



Legislative Assembly of Alberta

The 27th Legislature
Third Session

Standing Committee
on
Community Services

Department of Housing and Urban Affairs
Consideration of Main Estimates

Tuesday, March 16, 2010
6:30 p.m.

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The 27th Legislature
Third Session**

Standing Committee on Community Services

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

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Benito, Carl, Edmonton-Mill Woods (PC)
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Taylor, Dave, Calgary-Currie (AL) *
Vacant

* substitution for Harry Chase

Also in Attendance

Hinman, Paul, Calgary-Glenmore (WA)
Mason, Brian, Edmonton-Highlands-Norwood (ND)

Department of Housing and Urban Affairs Participant

Hon. Jonathan Denis, QC Minister

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Tuesday, March 16, 2010

[Mr. Doerksen in the chair]

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

The Chair: Good evening, ladies and gentlemen. It's my pleasure to call this meeting to order and welcome both everyone here and anyone that's listening to this meeting via the audio support this evening. Welcome to the Standing Committee on Community Services. I would like to note that the committee has under consideration this evening the estimates of the Department of Housing and Urban Affairs for the fiscal year ending March 31, 2011.

At this point I would like to introduce the Minister of Housing and Urban Affairs, Mr. Jonathan Denis, and ask you to, I guess, introduce yourself again and then the people that you have with you at the table.

Mr. Denis: Thank you very much, Mr. Chair. For the record my name is Jonathan Denis. I am the Minister of Housing and Urban Affairs. Today with me I have the deputy minister, to my right, Ms Marcia Nelson; to her right Mr. Mike Leathwood, the assistant deputy minister of housing development and operations. To my immediate left I have Robin Wigston, the assistant deputy minister of homeless support and land development, and to his left Arthur Arruda, the senior financial officer for the department.

The Chair: Okay. Thank you, Minister.

At this point we'll go around the table and have introductions. Mr. Taylor, please.

Mr. Taylor: Thank you, Mr. Chairman. I'm Dave Taylor, MLA, Calgary-Currie.

Mrs. Sarich: Good evening. Janice Sarich, MLA for Edmonton-Decore.

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

Mr. Bhullar: Manmeet Bhullar, Calgary-Montrose.

Mr. Rodney: From the gem of Calgary, Calgary-Lougheed, it's Dave Rodney.

Mr. Hehr: Kent Hehr, MLA, Calgary-Buffalo.

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

Mr. Johnston: Art Johnston, Calgary-Hays.

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

The Chair: Thank you all. We're supported at the table this evening by Jody Rempel. Welcome all. I will just note that pursuant to Standing Order 56(2.1) to (2.4) Mr. Taylor is attending the meeting this evening as the official substitute for Mr. Chase. Welcome.

I will just go over some routine housekeeping guidelines that we adhere to in this meeting. Standing Order 59.01(4) prescribes the sequence for the meeting as follows. The minister will begin with opening remarks not to exceed 10 minutes. For the hour that

follows, the Official Opposition may speak, and that may be in exchange with the minister either 10 minutes and then 10 minutes for response or 20 minutes going back and forth in 20-minute segments. For the 20 minutes following the first hour the members of the third party, Wildrose Alliance, will be invited to speak in the same format, after which any member may speak.

With the concurrence of the committee the chair will recognize the members of the NDP for the following 20 minutes after the 20 minutes that the Wildrose Alliance has.

I will call for a five-minute break following the Official Opposition's time, which will be approximately 7:45, so everyone is aware of that.

Committee members, ministers, and other members who are not committee members may participate this evening. Minister's staff may not address the committee directly. I think everyone is aware of that.

We have three hours scheduled for consideration of the estimates of the Department of Housing and Urban Affairs this evening. If debate is exhausted prior to that time, the department's estimates will be deemed to have been considered for the time allotted, and we will adjourn the meeting. Otherwise, we will adjourn at 9:30 p.m.

Votes on the estimates are also deferred until the Committee of Supply on March 18, 2010. An amendment to the estimates cannot seek to increase the amount of the estimates being considered, change the designation of a grant, or change the designation or purpose of a subsidy. An amendment may be proposed to reduce an estimate, but the amendment cannot propose to reduce the estimate by its full amount. Voting on the amendments is also deferred until the Committee of Supply on March 18.

Written amendments must have been reviewed by Parliamentary Counsel no later than 6 p.m. on the day they are to be moved, and supporting copies need to be provided at the meeting.

At this point I will note the arrival of Mr. Paul Hinman as well from the Wildrose Alliance.

I think that concludes our preliminaries. At this point I'll invite the minister to begin with up to 10 minutes to start with. Mr. Minister, please.

Mr. Denis: Thank you very much, Mr. Chair. I will just begin with some brief comments, but before I begin, I just wanted to thank every member for their interest in Housing and Urban Affairs. Regardless of what party stripe we may have, we all have the same goal, and that's ending homelessness as we know it. Despite whatever disagreements we may have from time to time, I really appreciate your input into our estimates for the coming year.

Access to safe and affordable housing continues to be a challenge for some Albertans, and their inclusion is very important as part of safe and healthy communities. The economic downturn has brought increased pressure on low-income Albertans, some of whom have turned to my ministry for support. As I've often said, though, with every challenge comes an opportunity, and I will address that later. While the vacancy rates have increased over the past 12 months, housing affordability continues to be a challenge as well.

Budget 2010 strikes the right balance between delivering housing supports to those most in need of core housing assistance as well as accountability to the taxpayer. Our budget delivers a range of housing options and solutions that match the needs of at-risk Albertans, and it provides people with the right hand up so that they can move on with their lives.

Housing and Urban Affairs supports goal 6 of the government of Alberta's strategic business plan with the following strategies: firstly, continuing to develop 11,000 affordable housing units by 2012. Additional work will be undertaken this year to assess

existing and future needs for affordable housing in this province. Strong emphasis on a collaborative approach in this area will result in innovative solutions and enhance financial monitoring to improve accountability.

Secondly, we're looking to help Albertans stay in their homes through programs such as rent supports and social housing. My ministry will continue to help low-income Albertans obtain and retain affordable housing by providing subsidized rental housing and rental assistance to households based on their level of need. We also will look to implement Alberta's 10-year plan to address homelessness, the first anniversary of which is today. My ministry will continue to move forward with a plan for Alberta to end homelessness in 10 years by working with the Alberta Secretariat for Action on Homelessness, municipalities, and service providers.

Finally, we will make additional public land available for affordable housing. My ministry will work together with different levels of government and various stakeholders to ensure that land continues to be made available for affordable housing, with a particular view to the Parsons Creek development in Fort McMurray being an immediate focus.

Let's look at some of the budget highlights. Housing and Urban Affairs consolidated budget for 2010 is \$508 million, a decrease of approximately 18 per cent from the 2009-2010 forecast. The ministry's targets for this year and next year are \$470 million and \$477 million respectively. While this reduction is sizable, Budget 2010 keeps the ministry on track to meet the government's commitments to help at-risk Albertans with core housing needs. As I mentioned, we will still achieve the 11,000 affordable units by 2012. We will continue to move forward on the provincial 10-year homeless plan. We will continue to support almost 80,000 new low-income Albertans through rent supplement and social housing operating programs. We will continue to support emergency shelters across this province.

My ministry will be able to meet targets because red tape and duplication have been reduced and housing construction costs have come down across Alberta, allowing the ministry to support more units for fewer dollars, hence the opportunity with the challenge that I mentioned earlier.

Budget 2010 also includes a \$102 million reduction in affordable housing capital grants. The ministry's capital grants decreased by \$102 million to \$188 million, or approximately 35 per cent from last year's forecast. The targets for this year and next year are \$197 million and \$200 million respectively. Of the total \$102 million change, \$100 million reflects the completion of our province's three-year, \$300 million capital commitment to block funding to municipalities for affordable housing.

Going forward, Alberta will process the delivery of capital funding for affordable housing through the existing request for proposal, or RFP, grant process. All municipalities are eligible to apply for this program. Housing's RFP process leverages private-sector dollars with public dollars, which allows the province to support the construction of additional units. Housing construction costs have come down across this province, and depending on the location total costs are down anywhere between 15 to 40 per cent from just two years ago. These reduced costs allow this ministry to support more units with the funding that we have. Streamlining the delivery of capital funding eliminates administrative duplication for proponents between the province and the municipalities, thus saving taxpayers' time and money. This delivery method is consistent with the government's efforts to streamline the delivery process of capital grants. Once again, we're on track to meet the target of 11,000 affordable units by 2012.

6:40

Budget 2010 also reduces the rent supplement budget from \$88 million to \$75 million. Housing affordability continues to be a challenge; however, the opportunity behind this is that vacancy rates have increased, and more housing choices are now available. For those who are most in need of our help with their core housing, Alberta provides support for rent supplements, community housing, and affordable housing. Highest need individuals typically include families who are living in inadequate housing and unaffordable for their household income. Alberta helps about three times as many people today through the rent support program as it did just three years ago. All households receiving social housing benefits are evaluated annually for ongoing eligibility and/or the level of funding assistance to be provided.

The homeless eviction prevention fund ends effective April 1 of this year. The HEP fund was an emergency response to a unique set of circumstances, a housing crisis that saw double-digit increases to rents and low rental inventories. Alberta established the HEP fund in order to help people maintain their housing when they needed it the most. Today's market, however, has changed. Vacancy rates are up, and there are more choices available to renters.

Beginning in April 2009 the short-term rent support benefit of the HEP fund was transitioned to Housing's direct-to-tenant rent supplement program. So, too, were the approximately 10,000 households who had been receiving this benefit. They received our help when they needed it, and many have now left the program and moved on with their lives. This is the success story. Rent supports are now delivered through Housing's rent support programs, including the direct-to-tenant rent supplement program.

Alberta helps about three times as many people today through these programs as it did three years ago. The ministry provides social housing and rental assistance programs to help low-income individuals and families meet their core housing needs. In total we provided \$128 million for social housing operating programs that help almost 80,000 low-income people. Important to note, also, is that each month Alberta helps pay the rent for 800 new people as others transition and, again, move on with their lives.

The other benefit previously available through the HEP fund to assist individuals or families in crisis with emergency eviction or emergency damage deposit assistance continues to be available through Seniors and Community Supports and Employment and Immigration.

Budget 2010 also increases the support for homeless outreach services by \$10 million. This is based on the Housing First model. People are provided permanent homes and the mental health, addiction, employment training, life skills training, and other services needed to maintain their stability. This is simply the right thing to do for individuals and is more cost-effective for taxpayers than simply doing nothing. Funding for outreach support services helps formerly homeless people remain permanently housed, and for 2010 it has been increased by 31.6 per cent from \$32 million to \$42 million, allowing my ministry to permanently house an additional 300 to 400 people.

Budget 2010 increases the capital for Parsons Creek by \$49 million. Capital investment in the Parsons Creek project in Fort McMurray has increased to a total of \$68 million for this year. Over the next five years Alberta is investing \$241 million to develop the first phases of two new communities in Fort McMurray. Parsons Creek, phase 1, and Saline Creek Plateau, phase 1, will eventually be home to roughly 9,000 Albertans.

Now is the right time to prepare for growth in Fort McMurray. This region is the economic engine of our province, and we want to

be prepared when it shifts back into high gear because that will happen at some juncture. With lower construction costs and availability of labour this is also a good time to undertake projects of this magnitude, that will undoubtedly cost significantly more if we left it till later.

Budget 2010 also reduces internal ministry administration costs by \$1.3 million. My ministry will achieve these savings by carefully managing staffing vacancies, reducing supplies and service costs, and consolidating service delivery bodies specifically through a reduction of \$500,000 in manpower as a result of the hiring freeze, through attrition and through vacant positions, and a reduction of \$800,000 through cuts to discretionary spending.

In conclusion, Budget 2010 strikes the right balance between supporting those who are most in need of core housing help and fiscal accountability. I often talk about being compassionate to those most in need but also to the taxpayer who foots the bill. Budget 2010 is responsive and adaptive to changes with housing and construction markets. My ministry will meet all targets, all outcomes on time and on budget.

I look forward to responding to questions from you this evening.

The Chair: Thank you, Mr. Minister.

This first hour now will go to Mr. Taylor in either an exchange with the minister or 10 minutes and 10 minutes.

Mr. Taylor: Okay. Minister, you're okay for the back and forth?

Mr. Denis: Let's do that.

Mr. Taylor: Excellent. Thank you. I appreciate that. Thank you, Mr. Chairman, for the opportunity to discuss the housing budget tonight. I'm going to start out by asking you, Minister: what's your top priority? Is it building affordable housing? Is it solving homelessness, eliminating homelessness in 10 years? Is it something else? How do you determine what your top priority should be?

Mr. Denis: As a minister I'll tell you that my priority is helping those most in need. You find people on the streets who don't have homes whatsoever. They are critically homeless. Those people are often most in need. There are also people who require more public housing or more rent supplements. I want to get the funds down to those who need it the most.

Mr. Taylor: Okay. Let's talk about rent supplements first of all because I'm not sure that I fully understand the changes that were made to the HEP fund as it transitioned into Employment and Immigration, and now it's ending as of April 1. The direct-to-tenant rent supplements, other rental support that exists: I know that you're projecting that over 10,000 people will receive rent supplements this year.

Mr. Denis: I believe that's 80,000 people at any given time.

Mr. Taylor: Eighty thousand people?

Mr. Denis: That's correct. Every month about 800 transition off, and we can help 800 more.

Mr. Taylor: Okay. All right. Why is it, then, that I still get calls in my office from people who can't seem to access the program at all? I don't understand that. They seem to be caught somewhere between the end of the HEP fund, or the transitioning out of the HEP fund, and a way to access rent supplement money.

Mr. Denis: Well, let me just deal with the HEP fund if I may first, and we'll continue on with that. This was more of an emergency fund that was set to a very unique set of circumstances. You were seeing double-digit increases in rent almost overnight. The market was getting way overheated. It was designed as a temporary measure. We have, basically, a means-based test for people who now apply to the rent supplement program. That, again, is based on means. We want to help those who are most in need. I don't know the specific circumstances of some people that may have contacted your office, either in your constituency or otherwise, but people have to meet that certain test in order to qualify. That enables us to target the taxpayers' dollars to people who are most in need and not just on a universal basis.

Mr. Taylor: Well, I'll tell you how it looks. It looks as though you ran out of money for the rent supplement program after just a couple of months last year. It looks as though there was support available for people in the spring and there wasn't support available for people in the fall. I'm wondering if there's even less money in the rent supplement program this year than last. Are we going to be facing a more critical problem this year coming up?

Mr. Denis: Of course, it's easy to predict the past. Nobody can predict with certainty the future, but all the indicators that we see show a declining demand for rent supplements for the simple reason that you don't have the double-digit rent increases that you would see a couple of years ago as well. I do agree it's an important program to maintain and has to be there, but at the same point in time we don't anticipate the need for it that there was at the height of the peak around 2006 or 2007 itself.

Last year we were able to transition about 10,000 households receiving short-term rent shortfall benefits under the HEP fund to the rent supplement program, that provides rental assistance for up to 12 months, and as I mentioned earlier, that is re-evaluated on a needs basis on a year-by-year basis. So if you were applying for the rent supplement program today and you qualified, you would go until March of 2011, and then you'd be re-evaluated again. This is designed so that we can ensure that the money is being targeted at the people that actually need it the most.

Mr. Taylor: Okay. What's the means test currently? And 12 months hence, when someone who goes on the program as of today is re-evaluated, are they re-evaluated according to the same criteria or according to different criteria? How do those criteria change? Can you assure me that the changes are process-based and follow a formula and are not just arbitrary?

Mr. Denis: Just one second, please. Basically, it is the same program. Last year you would have applied under the same criteria, inflation being almost nil over the past year as well. I have some information here that I've been handed, the direct-to-tenant rental assistance. This was a new program in 2007-2008, as we mentioned. It's based, again, on priority of need. We'd have an agreement with the tenant, and if you were applying for that, what would happen is that the funds would come to you as well.

6:50

Mr. Taylor: Yeah, but I need to know the criteria. We need to know that there is a process and a formula being followed here that doesn't just, you know, happen, that Joe walks into the office at 9 o'clock in the morning, and because you have money in the budget at 9 o'clock in the morning and you've just had your first cup of coffee and you're feeling rather good, he's going to get the direct-to-

tenant rent supplement, and when Mary walks in in the afternoon, the money is gone and she's not going to get it, that you can't put Joe and Mary side by side and say: here is the specific test that you both went through.

Mr. Denis: Okay. I can put that to you right now, actually, but I want to assure you that I do not drink coffee, first of all, as you mentioned. Thank goodness.

Mr. Taylor: That's too bad. It's a fine drink and never better than when you can actually drink it fresh in Costa Rica, but that's another topic.

Mr. Denis: There you go. Of course, you know I'm just doing a bit of tongue in cheek here.

I'll give you the three questions here. This is enshrined in our policy. To qualify for rent support, it quotes that (a) you need to be in core housing need.

Mr. Taylor: Explain, please.

Mr. Denis: Can I go through this first, please?

Mr. Taylor: If you wouldn't mind just explaining what core housing need is.

Mr. Denis: The core housing need, basically, just is that you come in, you present yourself. For example, you and I both own homes. We're not in core housing need. You'd have to be in a situation where you're actually are in need of this type of program. If I come in and ask for help with my rent if I didn't own my place, guess what? I'm sorry; that's not for me. It's for people who actually exhibit a need for housing.

Mr. Taylor: Okay. I may come back to that, but continue.

Mr. Denis: You can come back to that as well.

The second thing is you have to have a total asset value of \$7,000 or less. Okay? It's important to note that we are talking about assets here and not income. That particularly is your assets. You can be making X number of dollars, but if your assets are on that point or lower – I think that this is an important way to do this because it ensures, again, that we are targeting the money exactly to people who need it, people who have relatively low net worth as well. Those are the people who need it the most.

And (c) it also consists of Canadian citizens, individuals lawfully admitted to Canada for permanent residence, refugees sponsored by the government of Canada, or individuals who have applied for refugee or immigration status and for whom private sponsorship has broken down.

Mr. Taylor: You have to prove your status.

Mr. Denis: You prove your status, be it if you're a citizen or a landed immigrant, or what have you. Basically, this is for people legally entitled to be in Canada.

Mr. Taylor: Okay. So come back to core housing need for a minute if we can. I'm really trying to get a definition of what that is because it seems to be a bit of a moving target. Clearly, you should not have to be already homeless in order to qualify for the rent supplement, but do you have to have an eviction notice hanging over your head? Or could you have been a relatively recent graduate who

has just started out down a career path with less than \$7,000 of total asset value who thought he or she had landed a good job, and suddenly that job vaporizes because of the recession, and now that \$1,200 a month apartment is suddenly unaffordable?

Mr. Denis: You brought up a couple of points here. I'm just going to address them one by one. The last point that you talked about, a recent university graduate moves to Alberta, assets less than \$7,000: 10 years ago that was me. That was me. I could have qualified for that, and I have a lot of compassion for people in that situation because of my own circumstances as well.

Mr. Taylor: I thought you might. Okay. But now can you tell me how that ties into core housing need?

Mr. Denis: Yes. That's the second thing I was getting to. I wanted to go and address that because, I think, the leg up that I had is that I had a university education. Not everybody has that leg up. That's why I believe in this program as well.

Mr. Taylor: Yeah, but, you know, you can't really go down to the pawnshop and hand in that piece of parchment and get the rent for April if you're out of work.

Mr. Denis: Fair enough. And I had two of those.

We were talking about the definition of core housing need, so basically there is something we do to look at the priority of need. The first one is that we look at two or more dependent household members. This doesn't necessarily mean children. These could be dependent adults as well who are not self-supported. That includes a spouse or an adult interdependent partner who is not employed. The second thing is looking at paying more than half of the total annual household income in rent. Okay? That's something that's key to mention as well. Finally, the criteria I mentioned: basically if somebody is served with an eviction notice or must leave the current accommodation due to an emergency situation. For example, if there is a fire at their place in Maple Ridge, Calgary, for example, they had to leave although it is a nice neighbourhood.

Mr. Taylor: Almost everybody there owns, so they probably wouldn't qualify, but that's another story.

Okay. So that's how it's determined. A person with dependants has priority over a single, able-bodied person, correct?

Mr. Denis: Yes. That's correct.

Mr. Taylor: Okay. I think we've established that pretty well.

I'd like to come back to this concept of need for the program and the data that your ministry has that there will be less need for the program this year than last. You indicated that part of the reason – I don't think the entire reason – is that rents aren't going up by double-digit increases the way they were a couple of years ago, but they have plateaued at a very high level. It's interesting. You touched on this yourself. The vacancy rates are up in some cases – depending on the community you're talking about, the municipality you're talking about, they're up quite considerably – but rents really have not come down dramatically in the last 12 months.

Mr. Denis: No. You're quite correct. Our programs go across the province, but specifically in Calgary and Edmonton it is one of the most expensive places in Canada to live. Let's just call a spade a spade here. That being said, the rents have plateaued, but at the same time you're not in a situation where you have next to no

vacancies. I'll give you an example. October 2006 in our home-town of Calgary, .5 per cent vacancy. I'd argue that that's probably zero per cent. October 2007 the vacancy rate went up to 1.5; October 2008, just around the crash, 2.1 per cent. But where do you see this now? Five point three per cent.

Mr. Taylor: Five point three, yeah. I had 5.5 per cent. Okay.

Mr. Denis: Well, we're in the ballpark. That gives people a little more choice as to where they're going to. The rent supplement program I am a fan of because it gives people some choice; for example, the single parent who wants to live near a school or near their workplace.

Mr. Taylor: Or it may be the difference between a two-bedroom and a one-bedroom suite.

Mr. Denis: Yeah. Absolutely. You're getting the point that I'm making. It gives people a little more choice, and it kind of balances things out so the consumers have more choice in exactly where they want to stay.

Mr. Taylor: Okay. But our unemployment rate is still on the way up in this province, which doesn't necessarily tie in directly to core housing needs. I'll grant you that. You know, if you've been laid off, given a reasonable severance settlement, and your mortgage is paid, you may be just fine.

Mr. Denis: That's not most people, though.

Mr. Taylor: No. But we're still seeing unemployment rates go up. We know that although we may be deep enough into this recession and, possibly, recovery now that we've moved past this point, we know that the last hired tend to be the first fired when the economy goes south. Those are the folks most in need of your supplement program. Now, are you suggesting to me that the bulk of the job loss in that category has already occurred, and that's one of the reasons why you see falling demand for the rent supplement program this year?

Mr. Denis: First off, none of us are economists here. None of us has a crystal ball. But at the same point in time the reduction that we have from \$88 million to \$75 million: note that that deals with just the aggregate amount. We're not suggesting the amount of people are coming off but, rather, the amount again. Rents are starting to come down somewhat although you're correct; they are significantly higher than they were 2005-2006. We are also, though . . .

Mr. Taylor: And they're not coming down as fast as the amount of money in the rent supplement budget.

Mr. Denis: Could I finish, please? Okay. At the same time, though, the amount of people that we are helping through this program is significantly higher now than it was in the last few years; as I've mentioned, 80,000 people. I think every month we have about a 1 per cent turnover rate, so we're helping significantly more people than we were several years ago.

Mr. Taylor: How are you doing that with less money? Explain that.

Mr. Denis: Okay. You're comparing last year's budget to this year's budget.

Mr. Taylor: You had \$88 million for rent supplements.

Mr. Denis: Actually, the current year until March 31.

Mr. Taylor: Yeah. And \$75 million going forward.

Mr. Denis: I'm just going to give you some stats from previous years here, the rent supplement program, for example. Sorry. I don't have the exact figure there. If you look at around 2007-2008, you're looking at \$41 million. We're still spending \$75 million here, which is significantly higher than at that time. I would also put to you, respectfully, that during the last couple of years we have seen negligible inflation. These are relatively constant dollars.

7:00

Mr. Taylor: Okay. Did you just tell me that you spent less in this current year? I know the final numbers aren't in, but is it possible that you're going to end up in this fiscal year spending less than the \$88 million you budgeted?

Mr. Denis: The actual amount is \$88.31 million, but again I don't have the exact amount. I'm sure you can accept that.

Mr. Taylor: Okay. But I still don't feel like I've gotten an answer to my question. How can you help the same number of people this year for \$75 million that you helped last year for \$88 million?

Mr. Denis: First off, as I mentioned, rents have gone down.

Mr. Taylor: But not by much. The total average rent in Alberta in October of last year, 2009, was \$949, down from \$975 in October of '08. The average two-bedroom rent in Calgary or Edmonton is down slightly, from \$1,077 a month a year ago to \$1,024.

Mr. Denis: From the stats that I have, year over year, let's accept that October 2008, for the sake of argument, is the peak. We're seeing a reduction. For example, Grande Prairie is down 6.8 per cent here. Calgary is down 3.9 per cent as well. So that is the aggregate amount there as well.

Mr. Taylor: Yeah, but you're talking about a more than 10 per cent drop in your budget for rent supplements. I come back to the point that the amount of money in your rent supplement budget is dropping a lot faster than rents are.

Mr. Denis: You also mentioned earlier, quite correctly, that the economy is likely starting to recover, and I think that it is as well. With that recovery we find that there are fewer people, actually, that require rent supplements that actually meet the test. That's through there as well.

Mr. Taylor: Okay. What is the maximum amount a person can receive? What's the average amount? The maximum and the average.

Mr. Denis: I'll get you both. Are you talking an individual person, or are you looking at a family?

Mr. Taylor: An individual person, and we'll extrapolate from there.

Mr. Denis: For a single person the maximum subsidy in Edmonton is \$550 per month, and in Calgary it's \$750. That, again, is for a single person. You're looking at more if it's people who have dependants.

Mr. Taylor: Okay. What's the average amount? Certainly, they're not all getting the max.

Mr. Denis: The ballpark is about \$500.

Mr. Taylor: Okay. And that holds for both cities?

Mr. Denis: Yeah, but this is an individual we're talking about: one person, no dependants.

Mr. Taylor: Yes. Again, the bulk of rent supplements are happening in Edmonton and Calgary?

Mr. Denis: Yes. The third most, I would suggest, would be in Fort McMurray, but it's a rather unique situation.

Mr. Taylor: Okay. I know you mentioned this before, but just so I make sure that I've got the number clear in my head, how many people are receiving rent supplements?

Mr. Denis: It's approximately 80,000 people.

Mr. Taylor: That's over the space of a year or at any given time?

Mr. Denis: Eighteen thousand households – okay? – which works out to approximately 80,000 people per year.

Mr. Taylor: Okay. Per year. You're turning them over at a rate of about 800 a month, did you say?

Mr. Denis: Roughly 800 a month.

Mr. Taylor: Okay. Is that a natural turnover, or are you forcing that somehow?

Mr. Denis: No, we're not forcing that somehow. I do want to just qualify that with one thing if I may. Every year we do a re-evaluation. If somebody was making more money or if somebody had amassed more than \$7,000, their circumstances have changed. If you're asking if we're forcing that out, well, only through those criteria and that annual review.

Mr. Taylor: Okay. But a year from now you won't have moved the goalpost significantly. The total asset value will still be less than \$7,000.

Mr. Denis: There are not any plans to change the qualifying criteria.

Mr. Taylor: Okay. How many people do you expect to reapply for the rent subsidy when they come to the end of their one-year run?

Mr. Denis: First off, it's not whether they reapply; it's whether they're eligible or not. It's approximately 80 per cent. If you would like a more specific number, I can get that for you.

Mr. Taylor: Okay. I would appreciate it if you could, please. Thank you. While we're at it, can I nail down how quickly I can get those numbers from you?

Mr. Denis: Give me two weeks, give or take a day.

Mr. Taylor: Okay. Two weeks, give or take a day. All right. That would be the end of the month, give or take a day.

So you don't have to reapply. You're just re-evaluated if you're on the program, and then you're either kept on or you're dropped if you no longer meet the criteria.

Mr. Denis: That's correct.

Mr. Taylor: Okay. There's no question here of anybody necessarily getting preferential treatment – please, Minister, don't give me that look, because I didn't mean it in a pejorative sort of way.

Mr. Denis: I'm not buying votes with the rent supplement if that's what you're asking.

Mr. Taylor: You said that; I didn't.

Preferential status in the sense of, "Okay; they're already in the system, so they get to be first in line to reapply," but they're not really reapplying, or preferential status for the people who are in more desperate need because they're not getting the supplement yet: that's what I meant by that.

Mr. Denis: I really don't follow what you're asking. I'm sorry.

Mr. Taylor: You know, I'm trying to see who gets to go to the front of the line in terms of getting access to the money first and fastest.

Mr. Denis: Let me just talk to you a bit about the annual review, and hopefully this answers your question. If not, we'll come back. Okay? Basically, there's ongoing eligibility for the level of assistance. That's reviewed annually, and the funds committed through the expiry of the cost-sharing agreements with CMHC are also taken into account as well. Basically, once you're in the system, you're re-evaluated every year. If you need it again at the end of the year, you stay in. If you don't need it, you're out, for lack of a better term, and then somebody else can come in.

Mr. Taylor: So to get kicked out at the end of the year, your financial situation has to have improved.

Mr. Denis: Absolutely it does. You have to go and exceed the eligibility requirement.

Mr. Taylor: Okay. I guess the only other question I have on rent supplements is on the criteria that determine whether the supplement goes directly to the tenant or goes to the landlord.

Mr. Denis: There are different types of supplements. In some cases – and I actually looked into this shortly after I became minister – the direct-to-landlord supplements are provided to the landlord as a direct offset to the tenant's rent. I asked myself: why do we do this? Well, in some cases it's better to do this because the person may be dealing with a personal issue. Do you follow what I may be saying?

Mr. Taylor: It's like a minor version of Housing First in a funny sort of way.

Mr. Denis: You could say that, basically. There can be that client preference. For example – I'm just throwing this out as a totally fictitious example – if somebody had a gambling issue in the past or if someone has a drug and alcohol abuse issue, they may have that preference that it goes directly to the landlord.

Mr. Taylor: Understood. Now, does the tenant decide that, though, or does the landlord decide that, or does the ministry decide that?

Mr. Denis: Sometimes there is a client preference, but at the same time if we know somebody has an issue with that, that's something where we will channel it. So an individual can request that themselves, but more often than not, if we know that that's an issue, that's where we'll channel it. Again, we want to act in their best interest but also in the taxpayers' interest as well.

Mr. Taylor: Okay. I'm not entirely sure that I've got this right, but my understanding was that if you went back to three or four years ago, before we really started in this province a concerted effort to address the affordable housing crisis – and growing out of that was a concerted effort to try and eliminate homelessness in 10 years – there were supplements that were going to the landlord that were, essentially, subsidies on the unit, on the suite as opposed to being tied to a tenant directly. Does that still exist, and to what extent?

Mr. Denis: Yes, it does, actually. There are 4,800 units by that agreement, the remainder being the direct-to-tenant subsidy. I'm not sure exactly what you were asking, but if you were asking if it goes directly to that unit, if Mr. Taylor in Calgary-Currie is in that type of situation, that goes directly to that unit. It's a direct offset to what they pay.

7:10

Mr. Taylor: But is that tied to that particular tenant, or does that unit remain subsidized if that tenant moves on and another tenant moves in?

Mr. Denis: That's tied to the unit itself.

Mr. Taylor: Okay. That's what I was getting to.

Mr. Denis: It's not pooled. For example, if you would have half of the people paying market rent and half not paying market rent, it doesn't subsidize the other people's rent. It's actually specific to that unit, and it comes directly off the rent that the client would pay.

Mr. Taylor: Okay. But the goal there is to provide affordable housing in that unit, right?

Mr. Denis: That's correct, yes. Just to give a further example here, if the rent there was a thousand dollars for whatever, a one- or two-bedroom suite, depending on where you are, and the supplement was \$300, the client would pay \$700. The landlord doesn't receive some sort of commission off that.

Mr. Taylor: Yeah. Understood.

Okay. On to affordable housing if I can. How are you doing on the 11,000 new affordable housing units by 2012? How many are actually built and occupied at this point? How many are under construction that will be completed this fiscal year coming up?

Mr. Denis: I want to say that I appreciate your distinction between affordable housing and people who are in need of homelessness assistance. They're often confused.

To answer your question directly, since '07-08, when we made that commitment, this ministry has committed to support the development of over 8,000 units. As of March 1 of this year over 1,200 of these units are complete and occupied, and another 1,700 units should be complete in 2010.

Mr. Taylor: You've still got quite a ways to go.

Mr. Denis: The other 5,100 units should be complete within the next two years.

Mr. Taylor: Okay. By 2011. So that leaves 3,000 units where you have yet to start the process of constructing.

Mr. Denis: No. Those are already in the business plan targets.

Mr. Taylor: They're in the business plan targets, but you haven't yet started the process.

Mr. Denis: That is correct, yes.

Mr. Taylor: Okay. When will that process start for those 3,000 units?

Mr. Denis: Well, we're going through the RFP process now, and it's my hope to get a significant dent in that through this budgetary cycle as well.

Mr. Taylor: Okay. The RFP process. You made mention of this in your opening, and I'm not sure that I caught it. Are we in the matching funds business now, or are we in the P3 business? You know, you're leveraging dollars by doing the RFP, right?

Mr. Denis: Absolutely. One other thing I want to mention about the RFP. I have every confidence in this department that on an individual, case-by-case basis this is the best way to do it as opposed to simply providing block funding to a municipality, which incurs additional administration fees and where we have very little control over where the money is going.

Mr. Taylor: Okay. We're getting a note passed.

Mr. Denis: How did I know you were in radio?

Basically, the affordable housing: we have a 65 per cent contribution through that, and 35 per cent or more is private as well.

Mr. Taylor: Okay. So 65 per cent is provincial money.

Mr. Denis: That's correct, yes. That's the max.

Mr. Taylor: Okay. Thirty-five per cent is actual private money, or is it municipal money or money from an NGO or money from a church or money from an organization like Habitat for Humanity?

Mr. Denis: When I say private, I mean money from NGOs. You mentioned Habitat for Humanity – I was at the Mustard Seed earlier today – churches, what have you.

Mr. Taylor: And also municipalities?

Mr. Denis: That does not include municipalities, actually. Basically, we were at the Mustard Seed earlier today, and we're giving money to the Mustard Seed, but at the same time they also help raise money on their own. I think that this is a good model for the taxpayer, partnering with these charities.

Mr. Taylor: How are you partnering – or are you partnering? – going forward with cities, with municipalities?

Mr. Denis: The municipalities can apply on an individual, case-by-case basis, and again, as I mentioned, I think that that's better for the

taxpayer than simply providing block funding to whichever municipality you're at. We can judge that on a case-by-case basis.

Mr. Taylor: Is that the same process, then, that the so-called privates, in quotes, are going through?

Mr. Denis: Yes.

Mr. Taylor: Okay. All right. Of the 1,200 units that have been completed and are occupied, who's paying the ongoing operational costs?

Mr. Denis: This is actually built into the whole rent structure, so the organizations themselves that we partner with actually pay for it.

Mr. Taylor: Okay. Are the organizations, then, running the buildings, running the suites?

Mr. Denis: Yes. Absolutely.

Mr. Taylor: How successful have you been over the life of this program? We're three years into it now, I guess, right? Three years?

Mr. Denis: Approximately.

Mr. Taylor: Starting into the fourth year, right?

Mr. Denis: Yes.

Mr. Taylor: How successful has the program been at managing to mix in units of affordable housing with market-priced housing in the same neighbourhood, in the same building, in the same undertaking?

Mr. Denis: I think you raise a very important question. I'll give you an example. I met one of my neighbours this summer. This individual came to me and said: we're worried about affordable housing in this neighbourhood; we're worried about low-income housing. At the same time, while it is important, we have to make sure that we don't concentrate it too much in one particular area. If that's what you're getting at, I agree with you.

We're in the rather early days of this program, but it also depends on the project, where you're at. I'll give you an example. We just opened up the Louise Station on 4th Avenue, downtown Calgary, 88 units there. That is a case where there's very little residential housing; it's mostly a business area. Similarly, I don't think that we should be constructing one right across the street. You want to spread it out because another thing, too, is that everybody's needs are going to be different. The needs for affordable housing are just as unique as the people.

Mr. Taylor: Yeah. The experts used to say, a couple of years ago anyway – I think they still do – that it's even better if within a building with 88 units you can take, you know, eight or 16 of those units or maybe even a higher ratio, make those affordable, and the rest within that building are market rate so that people in need of affordable housing are mixed right in and nobody knows who's getting affordable housing and who's getting market-rate housing. It has a funny sort of way, through kind of a diverse mix of housing types and tenants, of creating a community.

Mr. Denis: You're right. I would actually go even further than that: it gives somebody some dignity. Nobody needs to know who's in affordable housing or who's getting a rent supplement. As you mentioned about the direct mixing there, that's more in a high-

density community like the Louise Station. Sometimes there can even be single units around. We are looking, actually, at that through some of our projects. Trico has made a partnership with Habitat for Humanity. Fifty-eight units out of 200 in three locations, for example, are affordable. I think that you make a really good point, though, about an individual's confidentiality and their dignity.

Mr. Taylor: Yeah. It's important, and it leads to stronger, better communities where everybody feels more included and more welcome.

Mr. Denis: Let's face it. When you're living next door to somebody who may be doing a little bit better than you, you may start asking yourself: what's he or she doing that I'm not? You start integrating them into the community and, again, accomplishing the goal of when they actually don't need that assistance anymore.

Mr. Taylor: Okay. You are on track, you would argue, to have the 11,000 units of affordable housing completed – is it by the end of fiscal '11-12 or the end of fiscal '12-13? You always say that you want to build 11,000 housing units by 2012.

Mr. Denis: There are two years left to the program, so it would be March 31, 2012.

Mr. Taylor: March 31, 2012. And you're on track, you believe?

Mr. Denis: Yes, we do.

Mr. Taylor: That's 11,000 brand new, didn't exist before, affordable housing units.

Have you acquired any existing housing stock and turned it into affordable housing?

Mr. Denis: Yes.

Mr. Taylor: Is that as a percentage of the 11,000, or is that above and beyond?

Mr. Denis: Yes, we have, and that's part of the 11,000, what we've acquired.

Mr. Taylor: Can you tell me how big a part?

Mr. Denis: Can I just go back for one second, please? You talked about units. When we talk about units, I'm talking about – for example, the Louise Station has 88 units in it. We don't count that as one. That's 88 individual units.

Mr. Taylor: Yeah. But that's a new build, right?

Mr. Denis: That's a new building. What I'm saying is that, for example, that doesn't count as one unit. That's 88 units.

Mr. Taylor: Yeah. Understood.

Mr. Denis: Basically, the model we're looking at: 10 to 15 per cent acquisition, the remaining being new construction.

Mr. Taylor: Okay. Great.

Now I want to switch back a little bit to the homelessness issue. Last year you announced \$400 million to build 2,700 units for the homeless, correct?

Mr. Denis: Okay. We're just moving, then, directly to strictly homelessness?

Mr. Taylor: Yeah. Well, we're sort of – it may be an unfortunate choice of words. We're transitioning – okay? – from affordable housing to homelessness because I need to understand what constitutes a unit of affordable housing and what constitutes a unit of housing for a homeless person or a homeless family.

7:20

Mr. Denis: Basically, the capital funding program – we're just talking specifically about homelessness here where my comments are going to be. Seven hundred housing units are targeted for the homeless. Through, again, the RFP in the last year there were more than 900 housing units for the homeless. That cost about \$100 million. The reason I wanted to separate homelessness from affordable housing is because you deal with a lot more complex issues when you're dealing with homelessness. I can't even begin to start with some of the issues that you have.

Mr. Taylor: Many of our homeless people in Calgary and Edmonton are employed, are working.

Mr. Denis: Yes. Absolutely.

Mr. Taylor: That's a different class of homelessness from the hard to house, the chronically homeless, the folks who not only do not have a job but present with all kinds of issues: addiction, mental health, physical health, whatever, whatever.

Mr. Denis: Yes, and those issues tend to be more prevalent in the homeless sector as opposed to the low-income housing. It's there, but it's much more acute in the homeless area.

Mr. Taylor: Okay.

Mr. Denis: Basically, affordable housing is for those who need help, need assistance, need support with their rent payment whereas with homelessness we also include support for things like addictions and other issues. Again, those are prevalent through our entire society, but they're very acute when it comes to homelessness.

Mr. Taylor: So when we talk about the 900 units of housing for the homeless that you created during this year that's just coming to an end, we're talking about 900 units of housing for people without homes and with other problems.

Mr. Denis: Yes, that's correct.

I want to just clarify one other thing. I'll offer this to you. The eligibility requirements we were talking about earlier with respect to low-income housing are not there for homelessness. You don't have a home – okay? – so we're going to assist you. That's a completely different story.

Mr. Taylor: Okay. Are all 900 of these units new, or are some of them acquired as well? By new, I mean newly built. Sorry; I should clarify that.

Mr. Denis: That's how I took it. Thank you. Just give me one second, please.

Actually, 933 is the exact amount. That is the number of units approved in this province. We have purchased 515 units, and the number of new construction is 418.

Mr. Taylor: So 418 new construction. Completed and occupied or under construction?

Mr. Denis: No. Under construction. The bulk of these, again, are in Calgary and Edmonton.

Mr. Taylor: These are for the Housing First model, right?

Mr. Denis: That is correct. Yes.

Mr. Taylor: Okay. The Housing First model applies in Calgary and Edmonton?

Mr. Denis: That's correct. Yes.

Mr. Taylor: Okay.

Let me jump to the 10-year plan. This is the first anniversary of the provincial 10-year plan. The Calgary 10-year plan just had its second anniversary, correct?

Mr. Denis: I believe so. You'd have to talk to the city of Calgary.

Mr. Taylor: How much did the Calgary plan or, for that matter, the Red Deer plan or any municipal plan inform the provincial plan?

Mr. Denis: I understand there's a lot of collaboration. There still is and a great deal. I've actually met with people from across the province that are interested in what we're up to and want to continue this dialogue. This is a matter of consistent communication. I don't believe that we're ever going to get to a situation where we can just say: "Oh, that's it. We're going to close the doors." You need to have that ongoing improvement. When we have that type of communication that you've referenced, I think that's a step forward as opposed to just blindsiding others and going on our own.

Mr. Taylor: What have you actually accomplished with the 10-year provincial plan so far? What can you point to and say, "Because of the 10-year plan that has happened, and without the 10-year plan it wouldn't have"?

Mr. Denis: Let me just go through a few items for you here.

Mr. Taylor: And this is all yours, not Calgary's, right?

Mr. Denis: No. I'm not going to speak for the city of Calgary. I'll let you talk to the mayor.

Basically, over the last year we had a target of developing 700 housing units for homeless Albertans. We ended up with 933, as I mentioned.

Mr. Taylor: Good job. Good job.

Mr. Denis: Thank you. We also looked at providing permanent housing and outreach services to house a thousand Albertans. We ended up with 1,300 this year for that as well.

Mr. Taylor: So those are 1,300 Albertans who are housed as we sit here tonight talking?

Mr. Denis: Yes, that's correct. I hope some of them are listening as well.

We also wanted to look at developing standards for data collection on homelessness. I've always felt that knowledge is power and

preparation is always important, as obviously you do as well. We've also developed an information management system to collect reliable and standardized data on people who are homeless, people who present themselves at the shelters, people who have various issues, and as we see, the issue next year may be something that we totally don't anticipate today.

Mr. Taylor: Okay. We have another 20, do we, Chair?

The Chair: That exhausts the first 40 minutes. You get another 20. Continue, please.

Mr. Taylor: Okay. Good.

Mr. Denis: Could I continue, please?

Mr. Taylor: Yeah. I just wanted to check, because the timer went off, to make sure that we actually had another 20. This conversation has been going rather well. I lost track of time.

Mr. Denis: There you go. I'm having fun, too.

About the data collection I think that that's important. Many people say to me: why do you need this? I think that the more data we collect, the more responsive or the more accurate we can be with the clients that we assist. That's something that we're moving on as well.

We've also established a research arm. That is in progress. That's through the secretariat. I'm sure you're familiar with it as well.

We have something that I'm going to be looking at. I've actually told my staff that after March 16 we can start looking at some of these issues next year, but the world stops until today is done.

Mr. Taylor: It's unfortunate that they're not allowed to speak, or I could ask them whether you're difficult to work with.

Mr. Denis: Well, I could ask you the same thing, and I think I'd get a similar response.

Mr. Taylor: Probably.

Mr. Denis: Basically, we want to look at simplifying identification requirements for accessing programs and services. Let's face it. You and I both have driver licences in our wallets. Not everybody does. It's very difficult to open a bank account without a driver's licence or an Alberta ID card. There's also an element of dignity. If somebody has identification, guess what? They feel like a person. This is something, I think, that we want to look at as well.

Another target that we've met. We're supporting community plans to end homelessness. All seven municipalities, including our home city of Calgary, implemented a multiyear homeless plan. So we're working in conjunction with them as well.

Mr. Taylor: What does that mean: "We're supporting"? What kind of support can you offer?

Mr. Denis: In the past we have offered funding, but at the same time we also can offer, basically, just communications advice. We operate this from a province-wide perspective.

Mr. Taylor: So your data collection process is for the whole province.

Mr. Denis: That's correct.

Mr. Taylor: To be standardized across the province.

Mr. Denis: That's correct, yes.

Mr. Taylor: Okay.

Mr. Denis: The secretariat does advising and coaching on that. Let me give you an example, though, as well. Let's say that you're the mayor of Calgary and you call me, wondering what's going on with this. Well, maybe you don't know what's going on in Grande Prairie or in Fort McMurray. I can share that with you. I think that by having that co-ordinated approach, we could do much better.

Now, the last thing that I'll mention to you, if I may, is the reduction in shelter usage over 10 years. We've actually seen a significant amount of reduction in shelter usage over the last year.

Mr. Taylor: Can you give me a number or a percentage?

Mr. Denis: Let me give you an example. Total spaces across the province, 18 per cent reduction.

Mr. Taylor: Very good.

Mr. Denis: This is good, but you know, we can always do better.

Mr. Taylor: But that's not bad for your first year out. Okay? As a member of the Official Opposition and your critic let me give you some mad props. It won't happen again for a while.

Mr. Denis: I didn't think – it never has the first two years either.

I'll give you an example: Calgary down 11 per cent; the city of Edmonton, 38 per cent.

Mr. Taylor: Why the difference?

Mr. Denis: I don't know exactly where we're at, but we'll . . .

Mr. Taylor: That would be a good piece of data to capture.

Mr. Denis: That is to look at. Those are our two basic ones. Let's face it. The homeless problem is most acute in Calgary and Edmonton.

Mr. Taylor: Okay.

Mr. Denis: I think that this is a good-news story, but you're probably going to tell me that we can do better. You know, there's always room to improve every year.

Mr. Taylor: As long as you're telling yourselves that you can do better.

Mr. Denis: Do you want to ask my staff what I tell them?

Mr. Taylor: That's what's really important. I'm not being the least bit facetious in saying that.

A couple of weeks ago, at the beginning of the month, the Calgary Committee to End Homelessness had their community summit. They had a guest speaker who's involved with Thames Reach, the committee to end homelessness in London, England. He had made note of some of the things that over the quite long period of time that they'd been working on it they discovered they did wrong or they could have done better and places where they've plateaued. In their

annual report the committee reported in Calgary that two years on they discovered a couple of things where they thought they'd be further along than they were and a couple of things where they were well ahead of their target.

7:30

Mr. Denis: This event you're talking about was down at the Roundup Centre?

Mr. Taylor: Yeah.

Mr. Denis: Yeah. I was there as well.

Mr. Taylor: Exactly. So it begs the question: what kind of performance measures or benchmarks do you have built into the provincial 10-year plan so that at predictable intervals you're going to say: "We're ahead of target on this. We're behind target on that. Oops, we're chasing a tangent that isn't going to fly on this, so let's redirect the resources to something over here that is working," that sort of thing?

Mr. Denis: I'm really happy you brought up that comment around performance measures. There are some measures that I'm working on right now that I'll be developing throughout the whole year. Make no bones about it; to me the greatest success story is when someone comes off of assistance or when someone no longer needs homeless assistance. That's the greatest success story of them all. So we have this plan over the next nine years.

At the same time, you're quite correct: on an interim basis there need to be greater methods of accountability, not just between politicians like you and me but also to individuals, Jane and Joe Q. Public who want to see what we're up to, where the money is going to as well. So that's something that I'm actually working on right now.

Some of the current accountability measures that we do have are with community-based organizations. There's always a concern in the public that whenever you deal with a third party, there may be some issues about their accountability. Well, we already have this in place. Each community-based organization has to submit a community service delivery plan every year, and that plan has to be aligned with the provincial 10-year plan to end homelessness. So there is accountability between these community-based organizations and our department as well. If there's a grant funding agreement that's entered into between Housing and Urban Affairs and the community-based organization, that, again, is based on their service delivery plan as well. At the end of each contract every year the community-based organization has to provide an audited financial statement to us as well.

I'm quite confident with that level of accountability, but at the same time you can expect to see further performance measures from me this year.

Mr. Taylor: Okay. In a sense the plan needs to be accountable almost to itself. Because it's a 10-year plan, it needs to be measuring its own effectiveness as it goes.

Mr. Denis: Let's face it. These are taxpayers' dollars we're dealing with here, so I think you're exactly right.

Mr. Taylor: Okay. Let's talk about 83 million of those taxpayers' dollars, the money budgeted for operating support this year. Where are we? I think page 40 of the fiscal plan if I'm correct. Eighty-three million dollars in operating support to provide about 3,600 spaces in emergency and transitional . . .

Mr. Denis: Could you please give me the page and reference that's highlighted there?

Mr. Taylor: Yeah. Page 40 on the fiscal plan. I gave it to you already.

Mr. Denis: I don't have the fiscal plan.

Mr. Taylor: Don't have the fiscal plan? I'll give it to you here very quickly. Under homeless support: "Nearly \$83 million in operating support is budgeted in 2010-11. This will provide about 3,600 spaces in emergency/transitional shelters as well as outreach support services to assist 1,300 homeless Albertans."

Mr. Denis: Okay. I see it right here.

Mr. Taylor: I'd like you to break that down, if you can, in terms of how much is going into the emergency and/or transitional shelters, how much is going into outreach.

Mr. Denis: Let's deal with the \$40.5 million, if we can, first. Are we on the same page?

Mr. Taylor: Yeah.

Mr. Denis: Okay. Basically, this supports the operation of approximately 3,600 spaces in 30 facilities located in the seven major communities – you know which seven major ones I'm talking about – also including Lloydminster and High Level.

Mr. Taylor: If I could just jump in very quickly here because this takes us back to the decrease in shelter use. Have you actually closed any shelter spaces yet?

Mr. Denis: Yes, we have, and you're going to ask where that is.

Mr. Taylor: Yeah. I'm sorry. I'm jumping around here a little bit. I sort of feel like the dog in *Up* that should yell "squirrel!" right about now.

Mr. Denis: Maybe one of the dogs that attacked me in your neighbourhood in mid-2008.

Basically, the Sunalta facility was closed. That allows the city of Calgary to commence the construction of the west leg of the LRT. That was housing about 100 people per night. Those people were then absorbed into the remaining emergency shelter system or housed in permanent housing. This was the first step to reduce the overall number of housing spaces.

At that one event you and I were both at, albeit at different times, at the Roundup Centre, I met with a gentleman there from New York.

Mr. Taylor: Sam Tsemberis?

Mr. Denis: Yes. He was telling me that New York operates on a model of 98 per cent occupancy. We still have significantly more capacity in our systems than that.

Mr. Taylor: Okay. But the goal is to close down as many emergency shelter spaces as you can.

Mr. Denis: Yes, it is. With the caveat that I'm not interested in kicking people out. It's only on a demand basis, okay?

Mr. Taylor: But, ideally, you want to get it down to the point where when somebody becomes homeless, within a couple of weeks they're housed again.

Mr. Denis: Within 21 days, actually. That is the goal.

Mr. Taylor: Okay. Back to the numbers, though: \$40.5 million to support the emergency shelter spaces.

Mr. Denis: Could I complete my answer on the \$40.5 million, please?

Mr. Taylor: You did with that part. Then you were going to talk about the rest, outreach support, I think. I'm guessing here.

Mr. Denis: Okay. Dealing with the \$42.1 million here. Okay? We're on the same page?

Mr. Taylor: Okay. I've got the \$40.5 million, and \$42.1 million for outreach support services. I see your number, yeah.

Mr. Denis: Basically, this is to provide funding to community-based organizations in Alberta and to provide homeless Albertans with outreach services in their communities. The goal is to assist homeless families and single adults to move to permanent accommodation with access to various support services and to at all times remain housed. The program will continue to operate to provide outreach support services to 1,300 homeless people being assisted in 2009-10 plus provide supports for approximately 300 to 400 in this coming fiscal year.

Mr. Taylor: Okay. So does this number completely devote itself to outreach support for newly permanently housed formerly homeless people, or is there some outreach?

Mr. Denis: Yes, it does.

Mr. Taylor: Where do I find the outreach, the budget, or do I find it in your budget for outreach services, to actually reach out to people who are living on the street and get them off the street into housing?

Mr. Denis: That's basically the same thing that you're doing there.

Mr. Taylor: So it's part of this number as well?

Mr. Denis: Yeah.

Mr. Taylor: Okay. All right. Can you provide to me – if you can't tonight, I'd appreciate some information on this when you can get it to me, two weeks give or take a day – the breakdown between emergency shelter space and transitional space?

Mr. Denis: If you can just hang on, I'll get it to you.

Mr. Taylor: Yeah. Okay. The reason why I'm asking this is that I'm trying to get a sense as to what we're doing in terms of transitional housing, whether we're creating more of it, trying to maintain the level that we've got, that sort of thing.

Mr. Denis: I've got it for you here, actually, so there's no need for the give or take a day. The shelters, you know, with 2,668 – okay? – and transitional beds 896, total being 3,564.

Mr. Taylor: Okay. Is there a goal, a target for how long a person is supposed to stay in a transitional stage of housing? It would seem to me that some will stay in that stage longer than others.

Mr. Denis: That depends on each individual organization, what they want to do. At the same time, it is the stated goal that they move through reasonably fast.

Mr. Taylor: Okay. And transitional spaces would include emergency and transitional shelter space for women and children fleeing abusive situations?

Mr. Denis: Absolutely. Absolutely it would.

Mr. Taylor: Okay. How are we doing in terms of actually having enough space for women and children trying to escape abusive situations? We were in a bad way a couple years ago.

Mr. Denis: That's an issue dealing with Children and Youth Services specifically. The bulk of people who are homeless are male, but at the same time we recognize that there are women that have very specific needs. That's something to deal with Children and Youth Services. Housing First is kind of the new direction. It's permanent, not transitional.

Mr. Taylor: Okay. Now, you're not just passing the buck there and saying: go ask the Minister of Children and Youth Services? You do have some cross-ministry communication happening?

Mr. Denis: Absolutely. I just don't want to speak for that minister at this estimate.

Mr. Taylor: Understood. What other ministries are you working with on a regular basis to solve homelessness?

Mr. Denis: Mostly Employment and Immigration. That's number one. There's also Children and Youth Services, as I mentioned, Seniors and Community Supports, and there are also some Justice issues. For example, we talked about identification. That's going to have to deal with some Justice issues there as well.

Mr. Taylor: Yeah. You also . . .

Mr. Denis: If I just may add one more thing. There's also an ADM cross-ministry committee that deals with Housing and Urban Affairs, Justice, Aboriginal Relations, Children and Youth Services, Culture and Community Spirit, Education, Employment and Immigration, Executive Council, Health and Wellness, Infrastructure, Municipal Affairs, Seniors and Community Supports, Service Alberta, Solicitor General, and SRD.

7:40

Mr. Taylor: There. That's the one I was looking for, the Solicitor General, because inmates coming out of prison need a place to live.

Mr. Denis: Yeah.

Mr. Taylor: Yeah. Okay. Good.

On to a different subject. The subject would be public land for affordable housing. Other than Parsons Creek, is the public land yours to make available? Do you play a role in making provincially owned public land available in or near the big cities or even the smaller cities other than up in Fort McMurray?

Mr. Denis: Okay. We have a land subcommittee that includes Infrastructure, SRD, Education, and the Treasury Board. We developed an inventory of provincially owned land that might be suitable for affordable housing. At the present time the amount of land is on hold, the nominal sum distribution, and we're only looking at transfers that have had a previous commitment.

Mr. Taylor: Why is that?

Mr. Denis: The nominal sum disposition has been placed on hold.

Mr. Taylor: Why is that?

Mr. Denis: It's a budgetary issue.

Mr. Taylor: It is a budgetary issue?

Mr. Denis: Yes.

Mr. Taylor: Do you have any sense of when that may change?

Mr. Denis: No.

Mr. Taylor: Okay. In Parsons Creek my understanding is that this is a project that will convert a thousand acres, thereabouts, of raw land into serviceable land for developers. When completed it will house about 24,000 residents. The first phase will house 6,500 residents in 2,200 housing units, 20 per cent of which are earmarked for affordable housing. This is in the business plan, page 165, I believe. Yep. Just above your strategic priorities. Affordable in this case, I think, means 10 per cent below market value, so the obvious question is: is 10 per cent below market value really something that you can define as affordable given the prices in Fort McMurray, land of the \$450,000 mobile home?

Mr. Denis: Yes.

Mr. Taylor: Yes? Well, explain.

Mr. Denis: That's 10 per cent below the market value there.

Mr. Taylor: So by definition it's affordable even if it costs \$405,000 for . . .

Mr. Denis: What would you see as an adequate benchmark that's good for the taxpayer there as well?

Mr. Taylor: I'm not sure. But, you know, affordable meets at the intersection of the price of real estate, the price of property, and incomes in the area, does it not?

Mr. Denis: In many cases affordable is up to 20 per cent below market value in Fort McMurray, but we have that 10 per cent. One thing I would respectfully suggest that you consider is that incomes in Fort McMurray are significantly higher than in the rest of the province as well.

Mr. Taylor: Yeah, on average. Maybe this is just an urban myth, although I don't think it is. It's too bad the Member for Fort McMurray-Wood Buffalo isn't here tonight to confirm this. The belief anyway is that there are many, many units of housing in and around Fort McMurray housing many more than the number of people that unit was built for. You have to figure that if 10 guys are

sharing a two-bedroom apartment, they're not doing it because they're just thrifty and want to bank the money.

Mr. Denis: Okay. Two things I want to advance here. First of all, a two-bedroom place in Fort McMurray today: \$2,090 less 10 per cent, \$209, roughly \$1,800 a month. One other thing as well, Wood Buffalo county, percentage change versus last year, 6.8 per cent reduction . . .

Mr. Taylor: In rents?

Mr. Denis: In rents. And it's 10 per cent below that amount. So for example . . .

Mr. Taylor: But you're still talking about a two-bedroom apartment that costs \$800 more than it would in Calgary or Edmonton.

Mr. Denis: Roughly, yeah.

Mr. Taylor: Yeah. Okay. Even in the land of the \$18 an hour, if this in fact still exists, coffee pourer at Tim Hortons, you know . . .

Mr. Denis: This is a unique situation, I would agree. But at the same time that's why we're bringing on more supply in Parsons Creek. You don't see that anywhere else in the rest of the province.

Mr. Taylor: Is that just because it's a unique situation in terms of the economics of the area, or is it also because you happen to be the biggest land owner in the area because it's Crown land?

Mr. Denis: Both.

Mr. Taylor: Both. Can you provide an update on Parsons Creek? Can you tell me how much money has been spent already and tell it to me quickly because we're running out of time? I'll take that as a written answer.

Mr. Denis: I'll provide that to you.

Mr. Taylor: Thank you.

The Chair: Okay. Thank you, Mr. Taylor. Thank you, Minister.

At this point we'll take a five-minute break and reconvene in five minutes from now, for those who are listening to this meeting via audio.

[The committee adjourned from 7:45 p.m. to 7:51 p.m.]

The Chair: I think we're ready to reconvene. The next 20 minutes are available to Mr. Hinman in exchange with the minister, back and forth if that's your preference. Go ahead, please.

Mr. Hinman: Thank you, Mr. Chairman. It's a pleasure to be here this evening and to have a discussion with the minister about housing and homelessness. I appreciate the answers that have been given so far. Lots have been ticked off, so that's good. But you've brought up a few that I found kind of interesting as you were going through there. I guess if I could go back, because I don't have those numbers, to the reductions in homelessness in the three major cities: could you give me those numbers again?

Mr. Denis: First off, if I might clarify, I talked about the reduction in the amount of shelter usage for homelessness. Okay. That's

where we're at here. Let's just go month over month. We both represent a Calgary riding. I'm just going to use Calgary as an example. November 2008 versus 2009: there has been a reduction of 5 per cent. December 2008 to 2009 . . .

Mr. Hinman: Could we just go yearly?

Mr. Denis: I'll just pick February: 11 per cent. That's 2009 versus 2010 in the city of Calgary.

Mr. Hinman: Okay. So I guess just to clarify now, that was just usage? So that could be more weather related, that people just aren't showing up at the shelters?

Mr. Denis: Well, this is year over year, though. Okay. You're comparing February of last year with February of this year. I'd suggest that, you know, February is pretty cold.

Mr. Hinman: Okay. The reason why I'm asking this and leading into it is that, you know, you've got a fairly extensive 10-year plan for ending homelessness in Alberta here, and one of the responses that you gave to the Official Opposition was that you don't know why the reduction of 38 per cent. I guess that's one of my first and biggest questions. It fluctuates a great deal with the economy, with the weather.

Mr. Denis: Just so we're not comparing apples and oranges here, first off, the 38 per cent that I quoted was actually in Edmonton. Okay. That 11 per cent is in the Calgary area.

Mr. Hinman: It was the Edmonton one that kind of triggered me, that I think that maybe the weather has something more to do with it because Edmonton is a little harsher than Calgary. I'm just curious.

Mr. Denis: You're quite right. Edmonton is quite a bit harsher than Calgary, especially Edmonton-Highlands-Norwood, but at the same time we're comparing apples and apples here because February in Edmonton is the same cold February in Edmonton. We have housed 1,300 people, so I would submit to you that the plan is actually working to reduce shelter stats, and that's exhibited in those numbers.

Mr. Hinman: Okay. I wasn't sure that's what you were relating. That's why it kind of triggered in my mind when you were saying that it was down and you didn't know why, so that helped clarify it.

Mr. Denis: I appreciate your question.

Mr. Hinman: A few other things. You gave the answer that there was \$550, I believe, average in Calgary, \$750 in Edmonton for maximum subsidy in a home.

Mr. Denis: You're talking rent supplements now, correct?

Mr. Hinman: Yes. Sorry.

Mr. Denis: Okay.

Mr. Hinman: You've been going geographically.

Mr. Denis: I'm only at the whim of whoever is asking a question.

Mr. Hinman: You didn't mention Fort McMurray. How do you determine those numbers: \$550, \$750?

Mr. Denis: Just give me a moment, please. Basically, Fort McMurray is dependent on market rents and tenant income, so that's what you're dealing with there as well.

Mr. Hinman: And the same is reflected for Calgary and Edmonton?

Mr. Denis: That's correct, but again you're dealing with similar but slightly different economies. Let's face it: Calgary is a little more expensive to live in than Edmonton. That's why you can get more money in Calgary. It's \$750 there as opposed to \$550 in Edmonton.

Mr. Hinman: I thought it was reversed.

Mr. Denis: No.

Mr. Hinman: Okay. Good. I heard wrong, then. Excellent. That clarified that.

When you come up with your formula, is that something that all of the MLAs are aware of? When people have come into my office and asked about these things, I haven't been able to provide answers. Is there an actual formula where you can show the people, you know, that it has to be less than \$7,000 and go through all of the criteria?

Mr. Denis: We get that information from local information management bodies, so it's local to that situation.

Mr. Hinman: Okay. How and why did you decide the value of \$7,000 for net asset value? What's the reason for making that the threshold as opposed to \$9,000 or \$11,000?

Mr. Denis: This is actually in legislation.

While my staff is getting me some more information here, I want you to consider also some of the neighbouring provinces. For example, B.C. actually has an asset requirement of up to \$100,000. You can still receive that. I personally think that it's a better use of taxpayers' dollars to actually target the money to the people who need it the most as opposed to having that high of a threshold.

Just hang on one second, please. This is in regulation, and as I mentioned, the last couple of years we've had near zero inflation. This is something that we will review, and that can be changed just by regulation.

Mr. Hinman: Do you have any data, though, that you're tracking to realize that – the problem is, you know, emergencies: you lose your job, medical problems, whatever happens. You might have someone who has \$50,000 or \$70,000 in assets when this hits, but they're maxed out. They've got too many things on their credit card and everything else, yet you have this \$7,000 requirement. I guess I wonder if you have any tracking record to see: had we intervened three years earlier and protected these peoples' assets? Is it a slow degradation of their assets, and they're finally down where they fall off the track and they're desperate and need it? It just seems to me that having such a low number isn't in the best interests of people. Do we intervene soon enough?

Mr. Denis: There are two comments that I'll make to you. First off, this is a reactive mechanism, so we don't look at somebody until they actually come and apply. That's the number one thing. Secondly, I believe that where we've set this, we target those who

are most in need. These are taxpayers' dollars that we're dealing with, and we want to target those who have exhibited the most need as opposed to simply just on a universal basis.

Mr. Hinman: I wouldn't recommend universal at all, and I think targeting is very important. But it goes back somewhat like learning: if you just made it past the threshold, you might struggle all the way through education because you don't need the extra help. Again, what's the number of people that have assets of \$15,000 to \$7,000 that could use the help? Do you have any data on that, on why you would pick the \$7,000?

Mr. Denis: My comment is that you need to set the threshold somewhere. That's where we have set it. In the future I think you can look forward to an inflationary adjustment, in particular when we get into situations again where you have much higher inflation, like you did around 2007. But, again, these are taxpayers' dollars that we're dealing with here, and we want to be compassionate to individuals in need but also compassionate to taxpayers, who are footing the bill for these programs.

Mr. Hinman: Well, I don't know that it can be compassionate for the taxpayers when the government is making some of these decisions. I guess that that's kind of a segue into another area of duplication of services. There have been many levels of government, from the federal right down to the municipal, that made this bold declaration that we're going to end homelessness, and the one year through 10 years passes, and it isn't there. You're duplicating the goal with Calgary, Red Deer, Lethbridge.

One of those two levels, I would say, isn't necessary, and I'm a big believer that the best solutions are usually with local government. Why do you feel that you're in a better position than a municipal government to meet those needs? You talked about someone in Calgary calling up your ministry and saying: oh, what's happening? You can relate to Grande Prairie. Do you not think that there's a phone line from Calgary to Grande Prairie, that at that level of government they could come together and look at how to best serve their homelessness?

Mr. Denis: I actually was hoping that you would ask that question. I anticipated it as well.

Mr. Hinman: Oh. I thought this paper came from this roof.

Mr. Denis: No. I'm not looking at any paper here.

Mr. Hinman: No. Mine.

8:00

Mr. Denis: At the same time, let me give you the answer here. The only plan that is fully harmonized, that goes through the entire province is our 10-year plan to end homelessness. One of the reasons that I have eliminated the block funding to municipalities is because we don't need to be in that situation where we spend 2 to 3 per cent extra in administration costs, where we lose control over taxpayers' dollars. We're through the RFP process. We can look at things on an individual, case-by-case basis. For the local involvement that you desire, it's already there. We go and partner with local organizations that, quite frankly – and I'm sure you'd agree with this – can actually stretch a dollar more than a government can, organizations like the Mustard Seed, organizations like the Drop-in Centre in Calgary. That's what our model is about. I submit to you that we're on track with it.

Mr. Hinman: Well, I'm very much for those volunteer organizations and charitable organizations. They do marvellous work. But it seems to me that more often than not when government steps in, it's often a hindrance to them rather than a help.

Again, between the two levels of government, like I say, I have to question the duplication of it in trying to do those things, saying: well, we're doing something that they can't do. I guess I'd have to ask the question, then: should you reduce funding to municipal governments even more? You've often referred to it in other areas, that maybe we should eliminate municipal government, and you at the provincial level would be able to run our cities and areas better.

Mr. Denis: I don't think anybody is suggesting that. But I have to tell you that where I differ with you is that we are in fact not duplicating services. We're working directly with the municipalities and the local groups who are right there on the ground. At the same time, I recognize that these organizations can stretch a government dollar often more than the government can itself, and that's why we partner with them.

Mr. Hinman: Well, like I say, I very much agree with you on that area, that these volunteer organizations, charitable ones do marvellous work in our community. But it's a struggle when they have to work with two different levels of government to work on those areas.

Another question kind of following that along is: if you've analyzed and gone through a great deal of work and all this, how did you come up with the number of 11,000 affordable homes to be built over the next few years, and is the need over at that?

Mr. Denis: The number of 11,000 comes from the Affordable Housing Task Force, and that was recommended to us. That is also something that we reasonably believe that we can accomplish by 2012. We're on track.

Mr. Hinman: When did affordable housing come up with that number again?

Mr. Denis: It was in 2007.

Mr. Hinman: Yes. So you wouldn't want to say, as your government has said so many times, that nobody could foresee this turnabout, that perhaps that number has changed dramatically because of the economic situation in the province, whether it needs to go up or down, that the 11,000 is still good in 2007? That forecast is good?

Mr. Denis: That's the commitment we've made. I have to mention as well that I've always believed that with every challenge comes an opportunity. Well, the challenge with this drastic economic downturn we've seen in the world is to seize the day and actually build more of these units now, when we can stretch taxpayers' dollars further, and that's what we're doing.

Mr. Hinman: I was kind of interested that you mentioned that in Fort McMurray 10 per cent below market value, you felt, was a good measure. You said 20 per cent in other jurisdictions. Is that an average?

Mr. Denis: It's up to 20 per cent in Fort McMurray. The 10 per cent is the benchmark. So we're just talking Fort McMurray.

Mr. Hinman: I thought it was the other way around, just 10 per cent in Fort McMurray.

Mr. Denis: Ten per cent below market is defined as affordable. The 20 per cent represents the percentage of units that will be affordable in Parsons Creek.

Mr. Hinman: Okay. How have you determined the distribution throughout the province where those 11,000 affordable units are going to be built?

Mr. Denis: Basically, it's where the need is highest. Again, just because of population – Calgary is 1.1 million; this is about 900,000 – you're going to see most in Calgary and Edmonton.

Mr. Hinman: More on a per capita than any other way, then?

Mr. Denis: The block funding, as I mentioned, was on a per capita basis. The RFP, again, on an individual, case-by-case basis, is on a need and a project basis.

Mr. Hinman: I want to go back again to the geographical adjustments that you make throughout the province. I guess I have concerns that when we target the big cities – and there's no question that homelessness gets attracted to the big cities versus the small ones.

Mr. Denis: Particularly Calgary. For whatever reason the problem is most acute in Calgary.

Mr. Hinman: Thank you. Well, as the good Member for Edmonton-Highlands-Norwood says, it's because of the weather.

Mr. Denis: He said that it was warmer, actually.

Mr. Hinman: It's warmer, then. Okay. There we go.

Anyway, following that along a little bit more, I just find it hard to understand. Again, I guess because we look at various different ministries and the way they're dealing with things, those on PDD, I find, continue to get pushed to the smaller centres because it's more affordable living. They're pushed out there. So if you look at trying to do affordable housing and if you're trying to use tax dollars efficiently, I wonder if it wouldn't perhaps be better to draw them out of the core centre, where they don't seem to be able to get out and get ahead, to some of those smaller centres. Is there any consideration for that?

Mr. Denis: Specifically, though, if you are to ask about PDD, I suggest you direct your questions to the Minister of . . .

Mr. Hinman: No.

Mr. Denis: Let me finish, sir.

. . . Seniors and Community Supports. Then I'll answer the rest of your question.

Secondly, we do help, actually, a lot of people with special needs although, again, I'm not going to comment on PDD because that's another ministry. At the same time, you look at the estimated number of housing units that were of families who have special needs, dealing with 231; individuals, 366. So you're right; this is important. I was also at the Louise Station opening several weeks ago, and there are many accessible units in downtown Calgary actually that we've constructed. I think that is important.

Mr. Hinman: Well, I actually wasn't able to make it there in the morning, but I did stop in in the afternoon at the Louise Station and

looked at the facility. It's a beautifully integrated facility there that will benefit the 88 people, I'm sure, that are able to go there.

Mr. Denis: More than 88. It's 88 units.

Mr. Hinman: Yes. You've brought that up with your 18,000 households and 80,000 people, so thank you.

Again, though, I have great concern with the spending of taxpayers' money, and we're looking at affordable housing at 10 per cent below market. When I look at the cost and the intervention of government in all those areas where if we are actually able to lower taxes throughout the province and not be running a deficit in those areas, perhaps that would do more to help the general population to do better and have affordable housing.

It just seems to me that you're perhaps exacerbating the problem rather than helping it by having to tax, to turn around in an often inefficient way to provide a lower cost of housing when the municipalities are struggling, saying that, you know, the 10-year block funding to the municipalities has been dropped. Do you not feel – looking back a few years ago, this wasn't a separate ministry; it's now a separate ministry. It seems like the bureaucracy is growing faster than the needs

Mr. Denis: Well, I would dispute any notion that the bureaucracy is growing faster than the needs. We have a hiring freeze in here as well.

I do appreciate your concern for taxpayers' dollars, and I share those concerns, okay? But at the same point in time, I'd like to advance this to you. If we just simply leave people on the streets and we don't assist them when they're homeless, that costs the whole system \$100,000 per year. If we go and put them into permanent housing, it costs about a third of that. That's just the business case. There is also the compassionate case. I believe, as does the Premier, that we're in a position where we want to help these individuals to the greatest degree that is reasonably possible with also being compassionate with the taxpayer. I think we've struck that balance.

Mr. Hinman: Well, I guess, then, that I would have to put on the record that I feel that you've produced a greater imbalance, that the best balance would be to allow municipalities the freedom to deal with their homeless and those on charitable organizations at the local level. [interjection] Let me finish, please, sir. The best government by far is the closest government to the people that can – accountability runs in there – understand their needs far better than a centralized government, whether it's at the provincial or federal level.

I would submit that when you look at the tax dollars that leave our jurisdictions – and I'll use the latest numbers I have out of Calgary, for example – there was \$7 billion in 2006 of personal income tax that left the city of Calgary: \$2 billion to the provincial government, \$5 billion to the federal government. Then they have to go cap in hand, saying, "We have homeless problems; we have infrastructure problems; we have school problems," begging for money back. We actually have a layer of increased bureaucracy and problems that the municipal government isn't allowed to address because of the money that's actually left through taxes from those communities. Then they're left dependent on a provincial or federal level to try and provide those services that are needed at the local level.

8:10

Mr. Denis: So you don't believe that we should have a 10-year plan to end homelessness?

Mr. Hinman: I believe that the municipal levels are addressing those, and if they had a decent return of the tax dollars back to their communities, they would be far more efficient with taxpayers' money.

Mr. Denis: You don't think we should have this 10-year plan for homelessness?

Mr. Hinman: Correct. I would even go to the next step that I'd question the need for this ministry. It is one, again, that we've grown at this level. It used to be municipal affairs and housing. It's split, and I don't know that it's efficient use of taxpayers' money.

Mr. Denis: I appreciate your concern for taxes, but obviously we differ. We need a 10-year plan to end homelessness. We're on track.

Mr. Hinman: What do you have to say about the local levels of government that have 10-year plans?

Mr. Denis: We're harmonized with these plans. We're working directly with the municipalities.

Mr. Hinman: That sounds like the harmonized sales tax. Instead of 5 per cent it's now 10 per cent.

Mr. Denis: I don't know exactly what you're talking about, but at the same time, I guess, you want us to be giving money to municipalities with no strings attached. Where's the accountability there?

Mr. Hinman: Where did the money come from?

Mr. Denis: Where's the accountability there? There is none.

Mr. Hinman: And where's the accountability from your ministry versus that of a local government? There's more at your level than there is at a municipal level, you're telling me?

Mr. Denis: We have a co-ordinated strategy. I would actually say yes. I would actually say yes to that.

The Chair: That ends that 20-minute segment. Thank you, Minister, and thank you, Mr. Hinman.

The next 20 minutes will go to Mr. Mason, please, in exchange with the minister.

Mr. Mason: Mr. Minister, thank you. I guess the first question that I have has to do with affordable housing, which was part of the exchange between you and Mr. Taylor. The Parsons Creek development defines affordable housing as 10 per cent below market value in Fort McMurray.

Mr. Denis: That's correct. Yes.

Mr. Mason: Okay. I didn't think either Mr. Taylor or yourself was aware of this. I mean, there is a generally accepted definition of affordable housing that has been endorsed in the past by your ministry and which is used by the CMHC, and that is no more than 30 per cent of income. Now, the definition being used in Parsons Creek doesn't fit any accepted definition of affordable housing. I guess I want to ask you: why not?

Mr. Denis: The 30 per cent that you mentioned is actually for social housing. Is this where you're at?

Mr. Mason: Affordable housing.

Mr. Denis: CMHC in its own affordable housing program also talks about 10 per cent below as well. You're dealing with affordable housing.

Mr. Mason: Well, you know, I think you're splitting hairs. The definition of affordable housing that's commonly used is 30 per cent of income. That's not social housing. Social housing is heavily subsidized.

Mr. Denis: I don't think we're splitting hairs, but okay.

Mr. Mason: Yeah. Well, I'd just like to know why you're not using 30 per cent.

Mr. Denis: This is the amount that we've shown to use in a specific situation.

Mr. Mason: Why?

Mr. Denis: Why would we want to use 30 per cent?

Mr. Mason: So that it's affordable. I mean, you could be 10 per cent below market value and far beyond the reach of some of the people who are low-income people in that community. Not everybody gets paid the same as some of the trades workers that work up there.

Mr. Denis: We don't necessarily put low-income people into affordable housing.

Mr. Mason: I'm talking about how you can use a workable definition of affordable housing. To make it affordable for people, it has to be a certain amount of their income. The point is that 10 per cent below market may be well beyond the reach of some people, many people, in fact, in Fort McMurray in particular, so how is that affordable?

Mr. Denis: We have to set a line as to where exactly . . .

Mr. Mason: So you've just . . .

Mr. Denis: Could I finish, please?

Mr. Mason: No. An arbitrary . . .

Mr. Denis: Then I'm not going to answer your question.

Mr. Mason: Fine. I want to ask about the cuts to housing grants.

Mr. Denis: Sorry. Just to clarify, you're talking the direct-to-tenant subsidies?

Mr. Mason: It'll probably become clear once I'm allowed to ask my question. In 2008-09 the government spent \$153 million on the rent supplement program and the homeless and eviction prevention fund combined. In '09-10 the government drastically cut both budgets to \$87.8 million, which was a 42 per cent cut. We know that the rent supplement program was full by August of '09, so it's clear that the

cuts took funding away from those who needed it most. This year the government has completely cut the homeless and eviction prevention fund, meaning that we'll only be spending \$75 million on helping Albertans pay their rent and stay off the streets. The government has taken \$12.7 million away from the people who desperately need it despite the fact that your own business plan admits that rents have not decreased over the last year and that unemployment is still at significantly high levels. Since 2008-09 you've cut help for renters in half.

My question is: what specific changes have been made to the rent supplement program to help it respond to the kinds of situations which would fit within the HEP fund? I've got a few questions here. How many people have been turned away from the rent supplement program since August of '09? Is the ministry tracking what happens to these people; for example, whether they may become homeless, whether they find cheaper accommodation, or whether they have to take on unsustainable debt to meet their housing needs? Does the ministry have statistics to estimate how many people will be forced onto the street because of this year's decrease in funds? Those are my questions for this part.

Mr. Denis: Okay. I can't possibly answer questions like that. Can you please do them one by one?

Mr. Mason: Okay. What specific changes have been made to the rent supplement program to help it respond to the kind of situations that would fit within the homeless and eviction prevention fund? Question one.

Mr. Denis: There were no changes that were made to the rent supplement program per se. I'll get you some more information. I'm just going to give you a brief outline of the transition as of April 1, 2009. The rent shortfall benefit that was available under the HEP fund program has transitioned into the direct-to-tenant supplement program, as I mentioned earlier. Employment and Immigration continues to deliver the eviction and damage deposit benefits through its existing programs. Ten thousand households at that point were transitioned from the rent shortfall benefits to direct-to-tenant rent supplements. Ninety-five per cent of the transition clients receive income support benefits through Employment and Immigration. The remaining 5 per cent of the transition clients receive benefits under AISH.

Employment and Immigration continued to deliver rent shortfall benefits from April to July of 2009. While the transition client is transferred, then, to this ministry's local housing and management body, the management bodies begin to deliver the rent shortfall benefits, now termed the direct-to-tenant rent supplements, under this department's direct-to-tenant rent supplement program. At that point Employment and Immigration ceased their involvement in the delivery of rent shortfall benefits, but they continued to deliver the eviction and damage deposit benefits.

Mr. Mason: Okay. How many people have been turned away from the rent supplement program since 2009, and is the ministry tracking these people to find out what happens to them?

Mr. Denis: Actually, no people have been turned away. Rather, there is a waiting list, and they've been placed on the waiting list.

Mr. Mason: Okay. How long is the waiting list?

Mr. Denis: It's about 10,000 people.

Mr. Mason: Ten thousand people on the waiting list. So you're just redefining turning away?

Mr. Denis: No. Nobody has been turned away.

Mr. Mason: How long do people stay on the waiting list?

Mr. Denis: It's not based on time. It's by need, much like the emergency room at a hospital.

Mr. Mason: So some people could never get there if there are higher priority people.

Mr. Denis: Some people with high need take 60 days or less. It's based on need, on helping those most in need.

Mr. Mason: With 10,000 people who qualify but are unable to be helped. Is that right?

Mr. Denis: There's eligible, but there's also need. We're helping those, again, that have the highest need. You could come on immediately, and if you had the highest need, we'd help you first, ahead of everybody else.

Mr. Mason: But it doesn't say how many people actually have some need that wait a very long time because some people have a little more need, you know. I think, again, Mr. Minister, you're playing with words on this.

Mr. Denis: I would disagree.

8:20

Mr. Mason: No doubt.

All right. I want to ask about affordable housing units. Now, your business plan – and I refer you to page 166 – indicates targets up to 2012. Now, you've indicated a number of times this evening that you're looking for 11,000 units. If I add up the actual in 2008-09 with the targets for the next three years, I come to 7,840 units in your plan, yet your goal is 11,000.

Mr. Denis: Yes. There are about 3,000 that still have to start.

Mr. Mason: Well, they're not in the targets. How will they be accomplished?

Mr. Denis: We're going to start them over the next couple of years.

Mr. Mason: Why aren't they in the targets, then?

Mr. Denis: Those 3,000, actually, are already in the targets right here, I'm advised.

Mr. Mason: Well, I'm working from your document. There are 2,955 already there, the last actual, '08-09.

Mr. Denis: That's only for that year.

Mr. Mason: Yeah, I know. Then the target for the next year is 1,585, the target for 2011-12 is 1,650, and the target for 2012-13 is 1,650 again. Then the program ends. You're at the date where you were supposed to be at 11,000, and you're only at 7,840.

Mr. Denis: Well, you know, I do have a keen ear for what people have to say even when they're not on the microphone, so I'll just respond directly: for 2007-2008, 3,110; for 2008-2009, 2,955; for 2009-2010, 2,500; the total, then, over 8,000. As I mentioned to Mr. Taylor, over the next couple of years we're going to be on track to begin these units as well.

Mr. Mason: So your performance measure in your business plan is not correct, then?

Mr. Denis: It is correct. The '09-10 figure that you're looking at is actually not there.

Mr. Mason: Oh. That's right. So there's a big mistake here. Okay.

Mr. Denis: No. It's because it's a standard business plan. A standard business plan.

Mr. Mason: Well, it's not here.

Okay. Moving along, if I can, the 11,000 target was set by the homelessness task force.

Mr. Denis: You were on that task force, weren't you?

Mr. Mason: No. When are you ever going to put me on a task force?

Mr. Denis: I'm sorry. I thought you were on that task force.

Mr. Mason: No. That would have been nice.

Mr. Denis: There was an opposition member. I thought it was you. I'm sorry. I know there was an opposition member. I know there's not a lot of physical resemblance.

Mr. Mason: Ray Martin. It's all coming back to me now.

Okay. The 10-year plan to end homelessness which was developed was originally announced with a proposed funding over 10 years of \$3.3 billion. Now, the funding that you've provided for that in the last two years' budgets, if it was extrapolated for 10 years, would only get us to a third of that.

Mr. Denis: Sorry. I don't follow the math there. I mean no disrespect. You were saying that the \$3.3 billion gets us a third of where?

Mr. Mason: No. The \$3.3 billion was originally indicated by the housing secretariat as the amount of funding that would be required to end homelessness over 10 years.

Mr. Denis: Yes. Okay. I'm following you. That was the secretariat's estimate?

Mr. Mason: Yes. But if you look at the actual amounts that are budgeted on an annual basis and if you assume that they'll remain more or less the same and add that up for 10 years, you come only to about a third of that number. Well, it's a hundred million dollars in the last two years each.

Mr. Denis: Okay. I'm just going to accept your math for the sake of argument even though I've got a couple of questions there. This year we've achieved about 10 per cent of the target. We've housed 1,300 people. We've achieved 10 per cent in one year. So times 10:

we're there. Of course, this isn't an exact science, but at the same time we're there with a plan.

Mr. Mason: So we have \$100 million in this year's budget for it. Is that the correct number?

Mr. Denis: I'm not so much talking about money; I'm talking about performance. Okay? We've achieved 10 per cent of our 10-year target in this area with 1,300. That's over one year. So we're on target with that performance measure. There's also \$140 million in the budget for that this year as well, give or take a few pennies.

Mr. Mason: All right. I want to ask about aboriginal housing. Now, I understand that aboriginal housing on First Nations reserves is a federal government responsibility, but as we all know, there are many aboriginals that live throughout the province and have left the reserve. These people are disproportionately homeless and precariously housed. They have serious housing issues. I want to know if you've got any funding that is dedicated specifically to aboriginal housing initiatives and whether you have any plans to do that in the future.

Mr. Denis: First off, you raise an important issue. I grew up in a city with a very high aboriginal population, and I'm familiar with some of the issues that these communities may have. To agree with you on a couple of points – don't get too excited, though – 40 per cent of the homeless in Edmonton and 14 per cent in Calgary are actually aboriginal. They are eligible for programs on a needs basis and an individual basis.

We also have some specific aboriginal projects under our RFP program. We have a couple of programs here. For example, in 2009-2010 the Métis Urban Housing Corporation in Edmonton was approved for \$5 million to develop 28 units under the RFP program. In addition to that, Native Counselling Services of Alberta in this city as well was approved for \$600,000 for four affordable housing units in their closing the circle development. So that's an example. Basically, we have these types of initiatives, but at the same time they're also eligible on a needs basis to apply for our programs.

Mr. Mason: How is my time, Mr. Chairman?

The Chair: You've got about four minutes, but it's changing all the time.

Mr. Mason: It's shrinking as we speak.

I want to ask a little about special-needs housing. I wonder what your estimate is of the number of people that require special-needs housing, what the supply is, and what the ministry's plan is to accomplish that. It has stayed the same in this budget for the last couple of years, which means that given inflation and so on, it's actually been cut by a certain amount, in half, 3.7 per cent. I'd like to know how your ability to meet the needs of this community is affected by this freeze in funding.

Mr. Denis: Well, there are over 1,600 special-needs units that we're involved with. These are located throughout the province and involve people who have physical disabilities, mental disabilities, addictions, who are victims of violence, who are wards of the government, or people who have other issues. As I mentioned before, the amount of issues that are there are just as numerous as the amount of people in need. In Calgary, for example, we're involved with 527 units. Edmonton actually has the most, 878. I would just also indicate that inflation over the last couple of years has been virtually nil, so we're looking at a constant dollar.

Mr. Mason: But you didn't answer the question about how the number of units compares to the demand or the requirement for people who have those needs.

Mr. Denis: We set aside a certain percentage for people who are in need. As I mentioned, the Louise Station in downtown Calgary has units for those who are in need as well. Again, it's based on a demand basis. If we see more demand about that, we also look at constructing more of them as well.

8:30

Mr. Mason: Okay. So you don't really have a number?

Mr. Denis: We don't target any specific group. We provide those who are most in need. I don't know exactly what type of a number you're looking for. We can give you some numbers by project as to what's been constructed.

Mr. Mason: Well, how do you define special needs, then? You know, do you have a definition that you use?

Mr. Denis: As I mentioned earlier, people who have mental or physical disabilities, people who have addictions, people who are victims of violence, people who are wards of the government, or people who are defined as difficult to house.

Mr. Mason: Okay. And you don't know how many there are?

Mr. Denis: We could tell you the amount of units.

Mr. Mason: No. What I'm trying to figure out here is the number of people to see if the number of units is adequate.

Mr. Denis: It doesn't say that everybody who has special needs requires housing. I'm not quite sure what you're getting at.

Mr. Mason: The number of special-needs people who require housing: you don't have a measure, obviously.

Mr. Denis: No.

Mr. Mason: No. Okay. Those are all my questions. Thanks.

The Chair: Thank you, Mr. Mason, and thank you, Minister.

At this point we'll go to Ms Sarich for the next 20 minutes or part thereof in an exchange with the minister or 10 minutes and 10 minutes, at your preference.

Mrs. Sarich: We'll do an exchange if it's appropriate for the minister.

Thank you very much, Mr. Chair. I'd just like to open with a couple of comments. There seemed to be a little bit of a lively discussion about the interrelationship between federal-provincial-municipal in this particular area of affordable housing. Having been to one of the openings of an affordable housing unit in the constituency of Edmonton-Manning a number of months back, it was pointed out quite eloquently – and I do recall – by the elected representatives at the federal level and the municipal level on the working collaboration between three orders of government in this very large, priority area making a difference at the community level for all those in need, as you so eloquently put it, Mr. Minister, in terms of trying to drive the dollars into the hands of the people. I just use that phrase quite loosely because, actually, affordable

housing is providing a livable space, secure and safe. In Edmonton-Manning it changed the configuration in a positive way to a community and enhanced the community.

Also, I do recall some of the stories that were shared at this particular opening by people who were going to be coming into that affordable housing unit, the sense of pride that they had, and the difference that it would make to their quality of life. I didn't hear any negative commentary by any members of the public that were there in terms of the priority that three orders of government gave to this very important issue.

Actually, it was complimentary that three orders of government are working as best they can, hand in hand, to really make a difference in the quality of life of people who really need this type of new opportunity in their life, an affordable living space that enhances their quality of living and contribution to the community. There was a lot of pride shared that particular morning by the people who would be on the receiving end of the affordable housing opportunity, including just touring around what that opportunity would look like and really making a difference to the families and individuals coming in there and the difference that that would make.

I really appreciate that it is a complex problem, and it's very important that three orders of government where possible keep moving forward in regard to trying with, you know, these considerations of dollars. Given our economic crisis across the country, even with this province, we're responding as best we can, and we're economically far better off than some other jurisdictions in the western hemisphere to respond very appropriately, this being a high-priority area. I thank you for that. Certainly, a lot of individuals on the receiving end were very thankful for the support.

I'd like to make the point that members of the public also point out me as an elected representative that the government needs to care for people who are the most needy. Certainly, over the course of time and, in particular, the last number of years the priorities have been, you know, quite front and centre in that regard. Certainly, people who have come to my office to visit me say, "Gee, you know, if we had to choose that the government could do a little bit more for the needy people, please keep that in mind and shoulder that responsibility because the need is so great, and we try to have the dollars spread."

I don't know if you wanted to add anything further. I'd provide you with that opportunity about, you know, different levels of government working together and that collaboration and how responsive you're trying to be. I'd like to just begin with that.

Mr. Denis: Well, thank you very much for your comments and your support of our programs. One of the things that I've often found is that, you know, the government isn't always the best vehicle to be providing the services directly. Through dealing with these third-party organizations that we do, it enables us to stretch taxpayers' dollars further.

At the same time, they're on the ground. They're in the local areas. They know exactly what's happening. They provide, actually, their proposals through us. We audit their statements. There's full accountability. I'll give you an example. We announced \$12 million today going to the Mustard Seed, the total of that in both Calgary and Edmonton, to construct 112 new units. I look down, and the amount of money that they're raising on their own is around 35 per cent. You wouldn't have that if you just dealt directly with the government itself.

Having this program as well, we also can have a more coordinated approach across the whole province than an individual municipality can. If we simply handed over money back to them – guess what? – there's no accountability. We have no idea what the

money is going to be spent on, if it's spent on a \$25 million bridge in Calgary. We don't know exactly where that goes.

Other statistics show that you have about a 2 or 3 per cent increase in administration costs. It may not sound like a lot of money, but \$2 million or \$3 million is a lot of money when you look at how many people in need of affordable housing you could house as well.

We also have established some good collaboration with the federal government through Canada's economic action plan. That does apply to Alberta as well even though we're the richest province. We do have good collaboration with municipalities as well as with the private sector.

Our ministry itself, actually, has 149 full-time equivalents. It's one of the smaller ministries. We haven't grown. We have, in fact, a complete freeze on hiring as well. I always ensure my office is efficient, down to my constituency office as well. We have over 400 agreements with 127 housing management bodies, 36 nonprofits, 39 municipalities, and 200 affordable housing proponents. While we have had a reduction in our spending this year by about 19 per cent, at the same time that just simply reflects the completion of the amount of transfers that we did to municipalities the last few years.

Our business plan is solid. I look forward, though, to the next year to try to get even better, to try to put in performance measures on a year-by-year basis so that we can judge our own ideas and our own measures. I always feel that it's good when you have a goal in place, and that also is going to be establishing that goal.

I mentioned earlier about the identification issue, that I think is an important initiative. It will cost relatively little, but at the same time it will give people identification. They'll feel like persons. They'll feel like functioning members of society, and that's where we want them to be. We want them to be able to have an Alberta ID card so that they can open up bank accounts, as I mentioned before.

At the same time, we want to move forward, and the measure of the success in this ministry to me is not so much how many units of affordable housing we build, how many people we help through rent supplements, however important these things are. The measure of success is how many people you can bring off the rolls entirely to become fully functioning, taxpaying citizens contributing to the system that they once received from. I think that that is where the ultimate goal has to be, assisting people, giving them the dignity, giving them the choice to get to that measure as well.

8:40

Mrs. Sarich: Well, thank you very much. I also thank you for providing that clarification on the proponents. That's what the difference is in the model that your ministry has in terms of providing the dollars directly to those stakeholders at the ground level so that they, indeed, can go ahead and service very appropriately the people in need.

I know that I have asked you, more or less, a very high-level policy question, but I was wondering if you could just clarify. In your budget on page 169 the ministry statement of operations indicates on the revenue side transfers from the government of Canada, and for '08-09 there's a significant number, \$107,422,000. Then as the projection goes across to 2012-13, these numbers fall down. It falls down in '09-10, and the forecast is to go up a bit and then for the targets for the future a little bit down. I was wondering if you can explain what the transfers are from the government of Canada and why the variances over the number of years as identified on page 169.

Mr. Denis: Basically, we've received revenue, as you mentioned, from the government of Canada. The total amount is \$75.89 million. The breakdown of that is \$11 million to the rent supplement

program, \$4 million to the special-needs program, \$38 million for the affordable housing request for proposals funding as part of Canada's economic action plan, \$22.69 million to retrofit or regenerate social housing as part of Canada's economic action plan. We received \$0.1 million from rental revenue in the Gunn Centre, another \$0.1 million based on the number of off-reserve First Nations aboriginals who are residing off reserve and accessing accommodation and supports through the Gunn Centre and the Urban Manor. The \$58.09 million increase from last year's budget to the forecast is the funding as received from Canada's economic action plan.

Mrs. Sarich: Very good. Thank you.

You have spent a bit of time addressing the area of accountability, and I'd like to just kind of swing back to that area and get you to maybe highlight the performance measures or targets set. In particular, one of the primary goals that you've indicated quite frequently is to have Albertans move from, you know, the current situation into the supported-housing situation. I'm just wondering: when they have this type of movement, are you setting or do you have any clear performance measures for the success around that, moving from supported housing to nonsupported housing? That would be another success. They don't need the support anymore because they're contributing with pride to the community at hand. If you could just speak a little bit about that.

Mr. Denis: I agree with you that these types of performance measures are important. We're actually in development on the one that you talked about. You can expect to hear from us over the coming months on specifically where we want to end up. As I mentioned before, I'm more about outcomes than anything else, not just about how much money we spend, how many units we build, how many people we assist with rent supplements. Again, those are important but, at the same time, how many people we can actually move towards independence on their own. I've actually launched a full review of the ministry's performance measures and will be developing a new set of objective, outcome-based performance measures consistent with my objectives. This approach will include evidence-based indicators that align with government best practices. Again, you can expect to hear from me in the coming months about that.

Mrs. Sarich: Okay. I think there was a number thrown around a little bit loosely of about 89,000 Albertans that receive basic shelter space; for example, subsidized rent and affordable housing. I think another member had asked about the tracking of that so that you would have an indication of at what point they become self-sufficient. Is this part of what you're looking at in the coming months, or do you have hard data and results at this point to share with us?

Mr. Denis: We're actually just in the process of looking at that, and we can get back to you in the coming months as well.

Mrs. Sarich: Okay. I guess, more specifically, that Alberta takes pride as a government to try to provide leadership in this area. You've talked a little bit about having the 10-year plan, and it is a lead initiative for our province. I'm just wondering: when you're looking at these targets and performance measures, would you be positioning, again, a lead role in that, or is there any other jurisdiction that you would be benchmarking against to find some things that might be helpful in crafting what you're going to be looking at?

Mr. Denis: That is a good point. You're right that we are the leader

in this respect right now, but at the same time I tell my ministry staff that there's always room to improve. We're actually doing a full jurisdictional audit right now designed to forever keep improving the services that we provide with the greatest efficiency to the taxpayer.

Mrs. Sarich: Okay. You did touch upon earlier this evening the decrease of a hundred million, roughly, in the department, and to the best of my recollection I think another number that emerged – or maybe it didn't – was about 115,000 Albertans receiving support. I'm wondering: with the reduction, for the Albertans that are receiving support, what would a person on the ground receiving the support see or experience with the reductions within the department?

Mr. Denis: I would suggest to you, respectfully, that the answer would be very little, if any. Most of the reduction this year has been the completion of the \$100 million transfer we were doing to construct more affordable housing directly to the municipalities, mostly to Calgary and Edmonton. We have completed our obligation under that point, and having completed that, that's the bulk of the reduction. There's been some good work done at the municipal level, but at the same time in the future under my watch my goal is to have this done on an individual, case-by-case basis through our RFP process.

Mrs. Sarich: Okay. My last question, Mr. Chair, is more about the relationship, because I'm an elected representative here in the metro centre of Edmonton, and I appreciate that you're from Calgary, but I'm wondering if you could shed some light. We do have a migration of people coming into the large metro centres, and that would include Edmonton, Calgary, and other communities that have the migration of people coming in. The need is really great. I'm just wondering if you could speak to the relationship in particular because Edmonton as a city and the city council have their homeless strategy as well. What level of collaboration, dialogue would be existing between the province and the city of Edmonton? Is there anything that would be notable to highlight at this point in terms of current and as we look to the future?

Mr. Denis: Well, Alberta's 10-year plan to end homelessness supports and harmonizes with these municipal plans. They may have their local plan, but it's also in concert with us. It's not a duplication of effort.

Those are the comments I would make.

Mrs. Sarich: Okay. Thank you very much, and thank you very much, Mr. Chair, for the opportunity.

The Chair: Thank you, Mrs. Sarich. Thank you, Minister.

At this point we'll go to Mr. Hehr for an exchange with the minister.

Mr. Hehr: Well, we'll just go back and forth. Is that okay, Mr. Minister?

Mr. Denis: Absolutely.

Mr. Hehr: We've had a lot of talk tonight sort of on the 10-year plan to end homelessness. I understand that the province has one; the city of Calgary has one; Edmonton has one. Sometimes, though, we've had quite a bit of discussion. I know they're not working at separate ends. You are very active, your department is very active in the 10-year plan in Calgary and the same with Edmonton and the like. They're not stand-alone plans. I guess that on that front, how

much, say, in this year's upcoming budget would the Calgary plan to end homelessness be? How much would be provided by the provincial government?

Mr. Denis: I'll get you that number. Just a second.

Mr. Hehr: Okay. And what would that be as a percentage, roughly?

Mr. Denis: I'm just going to do the current year. I can't go further than that, if that's okay.

Mr. Hehr: That's fair enough.

Mr. Denis: In the RFP Calgary got \$47.9 million, roughly; Edmonton got \$39.8 million, ballpark; and others, \$12.2 million.

Mr. Hehr: Okay. What would the total budget then be of, say, the Calgary plan to end homelessness this year? Do you guys have that number?

Mr. Denis: It's \$63 million, ballpark.

Mr. Hehr: And that's coming from the city itself or some business institutions?

8:50

Mr. Denis: It's coming from us, actually.

Mr. Hehr: It's coming from you guys as well.

Mr. Denis: Yes.

Mr. Hehr: It's the Calgary plan to end homelessness, but essentially it all rolls through from the Alberta plan to end homelessness. We're just calling it sort of different names, and different communities are taking more of a lead. Is that fair?

Mr. Denis: Yes.

Mr. Hehr: Okay. That's the way I sort of understood it. Thanks for that clarification.

If we could talk a little bit about, then, the rent supplement program. I believe that you said there were 80,000 people currently being served under that program.

Mr. Denis: Roughly 80,000 people, yes.

Mr. Hehr: Okay. Could you provide me with a little bit of a breakdown of where those people primarily are? Would those be in the cities, in the country?

Mr. Denis: Primarily in the cities. Almost all of our programs are largely localized to Calgary and Edmonton. Not to discount the importance elsewhere; that's just where the need is.

Mr. Hehr: Okay. For the rent supplement plan, is it exclusively, say, Fort McMurray, Edmonton, Calgary, Red Deer, Medicine Hat, Lethbridge, or are there any in the small towns? Like, do you actually have a breakdown?

Mr. Denis: Oh, yeah. There are, really, the two major cities, the five smaller cities, but then there are also some other that we do. Again, the vast majority is into Calgary. You want some numbers?

Mr. Hehr: Exceeding 95 per cent in the major centres?

Mr. Denis: I don't think it's quite that.

Mr. Hehr: I know my precision in language isn't very good. Vast majority is a difficult thing to quantify.

Mr. Denis: That's fine. You've got a good point. I can't give you an actual percentage. I can give you a bunch of numbers if you want.

Mr. Hehr: If at some point in time you give me those numbers, that would be great. Just shuffle them off to my office through the chair.

Mr. Denis: We'll provide those to you within two weeks, okay?

Mr. Hehr: That would be good.

There are 80,000 people currently getting a rent supplement. You said that 10,000 people were on a wait-list to get the rent supplement. Is that what I heard?

Mr. Denis: And social housing, yeah.

Mr. Hehr: And social housing. Now, would those 10,000 people on that wait-list include the people at the Calgary Housing Company who are currently on wait-lists there?

Mr. Denis: Yes.

Mr. Hehr: Yes. Okay. Now, when people call in, say you get a new person applying for rent supplements, are they then informed, "Well, you'll go on a wait-list, and there are 10,000 people on it," or are they just added to that list?

Mr. Denis: They're asked to establish their eligibility first. Once that's done, then we go and assess their need. Does that answer your question?

Mr. Hehr: Well, yeah. I guess they've applied, and they're then let known whether they're on a wait-list or they're going to receive the benefit right away.

Mr. Denis: First off, it's determined if they're eligible or not. So if you apply, there's an initial screening. I guess you could call it maybe a summary judgment in our old lexicon. If they don't meet it, they're obviously taken off. If they do meet it, then they go into the system.

Mr. Hehr: If they do need it. If they do need it and they're worse off than someone already getting a supplement, they get that supplement, right?

Mr. Denis: Yes.

Mr. Hehr: That person who was less worse off who was currently getting a supplement, does he get tossed off then because you're only playing with 80,000, or do you create another space for another individual to go on at that time? Do you sort of see what I'm getting at? Is that a finite number, the 80,000 people that you're helping, or does that number continue to grow?

Mr. Denis: It's roughly a finite number. Again, 80,000 isn't the

exact number. It's the approximate number, but it is a finite number based on the budget that we have.

Mr. Hehr: Okay.

Mr. Denis: Does that answer your question?

Mr. Hehr: Well, primarily. So you're not looking at expanding that even if, theoretically, 20,000 more people came in that needed to be in that 80,000. You would not have the budget room for that number to grow to 100,000.

Mr. Denis: If we had that many high-need people, we'd have to look at going back for a supplementary estimate. But that's speculation, okay?

Mr. Hehr: I know it. I understand. Well, what we do know is that there are 10,000 people who currently qualify who are not getting the service.

Mr. Denis: Who are on a wait-list.

Mr. Hehr: Who are on a wait-list, but they're not getting their rent subsidized although they qualify.

Mr. Denis: That's correct, yes, approximately.

Mr. Hehr: Okay. Fair enough.

Now, how long can an individual or a family be on a supplement?

Mr. Denis: It's reviewed annually. It's a one-year benefit review.

Mr. Hehr: And then after that year, if their economic circumstances are still the same, they continue on with that.

Mr. Denis: They continue on, yeah.

Mr. Hehr: Okay. Now, for instance, are there any initiatives for your department to eventually intervene, offer some services? Do we look at that person as a low-income person forever, or are they referred to other organizations in the government to try to better their circumstances?

Mr. Denis: This is basically supporting people to independence. One of the performance measures that we're looking at, the most important to me, is how many people we can help become independent. You make a good point there. I think you're kind of on the same page as me, to be honest.

Mr. Hehr: Needless to say, yeah, there is going to be a large portion of these people who may not be able to get off the rent supplement program, but there may be some that with a little bit of intervention or direction may be able to. That's all I'm suggesting.

If we look to the discussion that we had earlier tonight on disability housing, you note that there is some disability housing being provided through your ministry.

Mr. Denis: That is correct, yes.

Mr. Hehr: Approximately how many are being built this year?

Mr. Denis: Some, actually, have been built in your constituency.

There are 1,600 existing. There were 90 new units in 2009-2010 and 100 in 2010-2011.

Mr. Hehr: Okay. Now, this is primarily, obviously, going to be a niche question. As you're aware, I have a spinal cord injury, so I still hang around with a lot of people with spinal cord injuries. I went to CPA meetings on the weekend.

Mr. Denis: How was it?

Mr. Hehr: Very good.

One of the things we were talking about primarily is housing. There seems to be a difficulty for people with high needs, quadriplegics, to both find housing and then co-ordinate that with self-managed care or some other government program to either live in the community and/or live in a group home or something to that like. I know this is a lexicon you'll enjoy: I like my severely disabled to have choice.

Mr. Denis: You're very perceptive.

Mr. Hehr: That's a word you Conservatives love, so I'll use it in this thing. I want them to have choice, housing choice. Choice often for a person with a severe disability means a group home setting or some sort of government support within the community. Needless to say, the government is playing a role in a bit of their lives.

It appears to me, at least what was coming out at this conference, that there's a severe lack for people with severe disabilities to live in the community, and they're finding temporary residence, hopefully temporary, in some of our aging or other facilities that may not be in their best interest, long-term care centres that, I would submit, once a person goes there, it's more difficult to get out than if they go to an independent living situation or somewhere else. Is your ministry working with Health? Is your ministry looking to co-ordinate some of these things? I'm just basically looking for your direction, whether you guys have been aware of this, whether you guys are aware that this is happening out there.

Mr. Denis: We're working with some of the partners on assisted living, actually. I agree with you that organizations like that are going to have a more acute understanding of the specific needs – I don't know if this is the right verbiage or not – of people in your community.

Mr. Hehr: Yeah. I know what you're talking about.

Mr. Denis: I mean the greatest respect.

Mr. Hehr: Yeah. I understand that. I think a lot of that comes around the self-managed care, that there is some review of that program as well as other things, rehabilitation, the whole thing that's going to have to be co-ordinated with your ministry as well as Health and Wellness. Let's face it – and I'm jumping around a bit – probably out of the 933 homes you provided this year to the chronically homeless, back to what you were talking about, they have some sort of disability, whether it's a physical or a mental disability. I think you'd agree that the vast majority of those people had some sort of disability, the chronically homeless.

Mr. Denis: Yeah, I think that's a fair comment.

Mr. Hehr: We're housing the disabled here when we're talking about the chronically homeless, generally.

9:00

Mr. Denis: As I mentioned to Mr. Taylor earlier, the issues – when I say issues, I mean addiction or disability, as you mentioned – are much more acute in people who are homeless than in the regular population.

Mr. Hehr: Yeah. I was at the same meeting you were, and we were actually talking. Basically, the Housing First model is essentially how Alberta should house our disabled population. Maybe we were being a little bit too obtuse or a little too joking within the community on that, but that was our conclusion on that day. Hey, we applaud that, but let's call that what it is. We had 933 people, probably with significant needs, living in not so great circumstances, but I just open that door, that some of the bridges between your ministry are probably going to have to go through to health to look at those things. Is that a fair comment?

Mr. Denis: Yes, it is.

Mr. Hehr: Okay. Well, then I think that's about all I had to say. Thank you for listening, and thank you for trying to provide me with the answers when you were able.

Mr. Denis: Thank you for your comments.

The Chair: Thank you, Mr. Minister. Thank you, Mr. Hehr. At this point we'll go to Mr. Benito.

Mr. Benito: Good evening. Thank you very much, Mr. Chairman. Minister, it's a pleasure talking to you and meeting here on your budget estimates. I guess we still have time. Thank you for the opportunity. My first question shouldn't be interpreted as disrespectful to your ministry because I'm just trying to find out, really, the meaning of this 10-year provincial plan, which was announced March 2009, that basically is trying to end homelessness. When we say, you know, a 10-year provincial plan ending homelessness, does this basically include the homeless in the affordable housing situation in our province?

Mr. Denis: Affordable housing is very different from homelessness, and that just deals directly with homelessness. I'll tell you that we are ahead of schedule on both of these issues, but again they're very, very separate and distinct as to where you want to look at the performance measures. I'm guilty of even confusing the performance measures in a few of them myself, but they're separate and distinct.

Mr. Benito: Okay. Thank you, Minister. So basically what you're saying when you say the 10-year plan for the homelessness program is that it's really focused on the homeless plan for this province.

Mr. Denis: Yes.

Mr. Benito: Okay. My follow-up question on that is: based on the information you're receiving, based on the program that you have, and based on the situation in the country of Canada where everybody can go in and out of this province, do you really believe that this objective is achievable?

Mr. Denis: Yes, I do. I believe not only is it something that we can do; it's something that we must do. I mentioned earlier to Mr. Taylor that, you know, I very easily could have become an individual who needed some assistance, and I have compassion for people

in that situation. You see this throughout the entire province, and I think it's something that we can and must do.

Mr. Benito: So what you're saying there is that within the next 10-year time period – you know, we launched the program in 2009 – by 2019 we basically would have no homelessness problem in this province?

Mr. Denis: We want to end in a situation where individuals who are homeless present themselves to a shelter and are channelled to more permanent housing within 21 days. That's the vision this Premier has, and that's the vision that I share.

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

Lets go to another subject. A supplemental question on the performance measures you have for your ministry. You know, the wait-list of 60 days or less and the objective of accomplishing for people who live in the affordable housing that they can leave after a year are some of the few performance measures you have. When can we expect this ministry to take accountability on the other performance measures you have?

Mr. Denis: You can expect that in the next few months you'll be hearing from us on these performance measures.

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

Now, you mentioned before that there are about 3,000 more units to be processed, part of the 11,000 housing units by 2012.

Mr. Denis: That's correct, yes.

Mr. Benito: Have you considered some of the other technology and housing programs that other countries are doing to meet this objective?

Mr. Denis: We're looking at other provinces, but we also have looked at some things happening in the United States. I met with a gentleman from New York a few weeks ago about this.

Mr. Benito: Thank you for that. I'm just wondering: have you heard the idea of what they call portable housing?

Mr. Denis: No, but if you wanted to provide me with some information, I'd be happy to look at it.

Mr. Benito: Very good. I'll probably send some information to you on that.

Mr. Denis: Thank you very much.

Mr. Benito: I think that's all the questions I'm going to ask, Mr. Chair.

The Chair: Thank you, Mr. Benito. Anyone else wishing to speak this evening?

Mr. Rodney: I would just like to thank the minister, his staff, the chair, and everyone around the table because this is number 5 of five estimates, and it's been both educational and entertaining. A lot has been gained, and I think it's all for the greater good. Again, in a word, thank you.

Mr. Denis: Thank you.

The Chair: Anyone else?

Seeing none, the estimates of the Department of Housing and Urban Affairs are deemed to have been considered for the time allotted in the schedule.

I would like to thank everyone for their participation here this evening. Thank you, Minister, and your staff. A very much appreciated thank you to Jody and the people that have supported us this evening.

With that, this meeting is adjourned.

[The committee adjourned at 9:06 p.m.]

