the same time that the agency the client is working with finds that client an apartment? Is that your responsibility? What kind of accountability measures are set up there so you know that when provincial money is following the Housing First model, we don't misinterpret Housing First and think that once we get the guy into the housing, everything is fine. Because you and I both know that if you don't immediately follow the housing with the support, in 90 days or less the guy is probably going to be out on the street again.

Mrs. Fritz: Yes. It's the various programs that are in place when they make application for housing dollars, because you are still talking about the capital funding. One of the criteria that we have through Housing First, the philosophy, is that for the RFPs people will have that approach, which means they do need to have the supports be with the client.

Mr. Taylor: So it's ready to go right from the get-go. Okay.

Can I get you to work through a few lines on page 259 of the estimates and just explain to us the difference between some of these line items? Under 3.2, homeless support, we have homeless support program delivery at just a shade under \$4,700,000, up from \$3,300,000 the year before.

The Chair: That completed our second 20-minute time block. We'll just continue, but this is our third 20-minute section.

Mrs. Fritz: I'm sorry. What was that?

Mr. Taylor: He's just reminding us that we've used up two-thirds of our time.

The Chair: Yeah. We've now gone through two 20-minute segments, and the third one has just started, so continue.

Mrs. Fritz: Can I ask you, hon. member, just to say again where you are, then?

Mr. Taylor: Sure. I'm on page 259, under Homeless Support and Land Development. I'm looking at line 3.2.1, homeless support program delivery. Do you have it there in front of you?

Mrs. Fritz: Yes.

Mr. Taylor: Okay. I'm looking also at a couple of other lines here: 3.3.1, emergency and transitional shelter support, at \$40,500,000; and 3.3.2, outreach support services, at \$32 million. Just for clarity I wonder if you can give us a sense of the difference among those three lines. What constitutes homeless support program delivery? What constitutes outreach support services? I'm pretty sure that I understand what emergency and transitional shelter support is, but if I can just get an explanation from you on that as well.

Mrs. Fritz: Mr. Chairman, if I may, then, 3.2.1, the homeless support program delivery, is providing and administering grants for over 3,600 spaces in 34 emergency and transitional shelters. It explores effective service delivery models with other ministries and supports the migration of individuals from shelters to permanent housing. It supports the Gunn Centre as well. The Gunn Centre – I think you're familiar with it, Mr. Chairman – offers temporary accommodation and support services for men who are homeless or at risk of becoming homeless and currently unable to provide for their own basic needs without assistance.

This whole area of support as well works with community-based organizations that provide outreach support services and capital funding grants to support the development of the 700 units that are targeted to our homeless. You have to remember, too, that was a thousand homeless people that the community-based organizations were providing that outreach support to.

Mr. Taylor: So that's line 3.2.1. Line 3.3.2, then, outreach support services: what does that \$32 million do? Is that the support that goes with the housing?

Mrs. Fritz: The \$32 million is going to provide funding to our community-based organizations throughout Alberta. That's to provide homeless Albertans with outreach support services in their own communities. The program goal is to assist families and single adults to move to permanent accommodation, with access to the various support services to remain housed. This program will provide the outreach support services to over a thousand homeless Albertans this year.

Mr. Taylor: Yeah. So that really is the support part of Housing First.

Mrs. Fritz: Yes.

Mr. Taylor: And then line 3.3.1, the emergency and transitional shelter support. You indicated that some of the money in 3.2.1, the homeless support program delivery, is support for the 3,600 emergency and transitional spaces. Then you've got the \$40 million in line 3.3.1. What does that do?

Mrs. Fritz: That as well supports the operation of over 3,600 spaces in our 34 facilities in our seven major communities, including Lloydminster and High Level. This is really, actually, our shelter support money. So it's our 34 shelters.

Mr. Taylor: Okay. The minister knows full well that one of the goals of the 10-year programs in some of the American cities, where they're now into what must be their seventh or eighth year some of them, I would think, has been to get people out of emergency shelter spaces into permanent housing to a significant enough extent that they could start shutting down some of their emergency shelter space, understanding that you can never completely end homelessness in that at any given moment in time there are going to be some people who have just recently become homeless and who need emergency shelter space and that of that cohort some will be able to transition fairly rapidly into a Housing First model or into affordable housing and some will need to climb the ladder at the slower pace sort of thing.

Nevertheless, you've seen cities like New York, I believe, Philadelphia, Minneapolis, St. Paul, Hampton county, I think San Diego as well, Portland as well, where they've actually succeeded in housing enough of their homeless population that they've been able to shut down shelter beds. I'm wondering in the 10-year plan, especially in the next three years of your business plan, what kind of targets you have for being able to reduce the number of emergency shelter beds, reduce the amount of money that you have to put into that part of the program.

Mrs. Fritz: I go back to, Mr. Chairman, that this is a 10-year plan. I recognize that the Housing First approach, as you've said as well, hon. member, in different ways tonight, is very complex in some of the issues that are there and how we would move through that. I don't think that that can be resolved very easily. I know that the communities do because they address the root causes of homelessness and believe that it can, but I think that it will take time. I don't know if this is part of what your question is, but I'm sensing that it's whether or not, just based on what you'd asked about these numbers here tonight, we'll continue to provide funding to shelters as we move through this. The answer to that is yes. We will.

7:30

Mr. Taylor: I'm going to take it that you will continue to provide the level of support to emergency shelters that is needed at any given time. This is not a trick question. But I'm also going to submit to you that one very clear performance measure for 10-year plans has been the ability to shut down emergency shelter space because it, quite literally, is no longer needed. So this is really a bit of a question going forward. Have you done any crystal ball gazing or any target setting that says: well, yes, we believe that under our plan in five years we'll be able to reduce emergency shelter space by – I don't know – 50 per cent or 10 per cent? You know, I don't know what kind of numbers you're working with, but I'd be very intrigued to hear what those are.

Mrs. Fritz: Well, I think that the expectation of the funding will be reduced as the permanent housing and the support services become available. But when you consider that it's the first time we're going to actually have permanent housing for homeless, where people go from the street to shelters and then, rather, on to affordable housing and market housing, that we are filling in this gap and that we're doing that this year with a hundred million dollars to develop 700 units and then over the next two years, as we said earlier, we're going to have the affordable housing piece come forward with the

5,700 units, I think all of that in combination will reduce the need for shelter space and we won't be building any new emergency shelters.

But I can't give you a percentage; otherwise, I would.

Mr. Taylor: No. I understand. I mean, 10-year plans in the early going are works in progress. There's no question about that. As you see what works and what doesn't, you're going to be developing the ability and increasing the ability to make those kinds of targets, you know, maybe two years down the road; I don't know.

I'm going to ask a question now that – well, I'll just ask it and see what kind of an answer I get. I don't think it's necessarily the kind of question that you always get at estimates from an opposition critic. What does your ministry need to keep these programs, the affordable housing program and the homelessness prevention program and addressing homelessness, from going off the rails over the next 12 months, over the next three years? I'll leave that wide open. You can answer that however you want. You can speak to global economic conditions; you can tell me tales out of school about who you're not getting along with in cabinet over this, you know, whatever you want.

Mrs. Fritz: I think that what we need for our programs to be successful are that we need to move quickly, we need to be determined in the way that we move quickly, and we need to follow the plan that we've set out. That's why we have the 10-year plan for homelessness. It is an incredibly strong plan; it's a bold plan; it's a good plan. The 12 people on the secretariat who put the plan together were visionary leaders. They were outstanding. We did not cherry-pick this plan and for good reason. It's because if we work through the cornerstone, the Housing First approach, then if we work through the five key principles, which, as you know, Mr. Chairman, are aggressive assistance, better information, co-ordination, effective policies, and more housing options, then if we lift up the 17 strategies that support those five key principles, I really believe that we'll be successful as we move forward with this program.

We can't do that alone. This is for you, hon. member, and your colleagues that are here as well tonight. We can't do it alone. You know, we can't bicker about it or say: you're doing this or you're not doing that. We're all working with good intent, and we're doing the best that we can do. Staff are working incredibly hard, and we can be successful if we all pull together and do this together. It's the community. It's the municipalities, the leaders there. It's the federal government, if they'd come back onboard and help us with some of what we're doing. It's everyone working together. That's what I think we need.

Mr. Taylor: Do you have enough of a cushion in your budget that if the economy does not recover as robustly or as rapidly as the budget projects, you can avoid cuts to your budget? You can keep the programs on track and on target, you can keep building affordable housing at the pace that you're going, you will be able to keep building housing for the homeless at the pace that you've set out here: is there enough of a cushion there? Is there cause for concern?

Mrs. Fritz: That's a difficult question.

Mr. Taylor: That's what I'm here for.

Mrs. Fritz: I know. The reason that I'm saying that is because I know very clearly that the capital dollars are in place: the \$400 million over the three years, if we're looking at three years, for the permanent housing for our homeless and then the \$478 million for

our affordable housing. That's going to increase to over a billion dollars once we leverage in the money that the private sector and the municipalities and the community organizations put in place. But I can also tell you that this year our budget was maintained as a priority, and you've seen that. I know you were calling, which I appreciated, that we have capital dollars in this plan. I heard you say that several times over the last few months, and that is here, and that has been maintained. That, to me, you know, says that there's a great deal of support for us to move forward on what we've been mandated to do by the Premier, and that is the development of the 11,000 units for affordable housing over the five-year window as well as the 2,700 units for people that are homeless.

Mr. Taylor: Well, one of the most telling numbers in all of this – and it's not in the budget documents; it's in the 10-year plan – is that to manage homelessness over a 10-year period costs \$6.6 billion. To end it would cost half that.

Mrs. Fritz: Absolutely.

Mr. Taylor: So this kind of capital spending and this kind of spending on the operational support for that capital is not spending; it's an investment that will pay a dividend on down the road, I believe.

There's one other area that I wanted to ask quickly about, if I can. I know I've only got a couple of minutes left. It's funding for special-needs housing. That's line 2.5.3 on page 258, right? My eyes are going cross-eyed; I've done so many of these. Yes, 2.5.3. It's the same amount in '09-10 that was budgeted and is forecast for '08-09, slightly less than '07-08. Is the reason why the amount hasn't increased because your department is meeting all the needs of all the people in Alberta with accessibility issues and affordability issues? Have you hit this one out of the park or what?

Mrs. Fritz: It was on Friday that I met with the organization in Calgary. That was for barrier-free housing. It was a very important meeting. We've asked them, actually – we had staff there as well – to assist us with the RFP, for example, for our housing for our homeless. Our goal is to meet the needs of the community that, you know, is identified here as special needs and to meet the needs of the community through all of the housing that we provide. So that may mean a certain percentage will be for special needs. It may mean – I'm not certain. I can't guess what it is that they're going to come forward with, but this organization has actually hired an individual whose sole position is to work in this whole area.

Mr. Taylor: So \$5.1 million for the year going forward is sort of a maintenance figure in the budget while you gather more information, then?

Mrs. Fritz: Well, it's not that it's the maintenance figure in the budget. It's just that we have a much larger, you know, capital funding area now, and we're going to be providing housing that accommodates people with special needs over the whole spectrum of housing that we have.

Mr. Taylor: Okay. The buzzer hasn't gone yet, so I'll squeeze in one more question. Line 1.0.3, support services: \$3,300,000 last year, estimated at \$5,048,000 this year. What's that all about? That's a pretty sizable increase.

7:40

Mrs. Fritz: The increase that has been identified – I won't go into the whole area of what support services does because of the time – the variance, was to improve information management and technol-

ogy systems' capability for ongoing programming and for new initiatives. It does include our strategic corporate services, financial services, information technology services, HR services, communications, FOIP, and legal services. They're responsible for the development and delivery of the information management and technology system. When I said earlier, Mr. Chairman, that one of our five key strategies in our homeless report was for better information, that's a part of what this will be doing.

Mr. Taylor: But it needs a 50 per cent budget increase?

Mrs. Fritz: Yeah. If you read that in the 10-year plan, it's very extensive what we'll be doing for data and for tracking and for having our programs be as accountable as possible as we move through that. That's what this is about.

Mr. Taylor: Could you do without that? These are tough times.

Mrs. Fritz: No.

Mr. Taylor: Why not? What would you be giving up if you kind of lived within last year's means in that budget line item?

Mrs. Fritz: We'd be giving up one of the five key principles of our 10-year plan, which is better information. That's one whole area, actually, that we would be . . .

Mr. Taylor: Well, then, what did you spend the other \$3.3 million on last year? If you're going to give up one of the five key principles, that says that the increase is going to pay for a hundred per cent of that key principle. So what did the other \$3.3 million get spent on last year?

Mrs. Fritz: It was spent on, as I said earlier, Mr. Chairman, that long list that I had given you, on the strategic corporate services and our financial services. You have to remember that this is a new department. You know, as we move through and take on new programs, which we've done with this whole homeless plan – you had asked the question earlier: what is it that we need overall? It's the working together, but it's also to support the plan. For us it would be the better information side of the plan.

Mr. Taylor: How am I doing for time, Mr. Chair?

The Chair: You've got about a minute left.

Mr. Taylor: Okay. One more question. We've talked about what your ministry is doing. Who are you working in cross-ministry arrangements with in all of this?

Mrs. Fritz: I think one of the most important ministries that we're working with is Justice. A program that you'd be familiar with, for example, Pathways to Housing in Calgary, was cost-shared with the Department of Justice and ourselves for safe communities. We've housed over 50 chronically homeless individuals that have been successfully housed now for a year. We've assisted with decreasing their visits, you know, back into the Justice system I think by 60 to 70 per cent. We've lowered it. Psychiatric admissions to hospital we've lowered by about 85 per cent through that good program.

But there are a number. There's Children and Youth Services; there's Health; there's Seniors through our AISH program. AISH, as you know, too, is a part of our HEP fund. They're all ministries that provide support to individuals.

The Chair: Thank you, Minister. Thank you for that exchange.

At this point we'll go to either 10 minutes for the leader of the third party or 20 minutes in an exchange with the minister at your preference.

Mr. Mason: Well, I'd prefer if we could continue the back-and-forth. I'll keep my questions concise, and if you could keep the answers concise as well. I only get 20 minutes; he gets a whole hour.

Mrs. Fritz: Okay. I will.

The Chair: After this segment we'll take a five-minute break as well, just as a reminder.

Mr. Mason: Thanks, Minister, for coming this evening to talk about your estimates. One of the things that struck me about the housing crisis over the last couple of years in our province is sort of the countercyclical nature of it. You would think that when the economy is booming, people would do better. In actual fact, it hurt some people because the price of rents and so on rises very quickly, and their incomes don't, so they get left behind. One of the hopes I had was that as the economy subsided, maybe a bright spot there would be that the housing situation would ease, but in your business plan on page 172, it says:

While overall housing affordability is improving, the supply of affordable housing remains low, particularly in the areas of rental housing and entry-level home-ownership. The average resale price for single family homes and condominiums remains high, and the trend for rental rates is forecasted to rise, this in spite of an increase in vacancy rates for rental accommodation.

So as the recession deepens, we're going to see the rents continue to rise, according to this, and the affordable housing supply remain very tight.

Notwithstanding this situation, your overall budget, it looks to me by my math, is being cut by about \$70 million notwithstanding \$100 million being put into the homelessness prevention initiative. I guess the question is: why, given these circumstances, would it be a significant reduction? Your affordable housing program has been cut from \$286 million to \$177 million, and other programs have been cut as well.

Mrs. Fritz: Thank you. From what you read there, hon. member, just to let you know that the housing market has improved, but we still have a limited supply for our low-income people. Your comment about the \$76 million – please stop me if you'd like me to stop here because I know you were talking about the time as I read into the record what that was.

The reductions are primarily a result of in-year supplementary estimates, a one-time capital emergent transfer provided during '08-'09 to support our ministry operations, and they were 33 and a half million dollars for the homeless and eviction prevention fund, \$50 million for the direct-to-tenant rent supplement program, an emergent capital transfer of \$2.28 million from Alberta Infrastructure to fund additions and renovations to the Hythe and District Pioneer Home and Athabasca Pleasant Valley Lodge, three-year agreements with the federal government . . .

Mr. Mason: I'm actually not following how these numbers add up to an answer to the question.

Mrs. Fritz: Could you repeat your question, then?

Mr. Mason: Well, the question is: basically there is a \$70 million

cut to your budget, and given that the economy is worsening but the housing market and the rental market are not improving – people need more help, not less – why are these overall large-scale reductions in your budget? The question is, really: why?

Mrs. Fritz: Okay. I'm going to answer it this way, then. It's the end of the federal programs plus one-time money for supplementary estimates, and that equalled that amount of money.

Mr. Mason: Okay.

Mrs. Fritz: But I want to let you know I'm doing this because of what you said is time. I've got two full pages here to explain it in way more detail if you'd like me to provide that information to you later.

Mr. Mason: That would be wonderful, and usually it's through the committee chair to everybody. That would be great, Madam Minister. If you would do that, I'd very much appreciate it.

The next question has to do with the homelessness initiative, and that was launched just a couple of weeks before the budget came down. It was announced with a great deal of fanfare as a \$3.3 billion program over 10 years. If you divide that by 10 years, it should be about \$330 million a year, but in the first year, in this budget that came out just a couple of weeks later, there's only \$100 million. The question is: how are we going to get to \$3.3 billion and actually ending homelessness when the money that was indicated just doesn't seem to be there?

7:50

Mrs. Fritz: I think it's important to remember that this is the first year of a 10-year plan, and with the economy changing so dramatically and so quickly, it's significant funding to have \$100 million this year for the capital side and \$32 million, which is triple of what we had before, for the operational side. But in a 10-year plan that means that even as the economy picks up – let's say it's next year or the year after or the year after – we'll also see increases at that time within this budget for where we're moving in the plan. Also, the construction costs have come down, and in some cases fairly significantly, and that's going to assist us as well because not only are we providing jobs for people through the construction, but also, overall, we may build far more housing units than we're even saying here, being 700 in the first year. It may be more that we're able to support because of those costs coming down. We learned that through the affordable housing program, hon. member, where in the first two years of the program we are over halfway there in providing our 11,000 units.

Mr. Mason: The question, I guess, are you still on track for a \$3.3 billion commitment over 10 years? Given that less than a third of that has been expended in the first year, how will you reach the target? Are you still planning to spend the full amount that was announced when the homelessness initiative was announced?

Mrs. Fritz: My comment to that is that it's the request of the 10-year plans of the municipalities. The larger municipalities, for example Calgary and Edmonton, came forward with the amount of funding that they would like to see in place, but the 10-year plan that we as a province have provided did not make a commitment to that figure that you've identified. We may find that as we move along, it's much less. We may even find it's more. I'm thinking that it would be much less.

Mr. Mason: That's interesting because the coverage indicated that Alberta had approved an ambitious plan with a \$3.3 billion price tag to eradicate homelessness by 2009. So you're saying that that was misreported?

Mrs. Fritz: No, I didn't say that. What I said is that we did not make a commitment publicly as a government that said – and I think you mentioned \$3.3 billion – that we were going to provide \$3.3 billion over 10 years for the plan. What I think you're referring to – and I can understand the confusion – is the cost estimate of the secretariat of \$3 billion. We haven't identified as a government what the actual cost of the plan will be.

Mr. Mason: I have a table here. It's indicated that the source is A Plan for Alberta. I think these are your numbers showing that to deal with homelessness, to build the new housing units would be \$1.258 billion, and the total cost of support programs is \$2.058, which comes to the \$3.3 billion as contrasted to the managing of the existing rates of homelessness, which comes in at \$6.65 billion. I believe these are your numbers.

Mrs. Fritz: Those are the cost estimates that, as I indicated, the secretariat had come forward with, but I can tell you that we'll address this as we move forward. Our goal is to end homelessness as we know it today, but we'll monitor this as we move forward.

Mr. Mason: Okay.

Mrs. Fritz: To go back to that, I have learned from the affordable housing, hon. member, that we may think that it's going to be a certain amount of money, but things do change, and this is a 10-year plan.

Mr. Mason: Since the government's own numbers show the cost of ending homelessness in 10 years, which is the objective of the program, is about \$3.3 billion, I'm going to interpret from that that the government and your department have backed away from that commitment of \$3.3 billion over 10 years. I'm going to interpret what you've just said in that way.

Mrs. Fritz: Well, that's up to you, but I can only tell you that that's the cost estimate of the secretariat.

Mr. Mason: Okay. Do you have your own cost estimate that's different?

Mrs. Fritz: We do.

Mr. Mason: What is that?

Mrs. Fritz: For the first year we start with a hundred million dollars for 700 housing units and \$32 million for operational funding. If we achieve that by the end of this year and we continue on through the next 10 years, it may work out to just about \$1.8 billion to \$2 billion, which is two-thirds of the cost estimate of the secretariat. That's over a 10-year period.

Mr. Mason: All right. Is that a commitment?

Mrs. Fritz: No. That's just another cost estimate. Ten years is a long time, and the world changes – we've learned that – very quickly.

Mr. Mason: I know.

Speaking of the secretariat, they took a big cut in this year's budget. I'm just wondering if you could explain why that is and what is going to change in the secretariat as a result.

Mrs. Fritz: Thank you. The secretariat, as you know, was formed to develop our provincial plan, which we've already said. It will continue to provide leadership in the implementation of the plan, and it will report on the progress of the plan. The \$3.1 million was reallocated to support approximately a thousand of our homeless Albertans through our outreach support services. I won't go into salaries and wages and whatnot. Does that help?

Mr. Mason: Yes. Maybe it won't be coming up with really, really big numbers to end homelessness in the future.

I guess I'd like to know a little bit more about the support that you have planned. About two-thirds of it looks like it's for support and one-third for capital costs of housing. Can you elaborate on what those programs look like?

Mrs. Fritz: The support: we're providing funding to our community-based organizations, and that's throughout Alberta, not just our seven major municipalities. It's to provide homeless Albertans with our outreach support services in their own communities. The program goal is to assist families and single adults to move to permanent accommodation with access to the various support services to remain housed, and this program will provide outreach support services. I'd go back to the 2,000 homeless Albertans this year.

Mr. Mason: Could you give me an example of the kind of program?

Mrs. Fritz: Programs that come to mind for me would include addictions counselling, people for, you know, life skills. You're familiar with Boyle centre services quite well, the housing services, that whole component that they have there. There are a number of outreach support services. This year, for example, we had an excellent team go down into the river valley here in Edmonton doing outreach to help people, you know, to come into our shelters early. It depends on the organization, the community, and where they see the need.

Mr. Mason: Okay. As you know, we had quite a different view than the government on the whole question of rent controls when we were experiencing the very, very large increases in rents. The government chose instead to follow the rent supplement and homeless and eviction prevention fund. Last year you budgeted \$101 million for the rent supplement program and the HEP fund combined, and you spent \$48 million over the budgeted amount.

The amount of money that the government put into those programs was considerably higher than they initially indicated, and it put a lot of money into the hands of landlords. The question I have is whether or not the department has done any assessment as to whether or not that money flowing through to landlords in effect kept rents higher than they otherwise would have been had the market been allowed to operate. In other words, more money was flowing, chasing the same number of rental units, leading to an inflation in the rent. Have you studied that? Have you looked economically at the impact of that program on rents during that period?

8:00

Mrs. Fritz: The only way I can answer that is this: the rent supplement program for landlords does not have any malice. Often when

I hear you ask the question, that's what I hear, and maybe that's not what you mean. What you're saying is that, you know, we have landlords, and we're just going and giving them a pile of money to subsidize them. Really, what's happening is that the funding is much better utilized when the payment is made on behalf of the individual needing the subsidy through a worker. I heard that very clearly again when I was at Boyle Street, to keep that program in place. The woman there who had just said that is the most recent person to talk with me about this publicly. She was an individual who had a very young baby and who had a very severe addiction. I won't go into all of her complex host of health issues. But she said that she would spend her money on something other than her rent if she didn't have the help to have that money paid directly to the landlord rather than to herself. So that program will stay in place. It has good intent, and I really think that it is a good program.

Mr. Mason: How do you evaluate it? What kind of evaluation have you done?

Mrs. Fritz: We evaluate the program through what we receive back through our organizations as to what's working. In fact, I know that you've read the 10-year plan for Edmonton, and you've seen the very substantial identification that they have for why the rent supplement program, the subsidized supplement program for tenants, where they're assisted with their payment directly to the landlord, is a good program.

Mr. Mason: Okay.

Mrs. Fritz: I'm just going to ask you that, though, because you didn't comment. Did you read that in Edmonton's 10-year plan, the landlord supplement program?

Mr. Mason: I read it at some point.

Mrs. Fritz: I'm going to send it to you once again because it's just so valuable.

Mr. Mason: Send it to me again. I have a big stack of those reports on my desk.

Mrs. Fritz: Okay. Mr. Chairman, I just have two more points that I want to add to that. The rent subsidy, I wanted to let you know as well, is based on current market rents. It's agreements with the landlords that limit the subsidies to that amount. I think that that should be clear for the record as well.

Mr. Mason: Okay. I want to ask about the off-reserve aboriginal housing program, which has wrapped up. I'm wondering how that was seen, if it was seen as a success, and why it was eliminated. Is there no longer a need for that program?

Mrs. Fritz: Why the funding was not there?

Mr. Mason: The off-reserve aboriginal housing program. Last year was the last year. It's not here this year.

Mrs. Fritz: No. We've talked about that in the Assembly, Mr. Chairman. It was a very important program, and '08-09 was the last year. It was a federal program, hon. member. That was \$16 million that was allocated in '08-09 to off-reserve housing. We used the federal government's \$16 million last year to support 388 aboriginal housing units in nine communities, hon. member. The federal government did stop the program.

The Chair: Okay. Thank you, Minister and Mr. Mason, for that exchange.

I think that at this point we'll take five minutes as a break. I'd ask you all to be back here by 10 minutes after 8, at which time we'll go to Mr. Bhardwaj and then go into an exchange between the different members here.

Thank you.

[The committee adjourned from 8:05 p.m. to 8:10 p.m.]

The Chair: I will ask us to come back to order as quickly as possible. At this point we'll go to Mr. Bhardwaj for 20 minutes in exchange with the minister or 10 minutes.

Mr. Bhardwaj: We'll go exchange, 20 minutes, if it's okay with the minister.

The Chair: Go ahead.

Mr. Bhardwaj: Okay. Thank you very much, Mr. Chairman. Thank you, Minister, for providing the opportunity to have a conversation. There are three things I'm interested in, and I'll be asking you questions around three things. The first one would be housing supports, the second thing I'm going to talk about and ask questions about is homelessness, and the next thing would be affordable housing units. Some of the stuff I've heard so far has been very, very interesting and a lot of new information. Some of the questions I'm going to be asking you have been partly asked and partly answered.

On page 174 of the government business plan your ministry indicates that housing supports are provided to more than 115,000 Albertans. I believe it is the job of the government to care for our most vulnerable citizens first. In this case I'm referring to seniors, families with young children, and people with mental illness. Do you have any data on how many of these 115,000 Albertans who are receiving housing supports fall into these three categories?

Mrs. Fritz: Thank you, Mr. Chairman. As the member indicated, this is in the business plan. The client profile and the unit reports indicate, as you said, that 130,000 Albertans were served: 15,100 were low-income seniors in self-contained apartment units; 33,000 Albertans in 10,000 community units, which includes, hon. member, over 15,000 Albertans in 5,800 low-income, single-parent households and over 4,000 AISH clients that are provided assistance through the current housing programs. We do not directly provide housing for those that may have mental health issues. However, a client may be residing in a unit with community support.

You're looking at me like . . .

Mr. Bhardwaj: No, no. I'm just listening. I'm just listening, with my glasses off. Okay. Well, thank you very much. That's good.

Just a follow-up question to that. Are the 115,000 Albertans who are receiving basic shelter space, subsidized rent, and affordable housing units expected to receive support permanently, or would they be self-sufficient after a certain period of time? Do you have any thoughts or any data on that?

Mrs. Fritz: You know, Mr. Chairman, I have to tell you that the hon. member has talked with me about this question, and when he did, what really came to mind for me is: how do you define self-sufficiency? How would you define that?

Mr. Bhardwaj: Self-sufficiency for me would be that, you know,

you can pay your own rent, you can pay your own way around, you don't need government support to live on. That would be being self-sufficient, particularly in terms of housing.

Mrs. Fritz: Well, having said that, then, knowing that that would be the definition, our programs generally provide housing assistance only, but delivery agents will work with community service providers, and that's to ensure that households maintain their independence and move to nonsupportive housing. You indicated about the rents. We do support some key housing providers with programs to support the households moving on. One that you may be familiar with is Calgary Housing Company's new start program.

Mr. Bhardwaj: Okay. Thank you very much.

Minister, does your ministry have any plans to set targets or performance measures to gauge the number of Albertans who are able to move from supported housing to nonsupported housing, and what would they be?

Mrs. Fritz: I think that's an important question, Mr. Chairman. We are looking at options to set performance measures.

Mr. Bhardwaj: Do you have any idea, Minister, what kind of performance measures they would be and what some of the targets would be? Any ideas in terms of that?

Mrs. Fritz: We're developing a new performance measure, and it's the number of homeless Albertans that have been, as you indicated you'd like to see, successfully housed in permanent accommodation. Are you looking for something a lot more complex?

Mr. Bhardwaj: Not necessarily a lot more complex but a bit more concrete in terms of the performance measures. But that's okay. You can provide it to me later on if at all possible.

Mrs. Fritz: Well, I know this member is very familiar with Edmonton's 10-year plan and has worked, you know, incredibly hard with that plan but also with our own 10-year plan. Part of that is that the performance measures fall in line with our five key principles as well as our 17 strategies. You know, all that has just come about here within the last several weeks, and no targets have been set yet. More research is being conducted. Also – I think this may be where you're leading to; I don't know – it has to be auditable at the end of the day. You'll see that, about the performance measures, come forward with our next business plan.

Mr. Bhardwaj: Okay. Thank you very much. I'm just going to move on to homelessness. On page 175 of your ministry's business plan some of the strategies to end homelessness in Alberta are explained. It states that the Housing First model is the main principle behind the plan to end homelessness. I've attended some of the meetings, you know, put on by various agencies and, of course, when you made the announcement as well with the mayor and everybody else, so I'm kind of familiar with that. I fully support and understand the principles behind this model, that the need is to find the individual a space to live rather than simply a place to sleep. However, I do have just a couple of questions regarding that. The cost to find a homeless person a place to live rather than a place to sleep must be significantly higher. I believe this investment could be well worth it, but I'm sort of concerned that in the short run this strategy will cost more per person and would necessitate that fewer homeless people are being helped. What are some of your thoughts on that?

Mrs. Fritz: My first thought was why you were asking this question because I know you have the knowledge about this whole area about the cost. I'm just going to state it simply. The cost is definitely not higher to find housing rather than to continue to shelter the homeless. That's based on information that we've discussed frequently, hon. member, and that's from Pathways to Housing programs, again, in Calgary. But we know – and the Member for Calgary-Currie mentioned it as well – that it can be over a hundred thousand dollars for individuals that are in a shelter that we assist through emergent services like EMS or health care services. That's well over a hundred thousand dollars for a person in a shelter. But after receiving supports through a Housing First model, the costs for that same person are decreased to \$34,000 per year. It's a significant reduction.

But you know what my worry is, Mr. Chairman? When we have a member that is not aware of that cost who has worked so intimately with this whole area, my worry is that we're not getting our message out and the communication out, so your question has had some value for us in that sense. We know we need to communicate this information in a much better way, about the cost not being higher to find housing rather than to continue the shelter.

8:20

Mr. Bhardwaj: Thank you very much. That's kind of the sense and those are the kinds of questions which are being asked out there, and thank you so much for your detailed explanation. I think you're absolutely right. There are a number of people out there who are asking the specific question: "Hey, you know, if you're talking about this, wouldn't it be higher? Would you not be able to house fewer people?" So thank you so much for that detailed explanation.

I'm just assuming that there are provisions for those who support children and youth to be higher on the list. Is there some sort of a priority system when people are looking for homes, and what kind of criteria are used in terms of the selection process?

Mrs. Fritz: Different levels of support are required for different Albertans that are homeless, Mr. Chairman, and a priority will be to address the chronically homeless as they cost the system more – and that's why I go back to this, hon. member – when they're living on the streets. At the same time, we're looking at supporting homeless families and the employable homeless as we move forward with our plan, hon. member.

Mr. Bhardwaj: Okay. Just sort of a lead-up question to that, Minister. A lot of people who are homeless have many addictions, have many problems. It requires a certain amount of paperwork to qualify for and to submit the applications. Is your ministry providing some sort of a support mechanism for these people or assessing them in a certain way so that they can get their paperwork together and be able to submit the application and qualify?

Mrs. Fritz: Could you just elaborate a little bit further on that? You're thinking of an individual that's on the street or in the shelter or moving into affordable housing?

Mr. Bhardwaj: Well, basically, my concern is people who've been living out on the street. You know, it may be mental health or addiction of some sort. There's a certain amount of paperwork which is required for them to qualify for a home or for a shelter. Is there ministry support which can help them? Is there a place they can go and say, "Hey, could you help me with this paperwork?" so that they can actually even apply to Capital Region Housing, for example, in Edmonton?

Mrs. Fritz: Mr. Chairman, that's an interesting question as well. The way that we offer assistance, hon. member, is through our service agencies, and that's in each community. Homeless Albertans will be assisted with housing and supports, but it is through the service agency. You have to remember, hon. member, that we allocate the funding to the service agency, and that's why Housing is working through organizations like, for example, Hope Mission. They have their rapid rehousing program. I was at the Hope Mission. I think there were about 900 people there a couple of weeks ago at an event that they had in support of the good programs that they are doing, and 40 people had graduated from one of their programs, people that will be moving next, hon. member, to being rapidly rehoused.

You can see that when we support the organization with the funding, that organization then in turn supports the individual in need, and they assist the individual with whatever that need is. If it's assistance with paperwork, then that's what they would support them with. If it's assistance, as I mentioned earlier here, with their rent, they'll support them with paying their rent. It depends on what that individual's needs are.

Mr. Bhardwaj: Okay. Thank you very much.

I'm just going to move on to my third topic, and that is homelessness. We all know there are a number of different reasons for people to be homeless. More recently with the change in the economy – and, I mean, we understand that Alberta is probably in the best shape anywhere in North America when it comes to the economy – we're still not immune to the downturn in the economy. With that, the possibility does exist that there could be more people out there who would need housing. Would that alter your 10-year plan to end homelessness in any way, Minister?

Mrs. Fritz: Thank you. Mr. Chairman, the economy – the member is right – will have an impact, but at this time it's not clear how big the impact will be. We will determine the right pacing of the plan, as I've indicated earlier, over a 10-year period. It is a 10-year plan. The dollars that were allocated in this budget, Mr. Chairman, in Budget '09, to implement the 10-year homelessness plan were very substantial. I think you'd agree with me – would you not, hon. member? – that the '09 is a substantial budget.

Mr. Bhardwaj: Oh, absolutely. There's no doubt.

Mrs. Fritz: It will make a profound difference this year for homeless Albertans.

Mr. Bhardwaj: Thank you very much. You're absolutely right, Minister. This is, you know, a huge plan. It's a step in the right direction. Your announcement of your commitment to this project is hugely appreciated. Particularly, I can talk about Edmonton when you see the councillors and the mayor. Your commitment to that is certainly appreciated, very much appreciated.

I'm just going to move on to my next topic. Mr. Chairman, how much time do I have?

The Chair: You've got about four minutes.

Mr. Bhardwaj: Four minutes. Okay. So we've got enough time to ask two questions.

Minister, in your business plan and in your mandate letter from the Premier and in almost every news release from your department I see mention of a commitment to the creation of 11,000 units of

affordable housing. Of those 11,000 units, how many are rental units, and how many are the ownership, like the Habitat for Humanity homes or some of the others?

Mrs. Fritz: Hon. member, when you asked that question – you mentioned Habitat for Humanity – what are your thoughts about home ownership related to that program?

Mr. Bhardwaj: Maybe I'll rephrase that question. My question would be: out of the 11,000 units which we have, how many of those units would be rental units? How many units would your department have for people's ownership? We'll take Habitat for Humanity out of it.

Mrs. Fritz: Well, Habitat for Humanity isn't a part of this question. If they were, though, because you had put that in your question, we did allocate \$6 million just recently in partnership to Habitat for Humanity, and that's the largest allocation in Canada, actually, for a home ownership program. That's a very important home ownership program. I find it interesting you lifted it out, because it's one of the most significant that we have. It's where Habitat for Humanity actually sells the home to the family for 80 per cent of market value. Mr. Chairman, the family has an opportunity with volunteers to actually build their own home and give significant hours to the building of that home. Then Habitat for Humanity assists even further with home ownership because they ensure that the mortgage is amortized over the number of years that they would see that particular family being able to afford the payment of that house, and then there is eventual home ownership.

Just generally on home ownership programs, of the 5,600 units that we committed to to date, 125 are reported as home ownership. Having said that, Habitat for Humanity, if they had been a part of this, are building their 100th home, I think, within the next two months here in Edmonton. Hon. member, 5,475 are reported as rentals.

Mr. Bhardwaj: Thank you very much. I've actually got two more questions along the same lines here. One of the questions which came up was on your partnership with the city of Edmonton and some of the developers and the announcement which was made. I think also the school boards were part of that, the old school land which was used. Can you elaborate on that? That's where the 10-year homelessness plan was released by the city of Edmonton. Could you just elaborate on that a touch, Minister?

8:30

Mrs. Fritz: Elaborate on which part?

Mr. Bhardwaj: The process on that project itself.

Mrs. Fritz: I'm sorry. I don't know which project.

Mr. Bhardwaj: In Edmonton there are two areas which are building affordable homes, for example. It was announced by your ministry. It was a partnership between your ministry. I think it was a partnership between the school boards . . . [Mr. Bhardwaj's speaking time expired]

That's it for my time. Thank you very much.

Mrs. Fritz: Actually, I'll give you that question in writing.

Mr. Bhardwaj: I actually needed just a touch more information, but I knew most of it. Thank you.

Mrs. Fritz: I think you're talking about the surplus school sites.

Mr. Bhardwaj: Yeah.

The Chair: At this point we'll go to Mr. Hehr either for a 10-minute or a 20-minute exchange.

Mr. Hehr: We can share our time if that's all right, hon. Minister. Perfect.

I'd just like to start by saying that I'd like to thank the hon. minister and her executive assistant for meeting with some constituents of mine on short notice last week. They were very friendly to get us in and started a dialogue between my constituents and her office which, hopefully, will lead to everyone sort of being on board with what everyone's doing. I'd just like to thank her and her staff for getting me in so quickly.

Mrs. Fritz: You're welcome.

Mr. Hehr: Now to turn to some other questions. They're some follow-up questions on what the hon. Member for Calgary-Currie and the hon. leader of the third party asked. Some might be because I, too, despite your best efforts, am sort of having difficulties understanding the changes to the HEP fund. It seems to me, although there are going to be some cuts, that not as many people will be covered under the HEP fund. Maybe I'm just not understanding it and all that stuff. Maybe you can clear this up for me once and for all.

I look at the eligibility requirements that came out. It says this: beginning April 1, 2009, Albertans requesting assistance with an emergency shelter need must be assessed for eligibility using the income support program as outlined in the expected to work/not expected to work policies and procedure manuals. If we look at some of the policies from the manual, benefits are not to be issued to pay off debts, loans, or arrears; single persons without accommodations are referred to a shelter in locations where they exist; the applicants or recipients who are expected to work and have placed themselves in a position of not being able to support themselves through employment are ineligible; and \$350 is available for singles or childless couples for rent arrears in an emergency situation.

Now, just looking at those, were those a part of the HEP fund? What part of funding? Was that part of the directive? Will that limit funding to these individuals? I'm just looking for some clarification because to me it looks like with some individuals and what seem to me budget cuts, some people will no longer be covered under what was previously funded.

Mrs. Fritz: I know you have that worry; I do because you often ask that. I keep trying to explain it in a way that is understandable so that you'd know that it really is going to be in the best interests of people overall. What it is is that the HEP fund, what you see here, that funding that you see in this budget, line item HEP, is for individuals that are now with EI. They've done all their qualifications, and now it's best for them to be in a stable rent supplement program. That fund is for subsidizing their rents in the way that they're being subsidized today. That's 10,000 people over the past month that are moving into our program. That's the best way that I can explain it to you.

The program in our budget, hon. member, is not an emergent fund. For people that will see their rents increase, if they do, the landlord still needs to give them three months' notice. We can assist people with that increase.

Mr. Hehr: I guess if you looked at the results of your changeover to the fund, you would have had no change, really, in the numbers. The people who applied for funding under the initiative would have received their funding under this initiative or under the HEP fund. If they needed the funding under the HEP fund, they now would have received funding under one of these existing programs, as you have just indicated. Is that right?

Mrs. Fritz: Where it's at now with this administrative change in having it be in the right department: the emergent/urgent side is still with EI. That means that the urgent/emergent side would be for people that need help with a damage deposit or need help with arrears, like their utilities – and that can fall in, you know, a number of areas with utilities – or with a rental situation. It just depends on what that need is. EI would assist that individual.

I don't know if this helps you as well. Previously 92 per cent or even 95 per cent, in that area – I can't quite recall exactly, but it's within that area – of the people that were receiving the HEP fund benefit on an emergent basis were EI clients.

Mr. Hehr: Now, just to follow up with that, then, what do the extra 5 per cent of those people, who are now not EI clients – where are they now? Are they the people who will fall through the cracks? Is there another group of funding for them? Are there any people who through this change are no longer covered? You've explained to me the 90 to 95 per cent of the people.

Mrs. Fritz: Right.

Mr. Hehr: But I used to have a lot of people come into my office at the end of the month with a shortfall, whether through some natural disaster caused by themselves or otherwise, that needed it. That was a busy time in my office in downtown Calgary, Calgary-Buffer. We were always seemingly able to direct them somewhere that they were able to get at least that rent for I think up to a maximum of a thousand dollars. I think that was the maximum under the HEP fund that they could get their rent covered. Are there any of these individuals that would come into my office now through a natural disaster caused by themselves or otherwise with how the HEP fund was previously organized, or I could call you up, that are no longer going to be covered under one of these programs? Again, if you could clarify that for me now, it'd be easier for me to alert my office staff. Are there some of these situations that have changed?

Mrs. Fritz: What I can tell you is that the HEP fund was placed in this budget – and this is why I'm glad that we're actually administratively changing this; look at how much confusion it's created – and it was administered by EI. EI administered it on an emergent basis, and they made the decisions regarding the amount of funding that clients received, et cetera.

Your question is important because you're worried about the people that are most in need. The people that are most in need will still be assisted through EI or through AISH, which is through Seniors. People will still be assisted. If it's AISH, you know, through Seniors, EI, your question is: will people be out there with no assistance for them anywhere at all? The answer is that a hundred per cent of the people will be assisted much in the way that they were previously.

Mr. Hehr: Okay. This is my last follow-up.

Mrs. Fritz: Does that help, though?

Mr. Hehr: Yeah, a little bit. A little bit.

Your EI and AISH programs are not directly related. They're just directed to the EI program. They don't actually have to be on EI to be directed to that program. The people on AISH, well, they have to be on AISH to get assistance through that program, right? Or do they have to be on EI to get assistance through that program?

Mrs. Fritz: Through which program?

Mr. Hehr: The EI program which you keep referencing.

Mrs. Fritz: Do they have to be on EI?

Mr. Hehr: Yes.

Mrs. Fritz: If people have an emergent need or an urgent need, they go to EI because that's who administers the immediacy of the program in being able to assist people directly and immediately. But if they need a rent supplement, they would come to my department. If they don't need emergency assistance, they need a rent supplement, they'd come into our rent supplement program.

8:40

Mr. Hehr: Okay. Well, then, that sounds good. Because if I'm confused, I'm just going to call your office when they come into my department.

Mrs. Fritz: Yes. And I'll be calling Calgary Housing Company tomorrow.

Mr. Hehr: There we go, and that sounds good.

Now, on the Calgary Housing Company can you tell me how one gets on the list of the Calgary Housing Company and why it is two years long?

Mrs. Fritz: I know that there are criteria for people to be with Calgary Housing. My staff have handed me some notes here about this area. There are criteria for people when they go to Calgary Housing as to the priority. The criteria are prioritized. They have that as the units come forward, more people get helped. The criteria are based on point scoring. It's a per cent of income, the number of dependents, the suitability of accommodation and affordability, adequacy such as barrier-free units. The waiting list is not growing. I often hear people saying that the waiting list is growing, but it's not growing. People need to apply. It's assessed based on need, and there is allocation of assistance to the highest need first, and that makes sense, I'm sure. But having said that, you can imagine what the forms are like. I'm just giving you the basics of what the staff have indicated.

Mr. Hehr: You say it's not growing, but could you tell me how long the waiting list is?

Mrs. Fritz: I don't have the exact numbers with me, but I could get that to you.

Mr. Hehr: Okay.

Mrs. Fritz: Is that an interest in Calgary Housing Company or in all seven municipalities?

Mr. Hehr: I think that essentially my understanding of the Calgary Housing Company was that they were to assist people to find

housing not more than 30 per cent of their housing requirement. I could be wrong on this. That's my understanding. And my understanding is that people on the list are generally in need of some sort of housing because they can't afford the rent at where they are and can't find other rent and are generally very poor individuals who are having very unstable housing needs. Yes, maybe I'm missing some of the pertinent details, but that's my understanding of it. My understanding of it is that as long as that list is fairly long, whatever that list is – and I've heard it's up to two years long; I think we heard that tonight by an hon. member – that means that there's still a big job to do out there. That's sort of what I'm asking you, if your department has factored that into some of the equation as to some of the work out there that has to be done.

Mrs. Fritz: I think that's fair. We'll get you that information as well. But in saying that, I want you to know, Mr. Chair, that there is turnover on the list. It doesn't mean that there's going to always be the same people on the list, so you can understand why I'll get you the accurate information.

Mr. Hehr: Okay. Thank you.

I just have some follow-up. I believe you referenced and I've read in the 10-year plan that that figure was supposed to be \$3.3 billion that was provided by the provincial secretariat. I believe that he was appointed by you and some of the members of the community who had also done the 10-year plan on housing. How did you provide a budget for almost exactly the same thing that came in at slightly more than half of what they budgeted for? What were they missing in their budget estimate?

Mrs. Fritz: I don't understand what you're asking.

Mr. Hehr: Well, how did the 10-year plan to end homelessness secretariat's budget at \$3.3 billion to end homelessness over 10 years seem so much higher than the one you guys had internally in your department, which you said earlier came out to be \$1.8 billion for your 10-year plan to end homelessness. Where had they missed the boat?

Mrs. Fritz: Before I answer that question, I just want to go back to what you'd asked about the HEP fund just to get it on the record as well for that list and because of my making the commitment to you about this list. The time on the list depended on the level of need of the individual, because I know that you hadn't mentioned that when you mentioned it back.

Back to your question about the secretariat. Yes, ours has come in. You know, the thoughts that we're having based on what we're determining today or looking at today – you have to remember that they brought their plan forward in July, and it could change, you know, two months from now, a year from now. It just depends on the economy and the way that things are. But they did the best they could with the information they had, and the information that they brought forward was that their cost estimate was approximately \$3 billion.

Mr. Hehr: While their cost estimate was \$3.3 billion, I think you said yours was \$1.8 billion, almost half as much. You're saying that these are substantially the same plans, the same sort of planning process, and you've just recognized all that cost savings in an eight-month downturn or a year downturn since they did their report. Did you get all those cost savings in buying bricks and mortar and labour costs and all that stuff? Are you guys envisioning the same plans, or did you guys budget on two essentially different plans? Is your vision of the plan different than their vision of the plan?

Mrs. Fritz: No. It's the same plan, the same intent, you know, the same goodwill, truly. It will evolve and change over time as well because it is, you know, a decade. It's 10 years, that plan. But since the time that the secretariat had submitted the plan, we've learned that market realities have changed. We know that market realities are going to continue to evolve, and we know that this is significantly different, that what we're doing is filling in this gap between shelters and affordable housing with permanent housing for the homeless.

We also know the cost per square foot is much less. I'm looking at the cost here that the staff is showing me. It says that capital cost estimates are based on an average of 650 square feet per unit, at a cost of \$230 per square foot – and that was in '07-08 – but we know already today that the costs are coming in for 400 square feet at just \$200 per square foot.

Mr. Hehr: Intent and goodwill and all that stuff there are one thing. I think it may be easier if I just provide you – it may actually become more clear since you guys have already done this estimate, this planning exercise, where you did it against the 10-year plan that was already done by the secretariat. Since this is estimates, you guys have done that estimate. Can you provide that to me through the chair and to the rest of the members of this committee?

Mrs. Fritz: I can just tell you that myself today. Right at this moment that's what it is. We went through the plan. The way that we've estimated, what it is that we're building, as you saw in here, is 700 units this year and housing a thousand homeless people this year. Based on the principles and the strategies, that's our cost estimate.

Mr. Hehr: No. What I'm asking you for is your 10-year plan budget estimate that you did, and I want to compare it.

Mrs. Fritz: I'm telling you that.

Mr. Hehr: Why can't you give me the document? You have done a budget estimate on this. This is budget estimates. Why can't we get that document?

Mrs. Fritz: I'm telling it to you right now. That's what it is. It's about two-thirds of what it was.

The other thing that I think is important is to recognize that these are points-in-time estimates and that things do change. I know I keep saying that over and over, but we've seen that, and they can change very quickly. That could happen in the future. But today, at this point in time, I'm saying that may be different a year from now with another business plan.

Mr. Hehr: Well, I understand that. I still think those could have been, should have been provided. Nevertheless, I'm not going to win that debate here.

Mrs. Fritz: You're doing pretty good.

Mr. Hehr: Anyway, if I can go here, I'd just like to make an amendment before my time is up. I believe all my copies have been made, and if you could quickly put those out. Just leave me a copy so that I can read my amendment. You've got to hustle; I've got a minute and a half left. I'm going to read this out to save you guys the trouble. I move that

the estimates for support services under reference 1.0.3 at page 258

of the 2009-2010 main estimates of the Department of Housing and Urban Affairs be reduced by \$1,500,000 so that the amount to be voted at page 255 for expense and equipment/inventory purchases is \$530,527,000.

There we go. Just so that we read that into the record.

8:50

The Chair: Thank you, Mr. Hehr, and you're aware that that will be voted on with the estimates on May 7. Thank you for that exchange.

Mrs. Fritz: Can I just ask a question, Mr. Chairman, because I'm not aware. This is the first that I've seen of this. This is an amendment?

The Chair: Yes.

Mrs. Fritz: So can you help me? Where does this go now? Do we vote on this?

The Chair: No, we won't vote on this this evening. This will be voted on May 7 with the estimates.

Mrs. Fritz: Oh. Okay.

The Chair: Any amendments that are brought forward at these estimates meetings will be forwarded to the House to be considered on May 7. Any discussion that the members wish to have would happen today, but the voting will happen May 7.

Mrs. Fritz: Then what I hear you saying is that all the amendments are going together. I haven't done this before. Sorry for asking.

The Chair: Yes. They'll come together in the House on May 7. That's right.

Mrs. Fritz: Then is there a debate at that time on this amendment?

The Chair: I don't think so. I think that the debate happens here, but the vote is deferred, as is the vote on the estimates. Consistent with that, it all moves into the House for May 7. It will be brought forward at that point.

Mrs. Fritz: Okay. Thank you.

The Chair: Thank you.

At this point we'll go to Mr. Benito, please, for a 10- or 20-minute time frame.

Mr. Benito: Thank you very much, Mr. Chair. I hope the minister won't mind if I do just the question-and-answer format, and I'll make it quick because I have a lot of questions to ask here. I hope I can maximize my 20-minute time.

Good evening, Ms Minister, and thank you for this opportunity. My main focus of my questions is the homelessness program of your ministry. I just want to translate the budget that you have: \$400 million for the next three years, \$100 million for this year, with \$32 million in operating dollars. I'd like to translate this to my constituency, where many are immigrants, foreign workers, single moms, so that they can understand about our government's program. Alberta has committed \$400 million in capital funding and \$32 million in operational dollars. Are you confident that Alberta will be able to really end homelessness, this target that we have? That's my first question.

Mrs. Fritz: Absolutely. As we know it today, yes. I think you'll see in 10 years that our shelter use will be seven to 21 days. As people have worked toward this, they've set that as the goal. I think that will happen, yeah. Absolutely.

Mr. Benito: Would the minister mind if I ask this question? When we say we will end homelessness in 10 years, can you clarify and, you know, paint it for us, for me: what does ending homelessness in 10 years really mean?

Mrs. Fritz: You know, what it means as an example would be this: in Calgary we have a very large homeless centre on the river, and it shelters over a thousand people on any given night. Adjacent to that is another centre that shelters a couple of hundred people. Near that, in what they call the triangle, there can be up to another thousand people. What I'm telling you is that in a certain area of the city you may have 3,000 people who are homeless.

In 10 years when you see that area of the city as we know it today, where people that have, many of them, been in the shelter for years, it's not going to exist in that way. It's going to be that if people need emergent help because they've had some, you know, critical situation that happened in their life where they were on the street, they will be in that shelter for seven to 21 days. Then, hon. member, they are going to be rapidly rehoused into what we've never had until now, and that's going to be permanent housing for our homeless. I hope that we all know each other in 10 years and that we're all part of this, and we'll say: yes, that is exactly what we had planned.

Mr. Benito: Okay. Am I correct to say that the . . .

Mrs. Fritz: Is that all you're going to say is okay? It's good news.

Mr. Benito: It's good news. Thank you very much for that.

I'm just thinking about my next question, about the cost estimate per unit for this housing for the homeless. If it is 400 square feet, are we looking \$80,000 per unit, more or less, for the cost of the unit?

Mrs. Fritz: Did you figure that out after what I'd said? You would be right if you figured it out, I'm sure.

Mr. Benito: I'm just making a rapid calculation right here. If it is 400 square feet, being a real estate agent, I can quickly figure, you know, more or less, if you give some information. But I just want to confirm this, if this is correct.

Mrs. Fritz: Well, I can say that it would depend on the municipality that would be doing the building, right? But if you've figured that out to be the amount of money, I don't see my staff saying – is it correct? I see my staff saying yes.

Mr. Benito: Yes. My next question is on the style of this homeless unit. Is this a one-level or a four-level, where there's about a 400-square foot unit on the four levels, or is this just a one-level construction development?

Mrs. Fritz: It would depend. Mr. Chairman, I know that you've had significant housing happening in Strathmore in your constituency, and you know that it depends on the local municipality about how the units would be built and whether or not they're multilevel buildings, whether or not they're one floor, whether or not they're modular units. It just depends on the proposal that comes forward from the community.

Mr. Benito: If the concept is to provide homes for the homeless, will there be a mortgage to be paid by the unit holder in this? How would it work? Would there be a mortgage payment for the unit holder of this housing?

Mrs. Fritz: First of all, the proposal will come forward. When we put out the request for proposal, the proponents will be either the municipality or nonprofit sector or private sector. Some of them may carry mortgages; some of them may not. Their requirement is that that development be there for 20 years for permanent housing for the homeless. That's one of the requirements.

As I'd said earlier, the expectation is that many of the people that are accessing these units – it's not an expectation, but it's a realization – will not have an income, but there will be some that do, just as they do now. If people have an income, they pay 30 per cent of that income. Even our chronically homeless pay 30 per cent of that income toward their living space.

Mr. Benito: That's an excellent use, Minister.

What kind of participation from the private sector do we expect to attain our objective in the homelessness program, you know, private-sector participation? You mentioned awhile ago the Hope Mission. Is this part and parcel of this homelessness program?

Mrs. Fritz: The Hope Mission is a nonprofit organization. I have to say this as well, Mr. Chairman, for the record. First of all, we haven't put out an RFP yet for the housing for the homeless, for this hundred million dollars. But when we do – you're right – the private sector can apply. If they're successful, then the private sector has responsibilities to meet the criteria that's in the RFP. Is that your question?

Mr. Benito: Yes. Thank you very much, Minister.

Mrs. Fritz: Having said that, that means, then, that one of the responsibilities is that they would provide at least 30 per cent of the cost of the development.

Mr. Benito: Thank you very much for that answer.

Have we factored inflation and cost of construction in our target of 2,700 units for the next three years against our dollar budget? We have a \$400 million budget in capital costs and \$32 million for the operation. Have we factored the costs of inflation and costs of construction?

Mrs. Fritz: Yes.

Mr. Benito: Okay. Thank you very much.

Mrs. Fritz: That's a very good question, and it goes back to what the previous member was asking. Why that question is so important is because in the costs that we factor in, the cost of construction is so much lower today, and that has changed the cost of the units.

9:00

Mr. Benito: Thank you very much, Minister, for that answer. I would like to bring the topic to another area which is very close to my heart, the foreign workers housing program. Is there anything in this budget that will address the housing program for foreign workers?

Mrs. Fritz: You know, that's an interesting question because I'm asked that in different ways. I'm asked: is there anything that will address it for aboriginal people? Do you have anything that will

address it for people with special needs or for people who are seniors? I can tell you that all Albertans under our program are treated equally. So foreign workers, too, you know, will be able to access either the affordable housing if that is where they need assistance and they do today or if there's a need for support services. For example, if they've had a job loss, do they need employment counselling? What type of services do they need? There's the ability to access those services as well.

Mr. Benito: Yeah. Thank you very much. I wish I had a magic wand tonight so that this program of \$400 million and \$32 million for operation, I could bring it over to the Philippines to help the homeless people in that country. Right now in Edmonton through our community we have built 106 homes for the homeless, fundraising about \$300,000 just from Edmonton. A former President of the Philippines is coming this June 29 so that the Edmonton community can build another 30 homes or one village. The cost of that is about \$2,800 per unit, so we would like to raise about \$83,000. This is the reason why, you know, I'm thinking if we could bring the goodness of our government to the Philippines, that would be excellent.

But let me go to my next question. The city of Edmonton's homeless program, what kind of budget, or in terms of dollars how much are we contributing to Edmonton's homeless program from our provincial budget? Edmonton has a 10-year homeless program, right?

Mrs. Fritz: Yes.

Mr. Benito: So how much are we contributing from this \$100 million or for the next three years from this \$400 million for Edmonton's homeless program?

Mrs. Fritz: Mr. Chairman, and you may be familiar, hon. member, we did put out a news release on April 14, and that was in regard to our capital plan, for example, \$100 million this year for 700 units. There would be \$9.8 million for Edmonton out of that \$100 million. As well, the operating support for our homeless is \$72.5 million this year; \$40.5 million of that was for emergency transitional shelters, \$32 million to address and resolve the underlying causes of homelessness. I could get those numbers specifically broken down for you as to the number of shelters in Edmonton, et cetera, and the funding.

Mr. Benito: That would be appreciated, Minister.

Let me go to another topic: homelessness for single parents. My constituency of Edmonton-Mill Woods has probably the highest number of single parents in the city of Edmonton: 14 and a half per cent are single parents. The worst thing about this is that when you say single parents, it means single mom. The other worst thing about this is that when you say single mom, most likely, based on the study that was done by social services, the daughter of a single mom will also become a single parent. So there's really a need to help these single parents. Some live in co-op housing, and many, basically, have a place to sleep and are very transient families.

My question is this: will they be part of the homelessness program or affordable housing program? Because we know there's about \$400 million, how can I translate it to these people, the single parents? Will they be part of the affordable housing program or the homelessness program? How can I paint a picture for them that, you know, the government really cares about them when it comes to this homelessness program because some of them know that we have \$100 million for this year. As single moms they talk to me, they come to my office. They're saying to me, "Carl, what does it mean to me?" Can you help me paint a picture for them?

Mrs. Fritz: I can tell you that families will be helped, and single-parent families, especially, have a much higher priority. The programs that I would recommend that you talk with them about immediately are our rent supplement program, for example, our affordable housing program. We can get you that information as to, you know, who to share that with, whatever their need may be.

Mr. Benito: Thank you very much. I liked the last information you told us about the rent supplement program. Because of this program many people will be able to afford the real necessity for housing. I like that idea, you know, because just helping the tenants or the people who rent houses and not putting any cap on their rental amount, I think that we're encouraging more investment in the city of Edmonton.

Recently I met with the association of apartment owners, and they like what the government is doing. Instead of putting a ceiling for the rent on any apartment, you know, they like the idea of just helping the tenants. This will encourage investors to build more apartments for the city of Edmonton. That's what they told me, anyway.

Mrs. Fritz: But we do have a ceiling. We'll talk about that even more, Mr. Chairman.

Mr. Benito: Thank you very much, Minister. That's all I have.

The Chair: Thank you for that.

At this point we'll move on to Mr. Taylor for another 20-minute segment in an exchange with the minister, please.

Mr. Taylor: Thank you, Mr. Chairman. Boy. Having the opportunity to sit here for the last hour and a bit and listen to some of the other exchanges that have gone by sparked a whole bunch of ideas for other questions. The minister's nervous now. I'm going to be jumping around a little bit because a lot of different things have come up here. Let's pick up on that ceiling comment. What is the ceiling? Tell me more about the ceiling.

Mrs. Fritz: It depends on the municipality for the direct-to-tenant rent supplement program or the landlord-tenant supplement program. It depends on the municipality. There's actually quite a formula, but a part of it is the market rate, the number of vacancies. It's a formula. An example, though, is that where the cost of living is higher – the rent subsidy in Fort McMurray, for example, will be higher than in Edmonton.

Mr. Taylor: Okay. That gets me into the need for some more definitions. As the minister well knows, this is an ongoing challenge in both the affordable housing and homelessness game. Maybe not the best choice of words, but the first one that popped to mind at 10 after 9 at night. Not everybody agrees on all the definitions all the way along, for sure. Can we get a clear definition of these various rent supplements and rent subsidies from your ministry's point of view? We've talked a lot about the direct-to-tenant rent supplement, but there's obviously also a supplement to the landlord. You referenced it earlier when you talked about situations in which people actually do better in their own individual situation when the supplement is paid directly to the landlord.

Now, my understanding of the direct-to-tenant rent supplement, at least the theory behind it, the principle behind it, was that in a time of really tight housing, which we've been through, which we're coming out of a little bit now, a direct-to-tenant rent supplement allows the tenant, then, theoretically to go out and find the housing

that he or she needs regardless of whether he or she can afford the going rate for that particular apartment, and the direct-to-tenant supplement tops it up. But how do you determine when the supplement goes to the tenant and when the supplement goes to a landlord? When is the supplement a subsidy? When is a subsidy a supplement? What's the difference between a subsidy and a supplement?

Mrs. Fritz: Okay. There are two supplement programs. We are helping approximately 11,000 lower income households through the supplement program.

9:10

Mr. Taylor: Can you break that figure down by supplement program for me, please?

Mrs. Fritz: Do you mean in dollars or the number that are in housing?

Mr. Taylor: In terms of X thousand are helped by the direct-to-tenant supplement, Y thousand are helped by the supplement to the landlord.

Mrs. Fritz: About 5,000 households were helped last year under the private landlord rent supplement program, Mr. Chairman, and about 6,000 households were helped last year through the direct-to-tenant rent supplement program. I think it's important that you recognize, though, that the direct-to-tenant rent supplement program was recommended through the Affordable Housing Task Force.

I'd like to read this into the record because I know that one previous member wasn't aware of it. I thought that it was identified best in A Place to Call Home: Edmonton's 10 Year Plan to End Homelessness. The one that I'm going to identify is the landlord supplement program because this member asked some interesting questions: what is supplement; what is subsidy; what are these programs; why are they in place; who are they helping? What they've written here on page 28 is:

Positive relationships with landlords and property managers are of utmost importance. Rental contracts can be negotiated and signed by service providers rather than individual clients, which provides landlords guaranteed rent payments and long-term tenants.

These are very high-risk tenants as well.

Other strategies to encourage landlord participation include the commitment that outreach workers will intervene before problems might arise and that insurance policies are in place.

So back to the question. We have 5,000 households helped under this program, hon. member, and then the 6,000 where it's paid directly to the tenant.

Mr. Taylor: Would it be fair to say, then, or perhaps this is an oversimplification, that as a matter of course the supplements to landlords will be ideally suited to the Housing First model for ending homelessness, and the direct-to-tenant rent supplement is a better tool for addressing straightforward affordable housing issues?

Mrs. Fritz: No. I wouldn't go there, and I'll tell you why. With so many people – like, we're talking about thousands of people – everybody has their own individual needs. There are people, just as this member had asked about foreign workers for example, that may lose their jobs and go into a shelter and not have any host of issues where they need support and who can handle a rent subsidy themselves directly in accommodation. We would assist them with finding the accommodation, but they can handle the subsidy. There are a number of people like that.

The recent example in Calgary would be when the Calgary drop-in centre recently purchased a 24-storey building in the core of the city. Sixty of those units are going to be available for people that they had in their shelter, and some for a very long time. They are people who are working, so they can handle their own rent subsidy.

For others, though, with what I read into the record, that program definitely through the Housing First model has importance.

Mr. Taylor: I'll take you back for just a second, if I can, to the question about the ceilings. Could I get the various caps, or ceilings, for various cities and their formulas in writing from you, and through the chair to all of us?

Mrs. Fritz: Absolutely. Yes.

Mr. Taylor: Thank you for that.

Mrs. Fritz: I want to stress that they will be different because it's based on local municipalities.

Mr. Taylor: Understood.

The per door cost of the types of housing that you're talking about here – now, I've never claimed that I was the best student in class at math. In fact, if you saw my graduating marks from high school, you'd see how much better I was in history than math. But I thought, when I worked it out, that it was more like \$142,000 a door for the housing for homelessness, \$100 million for 700 units, that it was coming closer to \$140,000 a door. What is it really?

Mrs. Fritz: Well, our assistant deputy minister that's responsible for the area is indicating that it is – I'm seeing all kinds of notes coming here. I want to give the right answer here, so it will take one moment.

Mr. Taylor: You can average them together if you want.

Mrs. Fritz: It's 70 per cent of our cost and . . .

Mr. Taylor: Make them write faster; they're eating into our time.

Mrs. Fritz: I'm noticing that.

Okay. I have here that based on size, 70 per cent of our cost, it's \$80,000 for a single and \$200,000 to \$250,000 per family.

Mr. Taylor: Is that \$200,000 to \$250,000 a family?

Mrs. Fritz: Yes, \$200,000 to \$250,000 a family. The average is \$140,000.

Mr. Taylor: Okay.

Mrs. Fritz: Actually, that was a good question, I must say. That is averaging out at \$140,000.

Mr. Taylor: All right. How am I doing for time?

The Chair: You've got 10 minutes.

Mr. Taylor: Okay. Great. Can I ask you about substandard housing? We know that this is a problem. I don't know the extent to which it's a problem in all seven of the municipalities, but we know that in Calgary, for instance, there are a great number of, quote, illegal basement suites, unquote. Sometimes the only reason

they're illegal is that somebody has put a basement suite in a house in an R-1 zoned neighbourhood, and according to Calgary zoning laws you're not supposed to have secondary suites in R-1 neighbourhoods. In other cases they are illegal, substandard, dangerous, risky for people to live in. I guess that brings us to the conundrum that, you know, a roof of some sort over your head is better than no roof at all unless and until something bad happens, like a fire or a serious health issue, mould or something like that.

Taking into account the existence of the so-called illegal suites, taking into account as well that a lot of those illegal suites are occupied and we need them as part of our housing inventory, at least until you can get built all 11,000 units of affordable housing and probably a good chunk of your housing for the homeless, taking all that into account, does the ministry have any figures, whether it's raw numbers or percentages, of affordable housing, in quotes, that qualifies as substandard housing and any plan to do anything about that?

Mrs. Fritz: So the question is whether or not I know the number of substandard housing in the affordable housing portfolio?

Mr. Taylor: In the inventory as it exists in the real world – okay? – of housing that would be deemed affordable, however you want to define that.

Mrs. Fritz: No. I couldn't categorically tell you that. I do know that the ministry that may be able to do that, because of responsibility for building codes and the requirements, is Municipal Affairs.

Mr. Taylor: Okay. I'll direct that question in writing to the Minister of Municipal Affairs, then. That would be a valuable piece of information for us all to have, I think.

Now, this is where it gets a bit tricky because some of this is going to fall under Municipal Affairs, too, and some may fall in other areas, and some of it gets you into cross-jurisdictional issues with cities and towns, that kind of thing. What is your ministry doing to promote the development of secondary suites as the easiest to build, most affordable forms of affordable housing?

Mrs. Fritz: I know that over the past two years we've provided \$600 million toward our 11,000-unit affordable housing program, and a part of that funding is block funding to municipalities. We encourage municipalities to support secondary suites under their block funding, but as you know, every municipality views it differently. You're very familiar with Calgary's policy on secondary suites, but there are organizations, like the Calgary Chamber of Commerce, that have come forward with excellent reports that support secondary suites. Our position is that we encourage municipalities to do that through the block funding we provide.

9:20

Mr. Taylor: But ultimately it is their call.

Mrs. Fritz: It's ultimately their call. The block funding we give municipalities through our affordable housing program is significant.

Mr. Taylor: Okay. Now, this I would imagine probably applies more to the housing you want to build for the homeless than to the affordable housing units that you're building just by virtue of the nature of the housing, the way you've described it, and so on and so forth. Four hundred-square-foot bachelor suites, you know, tend to lend themselves to multi-unit developments, obviously, so that in a high-rise or a multifamily building it's easy to put these in. I'm

trying to get a sense of the ministry's policy and strategies around mixing that housing for the homeless into, you know, a diverse housing mix in those communities because I don't think there's anybody left that I'm aware of who is looking at housing and homelessness issues who believes that building projects is the way to go. So tell me about your plans around that in terms of mixing the housing for the homeless into the better neighbourhoods everywhere.

Mrs. Fritz: We support what our foundations are doing. Like, in Calgary it would be the Calgary Homeless Foundation. They have assured us that they would be looking into the community overall, so they may purchase, you know, a few units in one building, or they may come up with formulas in municipalities – I don't know – a percentage like 20 per cent of units in a building are going to be for homeless people. It's really going to come through the organizations.

Mr. Taylor: Okay. Now you're getting very close to talking about the concept of inclusionary zoning, as you know, where within a jurisdiction, however you define that jurisdiction, a certain percentage of housing in any new development is set aside for below-market housing for a certain period of time. I have argued with the Municipal Affairs minister and debated with the other members of the now-defunct policy field committee on growth pressures, I believe it was called, if I remember correctly, the merits of the province taking a position on inclusionary zoning.

Now, I know this is out of your direct jurisdiction, but the most logical way to go is an amendment to the Municipal Government Act that puts the province in a position where, when a city or a town wants to write inclusionary zoning into their land-use designations, the province backstops them with the full force of provincial law so that a city doesn't get hauled into court and, potentially, if both sides have enough money, dragged all the way to the Supreme Court of Canada to get a ruling on whether inclusionary zoning is discriminatory against this or that developer or not. Frankly, it doesn't matter if it goes to the Supreme Court of Canada. It doesn't matter which way the Supreme Court rules because either way you've spent years and deprived potentially hundreds, if not thousands, of people of affordable housing. Your thoughts on that.

Mrs. Fritz: I think you need to go back to Municipal Affairs. I know you don't want to hear that.

Mr. Taylor: I think you dodged the question.

Mrs. Fritz: I know you don't want to hear that.

Mr. Taylor: Well, I'll make you a deal.

Mrs. Fritz: But it's very, very much – you're right. It's in their jurisdiction.

Mr. Taylor: I'll go back to Municipal Affairs if you will, too.

Mrs. Fritz: There you go, see? No. I know that what you're discussing is extremely important, but it should be with Municipal Affairs.

Mr. Taylor: I have one more question area. Well, I have many more that I would explore if I had time, but one more that I would like to. This is on behalf of someone who has talked to me repeatedly and who I know has talked to some of my colleagues I think on both sides of the House about what this individual sees as a lack of specifically First Nations agencies working on the Housing First

concept in Calgary. I think we can go broader than that and talk about it in the context of the provincial 10-year plan because you have said that everybody is going to be treated equally, which is good.

This individual has told me that one of the keys to success, in his opinion – and I think there's grounding for this – of a lot of the U.S. urban 10-year plans has been that there has been a cultural specificity there in terms of African-American agencies dealing directly and in a culturally appropriate way with African-American homeless populations because in many American cities African-Americans are overrepresented in the homeless population, just like First Nations people are overrepresented in our homeless populations here in Alberta. Given what you've said, that you want to treat everybody equally, or perhaps the better word is "equitably" – different means to the same outcome, right? – do you have any plans to address this?

Mrs. Fritz: I know that you know this, but I'll just remind you of it. I think that it was really helpful to us that we had Chief Charles Weasel Head, who is renowned amongst the First Nations and who has huge housing problems with the nation that he represents, be a strong member on our Secretariat for Action on Homelessness and very much a part of the development of the 10-year plan. When it comes to sensitivity for culture, I don't know what that will be for whoever comes forward for the type of housing that they wish to have. When you speak of the aboriginal culture, there are many sensitivities that we could assist with. Some are as simple as before somebody moves into housing, we burn sweetgrass, and we have very spiritual ceremonies take place. You would be familiar with those because you're very supportive of the aboriginal people. So for cultural sensitivity, it may be in that way.

Mr. Taylor: But some of it, Minister, as well, is just being able to speak about it with someone of your own background, right?

Mrs. Fritz: Absolutely. Yeah. Here in Edmonton there's, you know, an excellent aboriginal program, where they're guiding us as well as to what the sensitivities would be and how we can assist the aboriginal community when they do access housing, still retaining the importance of their background and how they do that.

The Chair: Thank you.

We have about two minutes left. I'm going to offer one quick question to Mrs. Sarich, and then we will wrap up for this evening.

Mrs. Sarich: Thank you very much, Madam Minister. It's been an extraordinary evening, and I'd like to thank you for all of the touch points that you brought to our attention through the inquiries on your strategic priorities in the business plan. There happen to be five of them. Very quickly, I would like to ask a question in the area of emerging urban issues, being that Edmonton is a large metro centre. I'm just wondering – and you and I have talked about this before – about the recent announcements for affordable housing and homelessness in the Edmonton area. I think one other hon. member mentioned earlier this evening that there was a decrease in your budget by – I don't know – about \$75 million. I'm just wondering: is there anything to be concerned about on the recent announcements and the decrease in your budget area for this? Maybe a little bit of clarification around that.

Mrs. Fritz: Thank you, Mr. Chairman. If it's all right with you, hon. member, I could read into the record about that funding and that decrease and what that is, which I had begun to do before: 33 and a half million is for the homeless and eviction prevention fund, to prevent more Albertans from near homelessness or homelessness;

\$15 million was the direct-to-tenant rent supplement program, to continue to provide housing assistance to low-income households in need of safe and affordable rental accommodation by subsidizing the rents in eligible private-sector rental projects; an emergent capital transfer of \$2.28 million from Alberta Infrastructure to fund additions and renovations to the Hythe and District Pioneer Care Home and the Athabasca Pleasant Valley Lodge; three-year agreements with the federal government that provided annual supports for affordable housing of \$10.176 million; and off-reserve aboriginal housing of \$16.142 million. That expired March 31, 2009, which I know you've been concerned about, hon. member.

These supports that I've just identified were removed from our spending targets as they were not approved as ongoing funding for our ministry. The reductions, as you can see, were primarily a result of our in-year supplementary estimates, our one-time capital emergent transfers provided during '08-09 to support the ministry's operations. Our base operating budget has been maintained, and it will allow us to implement our priorities.

Mrs. Sarich: Very good.

9:30

The Chair: Thank you, Minister.

Mrs. Fritz: Thank you.

The Chair: I think we've used our time very efficiently this evening. We've used it up.

I'd like to thank everyone for your participation this evening. Minister Fritz and your staff, thank you very much for your free and open exchange of information with all of us this evening. I think the type of exchange that we've had here this evening indicates the interest that all of us as Members of Alberta's Legislative Assembly have in the kinds of initiatives that Housing and Urban Affairs contributes to helping those in our society who sometimes have difficulty helping themselves. That's certainly a priority to all of us. So to you and your staff, thank you very much for the work that you do on an ongoing basis and for your exchange here this evening.

To all of the members, thank you very much for your contribution both this evening and in the last couple of weeks for the five evenings that we've spent considering the estimates for this year. I think it's been a good exchange.

Also, to our support staff, Erin Norton and the people that have helped you support our committee over the last few weeks, I appreciate that.

Pursuant to Standing Order 59.01(2)(a) this meeting is adjourned. Thank you all for your participation.

[The committee adjourned at 9:31 p.m.]

