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Standing Committee on The Alberta Heritage Savings Trust Fund Act

Tuesday, October 3, 1978

Airdrie, Alberta

Chairman: Dr. McCrimmon

1:40 p.m.

MR. CHAIRMAN: Good afternoon, ladies and gentlemen. We'll call the meeting to order.

This is the first field trip of the committee for the Alberta heritage trust fund. As the program out here comes under the Alberta investment division of the Alberta heritage savings trust fund, we felt that this would be a proper and opportune time to come down, check it out, listen to your complaints, if any, your praise, if any; talk to the people who have built the project, to those of you who have homes invested here; and to see how things are going.

We have no particular program. Mr. Mayor, do you have any suggestions with respect to the town of Airdrie with regard to the project over here?

MR. BENNETT: I have just a little brief I'd like to run through with you.

MR. CHAIRMAN: Fine. Perhaps we could start with you, Mr. Mayor.

Perhaps before we start I would like to introduce to you the committee. On the far end is Dr. Backus; Bob Clark; Mr. Notley; our minister in charge of Housing and Public Works, Mr. Chambers. At the far end is Mr. Kidd, who is not on the committee but who is the MLA for the area here; Mr. Taylor; Mr. Eric Musgreave; Mr. Kroeger; Mr. Planche; Mr. Horsman; and my name is McCrimmon.

With that, Mr. Mayor, if you would like to carry on.

MR. BENNETT: Well, first of all I'd like to take the privilege of thanking you people from your busy schedule to have an interest in the project here and to come down. There have probably been lots of rumors, pro and con, floating around the country on the particular thing, and I think the best way to get to the bottom of it is to talk to the people involved. I'd just like to welcome you to the town. I hope that what you see here and what you hear today will be taken in seriousness. There are some serious problems, and I hope that when the procedure is all finished we will see some results.

So with that introduction, I'll just continue and run briefly through a quick history of the project which first of all started off a little over two years ago through the purchase of this land, which was unknown at the time to the town of Airdrie -- that the purchase was going on. We weren't aware of this project even being planned until after the land had been purchased, and we were then told what was planned for the area and what we thought of it. We didn't exactly like that approach, in what we were told that it would do for the town and the planned subdivision that was laid out to us at that time. We felt it could be a first in Alberta. I'm very familiar with many mobile-home subdivisions throughout the world. There are some very beautiful ones, and I

thoroughly believe that the one we have over here can fall into that category, but in order to do so there have to be some very immediate steps taken.

From there we dealt with the Alberta Housing people at numerous meetings, outlining and working together on how the thing would develop. Everything sounded very good to us. Had those procedures been followed I think we would have a very beautiful mobile-home park over there today.

Now if you have had the time to tour our town at all, I always use as a comparison on these two developments, the Alberta Housing development and the Atco development. They were both started within a month of each other. As you can see, the Atco development is very well under way, very well managed, 90 per cent filled with people. You compare the development of the mobile-home subdivision, and it's about a year and a half behind schedule.

Now from the town's point of view we're encountering lots of problems with it. We've got quite a few situations where last fall there were commitments made to a lot of people who had purchased properties in that development, who had given up residences where they were living on the promise that they could move in there in the fall. As far as the town was concerned we didn't want to let anybody move in there because it was certainly not ready to take any development of homes, mobile homes, or modular homes of that type. So there was a critical problem that had to be dealt with, and we couldn't very well see these people out on the street, so to speak. So it was mutually agreed between Alberta Housing and ourselves that we would allow a certain number of these people to move in on the basis that every effort would be made early in the spring to try to complete the project and get these people into as comfortable living conditions as possible.

There were approximately, maybe, 80 to 100 people who moved in throughout the winter. They have suffered some extremely difficult hardships over there, plus extremely high expenses to them because there's a lot of people who can't afford a lot of the extra expense. In many cases it's their first home, and moving into it they don't know that much about developing a home and they're relying on the guidance that they get from their solicitors and Alberta Housing. They get so frustrated they don't know where to turn. They come to the town. Our hands are tied, from the point of view that it's not our development yet. We really can't do much about it other than try to work with the Alberta Housing people to get the project under way and completed as quickly as possible.

I realize that throughout all the various meetings we have had there have been excuses, as we call them; that there have been cement strikes, there's been this strike, there's been that strike. As far as I'm concerned and as far as the town is concerned, we don't buy any of that. Every other developer in this town as well as other towns has got through these projects. What we feel is the biggest problem over there in not getting that project done is the management of the thing. I don't know if this falls on the engineering firm that's looking after it, if it's on Alberta Housing people, or where the direction comes from, but as far as the town is concerned we ourselves here have the capability of taking that project over and completing it in very short time. But there have to be some decisions made. That seems to be the biggest problem with the whole operation: that there are no decisions coming from anybody that will resolve the immediate problems.

The other fact that enters into this is that the town of Airdrie is developing in a split on both sides of the highway. One thing that we have to be very cautious of is that we don't end up with a split personality within our town. When you have a situation that's developed over there, you've got people coming to the town, we can't really do anything about them, they

perhaps get the impression that we're not interested in them. We like them to be part of our town. We're doing everything in our power to help them, and to not get a split in our town.

I think the whole project is laid out well. Everything that we're trying to do has been thought out very well. If it can all develop on schedule with not too many delays, our town will develop and will be an awful nice place to live, on down the road. We're in a difficult situation here in Airdrie because we're probably the fastest growing town in almost all of Canada as this point, if you compare it to population increase per annum. It's been very difficult for council to stay on top of it, but we feel we've had good expertise, advisers through engineering firms, legal advisers of this type; that we're well on top of everything. We're not suffering any financial strains; we don't anticipate any in the future. But the one thing we are suffering is an awful lot of frustrated people moving in. This makes it extremely difficult for us to deal with.

We had, for example, one party at our council meeting last night. He was told by Alberta Housing that the town will issue him a building permit, while we were instructed that we can't issue any building permits until they're fully completed. Now this fellow is living in a school bus. He has small children. He's living in the trailer park down the road, the camper spot. Winter's coming on. He's got no place to go. And he was promised that he'd be in on June 1. These kinds of things. So it makes it extremely difficult.

Our feeling here is that the management of that mobile-home subdivision, either through the engineers or through the management of Alberta Housing, has got to change. We've got to be given some definite answers, or if we headed in . . . We haven't signed a developer's agreement with phase two yet. We're not about to sign a developer's agreement with phase two unless we've got some firm commitments in writing with Alberta Housing before they start. We've dealt with four other developers in town who are progressing without any problems. With any development you have a certain amount of problems, but they're items that come before us, we discuss them, we resolve them, and things happen. It hasn't been that way with this project.

You can look at the thing. It's been in progress for two years. At the rate it's been going it's going to be another two years before it's completed. And the whole thing is just going to fall apart.

As well as that, Alberta Housing have a quarter section of land immediately south of the town that they also want to get started into with a housing development. We would very much like to take that quarter section of land over if there was anything that could be done, and let the town develop it, because we here in Airdrie know what we're capable of doing. We're very familiar with developers at this stage, and we can't see ourselves getting into another situation with another housing development immediately south going the same way.

Now we don't know where the blame is. This is what we hope you people can sort out. But we have problems.

MR. CHAIRMAN: Thank you very much, Mr. Mayor, for an excellent presentation. Do you have a copy of that presentation?

MR. BENNETT: No, I don't. It's off the top of my head.

MR. CHAIRMAN: We can get it from the transcript, in any case.

Perhaps, Mr. Minister, you would like to comment on the Mayor's remarks.

MR. CHAMBERS: Mr. Chairman, to the mayor, we always welcome constructive criticism, and this is an innovative project. It's an innovative concept in terms of selling land in lots to people to put on affordable housing. And it is affordable housing. A lot of them have been built under a \$46,000 upper limit guideline, and of course single units would come in appreciably less; \$52,000 is now our new maximum. So this is really affordable housing we're talking about.

I think that any time you have a new and innovative project, you're bound to have growing pains with it. I think we should all recognize that. You mention excuses, but these are real. There was a seven-month concrete workers' strike, which delayed the operation appreciably. The 115 days of rain up to September 20, and I think people who are familiar with construction know that you just can't lay asphalt and paving over a wet base; it has to take time to dry. So these have been real problems. Farmers experience problems due to rain, and everybody does. There's a developer in northeast Calgary who has asked for a year's delay on the project, again because of weather conditions.

So there have been significant problems. But with the weather improving lately we've been able to expedite, I think, the activity. You mentioned you thought it was a distress situation. I don't agree. I think the members of this committee have toured it today, and it's coming very well. It's looking good, and by next spring I'm just confident that those lots are going to be landscaped, the houses are going to be all in, and everybody's going to be happy. I've lived in a lot of new subdivisions in my time, in oilfield towns, in Edmonton, and many places, and I'm sure lots of other people here have too. When it rains you have mud, and that's a fact of life. Mud isn't pleasant, but I don't know any other way around that. So there are two sides to every story.

Maybe there are places where the Housing Corporation can learn from this. I'm sure we can. We welcome constructive criticism, but I think you should keep in mind that this is an innovative housing project, intended to create a lot of affordable housing for people, and I think if you will look at the affordability we've got here, if you look at -- just where else can you buy a lot for \$10,500, where else can you get into a house in Calgary or Edmonton for \$46,000, or under our new guideline limits up to \$52,000? I think committee members have looked at some of those houses this morning that are up at the maximum, and you see good bilevels and modulars, very attractive affordable housing.

So, frankly, I think we're by the worst. Hopefully the weather is going to improve and stay improved, and you're going to get that finished, very attractive, and provide really affordable housing for people.

You know, the Crown corporation is owned by the government, by the people of Alberta, and so a Crown corporation feels the need to be compassionate. For compassionate reasons we allowed people into the park last fall that probably a private developer wouldn't. But again, those were on compassionate grounds, and were well considered. However, it's obvious that in a new area the best thing to do would be to finish it completely before you allow anybody to move in. A private developer, I think, would tend to go that route rather than being compassionate.

So, Mr. Chairman, I hope I have responded. I do appreciate the remarks of the mayor, though. We welcome constructive criticism, and hopefully we'll all learn from this innovative new affordable home project.

MR. CHAIRMAN: Thank you, Mr. Minister.

Mr. Mayor.

MR. BENNETT: Could I just add one comment? I would like this committee to realize, and perhaps from other briefs we'll hear here this afternoon, that through the hardships that a lot of these people have encountered . . . You talk about affordable housing. I don't know if you're aware of some of the outside expenditures that some of them have had to go through in trying to get located over there. And I'm sure they're not finished with them yet. You know, at the start of this project, because of the different nature of the beast, so to speak, we thought seriously of putting a full-time inspector on the job to see that everything was built and constructed according to the town specifications that we had laid out for the project. Now we didn't do that. So we're probably a little bit negligent in that area ourselves, but we were convinced by the Alberta Housing people at that time that it would be an unnecessary expense as far as the town was concerned.

Looking back on the thing we wished we had done that, because we could have saved a lot of those people lots of money. It would have cost us money to have an inspector in there, but the on-site inspection that we were promised that would be there, just hasn't been. So consequently a lot of these people, we have no alternative but to reject their buildings because they're not constructed properly. Since July we have hired a building inspector who is looking after that project. It's costing us money, but when we're done we want to have it right. It's a difficult situation for a lot of these people. If we reject a resident over there because it's not put on right, these people are in a bad fix, because they're committed to the thing.

So there are other costs that I just want you all to be aware of if you drive through the streets over there. I make a tour through there about once every three or four days, and I noticed in the last two or three days that there is a lot of patching going on. If the Alberta Housing people feel that that is the end product of those streets, and expect the town to accept them as a developed project, they're going to have another think coming, because they're just like a roller coaster. A lot of that is going to have be torn right out, because if we don't do it we'll be doing it two years from now and it's going to cost the taxpayers of this town a lot of money.

These kinds of things I want you all to be aware of, and I don't know if in a half-hour tour through there you catch all these things or not.

MR. CHAIRMAN: Thank you, Mr. Mayor.

Any further comments, Mr. Minister?

MR. CHAMBERS: Just briefly, Mr. Chairman. I guess everybody is aware and should know that the contractor -- it's a tendered job -- is McNickol Construction, and the engineers who did the design and do the engineering supervision are Underwood-McLellan. I just pass that on for information.

But insofar as the Housing Corporation delivers serviced lots, individuals buy these lots, and they make their own deal with the mobile-home dealer, and of course a variety of manufacturers are represented here in the park. As a matter of fact, Mr. Chairman, I believe we have representatives here today from both the Canadian Mobile Home Association and the Mobile Home Dealers Association, whom people may wish to talk to. So I should just clarify that point for you.

MR. CHAIRMAN: Thank you, Mr. Minister.

Do you have any further comments, Mr. Mayor? Thank you very much for your presentation.

MR. CLARK: Mr. Chairman, just a minute. Can't we ask the mayor some questions?

MR. CHAIRMAN: Yes, you can ask the mayor some questions.

MR. CLARK: Your Worship, keeping in mind that what this committee has got to do is look at what's behind us but, more importantly, make some recommendations hopefully so we don't have some of the kinds of problems that may be present with us today, one of the points that you made a couple of times is no decisions being made. Without trying to put you on the spot -- and if you'd sooner not comment I'd certainly accept that -- can you outline to the committee some of the areas where you see the Housing Corporation or somebody having to make some decisions? I got the impression from your remarks that they had to be made fairly soon.

MR. BENNETT: Well, one thing we've always stressed -- and we have letters on file to this effect -- where we really pushed it, was about two or three months ago, we virtually shut the project down over there, requesting that an on-site project manager be there every day from eight to 10 hours a day. We feel there should be either a small trailer or an office set up there that has an Alberta Housing representative in it, whether he be the engineer or someone from Alberta Housing, that the people can go to and get some answers. Because right now they can't go to anybody and get any answers. So consequently they come to us. We try to everything that we possibly can to help them, but we don't have control of the project so there really isn't a great deal that we can do. We're in a very difficult position.

We think that's a must. Had that been done from day one, the project would have been completed a year ago. There's no question about it. They can talk about rain, they can talk about anything else, but we around here have watched all the other developments proceed. They worked through the same kind of progress, and there are ways, if you've got the right management people on the job, that you can get these things done. I think you know it as well as I know it, this type of thing. That, I think, would be the best move the committee could recommend: to put a good, strong, confident man with the parameters that he's got, some leeway, to deal with the problems on the site to get the thing completed. That would be our firm recommendation.

MR. CLARK: That would be your number one recommendation?

MR. BENNETT: That's right.

MR. CHAIRMAN: Mr. Planche.

MR. PLANCHE: Thank you, Mr. Chairman.

Mr. Mayor, you've made some remarks about the comparison between the progress that Atco makes and AHC makes.

MR. BENNETT: Right.

MR. PLANCHE: I wonder, just to give us sort of a scenario of what we're comparing, if you could advise us what the difference would be in lot prices

and home prices between the two, and whether or not the access to those Atco homes is on finished roads, and one thing or another as compared to that; and the number of houses involved, for instance.

MR. BENNETT: Okay. In the overall Atco development there are approximately 400 homes. Their homes range from \$46,000 to \$56,000. The project is about 80 to 90 per cent complete, to the point that people are living in the homes. The development itself is complete. There's still home construction going on in phases. I would say it's about 60 to 70 per cent people living in the homes now, with lawns, trees, everything completed.

If I was weighing the two, for a couple of hundred or \$1,000 more I can live in a home that's already developed. So I don't think there's that much difference in the prices.

Now as for their lot prices, I don't know exactly what they sold their individual lots for, because they built the homes themselves. So it's a little different in that respect in that they have control over the construction period of the home, too, where the other one, the mobile-home subdivision, is not that way. We do realize it is a hard type of development to control, because you've got virtually 300 independent contractors, so to speak, building homes within one developer's development. That's why we think it's just almost essential that there be an on-site co-ordinator or supervisor there every day eight hours a day, so that whoever comes in, they go to that office, and they say, okay now, here's what you have to do.

MR. PLANCHE: Is the access to that Atco property on finished roads, or do they have the same type of troubles they have over here?

MR. BENNETT: No, it was on finished roads from the south boundary of the town to their development.

MR. CHAIRMAN: Mr. Notley.

MR. NOTLEY: Mr. Mayor, you indicated that there was no discussion with Alberta Housing before they decided to proceed with the project, but there were subsequent meetings. During the subsequent meetings with the council -- first of all, did they occur reasonably frequently? And secondly, during the course of those meetings was the concern of the town expressed that there should be a project manager? That's something that has been formally communicated to Alberta Housing now for some time and that they haven't acted upon, or is it something that of late the town feels should be done?

MR. BENNETT: Well, from the conception of the project we were led to believe that this would be the case. We didn't really think it would be much different from any other type of development, where you have a developer come in and he sets up his on-site office and his engineer is there full-time as well as two or three other people, and they manage the project throughout. This is what we expected this development to be as well.

I'm sure that there was some on-site management, but it was from behind a desk in Calgary, or the fact that the engineer would make a pass through the site once a day. This isn't good enough on a development of this nature. Now, with the firm request that they have an on-site project manager, we came to this conclusion that we just insist on it about three months ago, to try to resolve the problems that we are running up against. Now I think the whole project, if it's handled right at this point . . . We've talked to a lot of

the people over there. They realize the hardships involved too, and I think if everybody pulls together, and everybody co-operates, including the residents -- and I'm quite sure they're prepared to do so if they can see some action, and I'm sure Alberta Housing is, and certainly the town is; but let's do it. That's what really needs to be done at this point. Don't go back and write reports and blame this person or that person. That's all behind us now.

MR. NOTLEY: What was the reaction, Mr. Mayor, when three months ago the town council came to the firm conclusion that a project manager would be necessary? And I take it your proposal would have been a project manager who would have fairly sweeping powers, including some powers to knock heads as far as the individual contractors are concerned whom people had hired on their own, and insist on certain standards, and who would be working very closely with your inspector. Would that be essentially your position?

MR. BENNETT: That's right.

MR. NOTLEY: What was the reaction of Alberta Housing at that time? Did they give any reasons as to whether they were going to consider it, or did they reject it? What was the response?

MR. BENNETT: Well, we were led to try to believe that they had on-site management. Perhaps what they call on-site management and what we call it are two different things. They have a managing consultant who is running the project. We want an on-site manager there, full-time, and it's never really happened yet.

MR. NOTLEY: So what you're saying is that Alberta Housing should go far beyond the normal position and not only be in charge of the site itself, but keep an eye on what 300 or 400 individual contractors are doing vis-a-vis 300 or 400 individuals who have obtained mobile homes. Are you not asking for quite a bit in that kind of submission?

MR. BENNETT: Yes, I certainly am. But I think in view of the situation and in view of the people who are over there, and the frustration that they're living with, that the government of this province has an obligation to pull this thing out and make it a first-class mobile-home subdivision. We think it can be done. The layout is there, everything is there, but it takes some overall co-ordination. Now whether the town does it, or whether the Alberta government does it, somebody has to do it. If they're not going to do it, we'll do it, but it's not really our problem as such. We feel that it's part of the package. We were told all this when the development was laid on to us, how all this would be handled. And this is how it was supposed to be handled. I think it's a very simple problem. You put a manager over there, give him the parameters to work in, and get the project done.

MR. NOTLEY: Thank you, Mr. Mayor.

I just want to take this opportunity, Mr. Chairman, to apologize to the people in the meeting that I'm going to have to leave. I have to catch a plane to get back to my constituency tonight. So, much though I would like to stay for the remainder of the meeting, I'm not going to be able to do so.

MR. CHAIRMAN: Fine, we excuse you.

Mr. Minister, perhaps you would like to comment on the mayor's remarks.

MR. CHAMBERS: Mr. Chairman, I appreciate the concern and advice of the mayor, and certainly take his brief and everything we hear here today under very serious consideration.

I would like to point out, though, that one of the reasons the Housing Corporation can deliver affordable housing in Alberta -- and you have to recognize that all costs associated with the development, and we sell those lots at cost, but all costs that the corporation incurs, whether it be administrative or whatever, go into that lot cost -- one of the reasons the corporation is able to sell lots at an average of \$10,500 is because it operates pretty efficiently. I could give you some numbers. The Alberta Housing Corporation budget this year is \$185 million capital, \$30 million in operating, and that's operated today with about 210 people. I challenge you to find another developer who can operate that kind of budget with those numbers of people. And I think overall they do a very good job.

I think we have to recognize again the construction is being built by a firm contract, by McNickol. The engineering contractor is a reputable, large, well-known engineering contractor, Underwood-McLellan. As well as having done the design, Underwood-McLellan have constant ongoing engineering supervision, which is to provide the technical direct supervision.

Now I think, Mr. Chairman, what I recognize here today is that we should improve our communication process, obviously. So I'm quite willing to consider that the corporation should have somebody here on a scheduled basis to meet with people who have concerns and try to solve these communication problems.

Insofar though as the sweeping areas that the mayor suggests, Mr. Chairman, of control, you know that would far exceed our mandate. Our mandate is to produce serviced lots for sale to individuals, and individuals make their own deal. They buy the trailer built by whatever manufacturer through a dealer, so that the construction of the piling or basement or whatever they use for a foundation is of course their own contractual arrangements. I think from what I've seen there are very few problems, but if there is a case of a problem well then your inspector surely has the right to say, hey, we don't accept that.

MR. BENNETT: That's right.

MR. CHAMBER: Redo it. That's fair game.

MR. CHAIRMAN: Mr. Taylor.

MR. TAYLOR: Thank you, Mr. Chairman.

I was a little astounded at the site to find out that there wasn't a project manager on the job. I haven't had any experience with housing, but in highways we wouldn't even consider the smallest job without having somebody on the site to deal with problems. From my conversations with some of the people over there, I think a project manager, someone who had authority to make decisions, would have solved a great number of the problems before they happened. For instance, the grade line is established by Alberta Housing, and that's very essential to have a proper grade line. But if someone builds above or below that grade line, then it automatically affects other houses, and if it goes too far, then you've got a real problem on your hands. I'm just saying this because I really feel that while Alberta Housing, the government of Alberta, is responsible only for part of this, that the people I found over there were really holding the government responsible for everything

on the site. And I think whether we like it or not, that's going to happen. So I really feel that we have to take extra precautions to make sure that things don't happen that are going to cost a lot of money to undo later on.

I'm saying this rather than asking a question because I feel that an on-site project manager with authority to make decisions would be a really good investment on the part of the government. When you have that many contractors you need a strong, knowledgeable man. But the contractors should make no bones about it that they have to live up to the decisions of that man. If that man makes a mistake, then you can deal with that. But it's far better than scores of people making mistakes.

One of the other things that worried me a little on the area is the drainage problem arising out of the grade line on sloping land. In some places this is sloping down and there's no place, at least I couldn't see any place, for the water to go, so it's going to run into the next lowest house. If you follow that right on you're going to have a real mess at the end of that particular street. I would think that that drainage problem should be looked at very, very carefully right away.

MR. BENNETT: There is a drainage system in the development.

MR. CHAIRMAN: Mr. Horsman.

MR. HORSMAN: I have a couple of questions, Mr. Mayor. They may not really be in your jurisdiction, but as we went around for a short while this morning I received two written submissions which I read. The complaints that I received dealt with concerns about delay, et cetera, but there were two things that came to my attention immediately. One was the question of a school location problem, and the other related to the question of law enforcement insofar as speeding vehicles and so on are concerned.

It struck me that first of all the question of where the school would be located, either in that subdivision or across the highway, is a very real issue, but I would think that that would be a decision of the appropriate school agency rather than the decision of Alberta Housing Corporation. Would you agree with that?

MR. BENNETT: Oh, most definitely. There are school locations set up, of which one is under construction now on the west side of the highway. There is a school location set up on the east side, which I am sure will be built when the population warrants it. The town has taken care and supplied the school sites through their public reserve fund at no charge to the school board for all of these developments.

MR. HORSMAN: The other question of police enforcement insofar as speeding motor vehicles and so on: that is, I take it, a responsibility of the town with a contract with the RCMP. Is that how you operate here?

MR. BENNETT: That's right. Yes.

MR. HORSMAN: So you would agree that that would be your responsibility.

MR. BENNETT: Oh, most definitely.

MR. HORSMAN: One other question. It occurs to me, too, that this committee can make certain recommendations, one of which could be that we recommend to

Alberta Housing Corporation that in view of the experience here they never get involved in this type of proceeding in the future. That's a possible recommendation that we could make. If you were to advise us as to whether to make that decision, what would your advice be?

MR. BENNETT: Whether to get involved in this type of . . .

MR. HORSMAN: In any future development of this kind.

MR. BENNETT: Well, I think the concept of the development and everything is fine. I don't look at it as being much different from a housing development. It's really of a very similar nature. But my own opinion would be if they go into a development of this kind, I think it's a good thing. I think it's a coming thing in Canada. The United States is full of these kinds of developments. They are very beautiful and they are very well accepted. But I think perhaps that from this project, which I understand is one of the first of its type, everybody will learn quite a lot. I think they definitely should be carried on.

MR. CLARK: Mr. Chairman, just two questions, Your Worship. What's the basic difference in price -- and I know it's difficult to get averages and so on, but I'm thinking in terms of the area we looked at this morning, and I think it was \$47,000 to -- \$53,000 is the new limit, Mr. Minister?

MR. CHAMBERS: Mr. Chairman, the new limit is \$52,000.

MR. CLARK: Okay, that's the new limit. What I'd like to get a feel for is the \$52,000 plus the costs that it would cost people to get their mobile home on site, in place -- how does that total cost compare to, let's say, across the street there, across the highway, over at the Atco situation, let's say for a comparable size? Can you give me some kind of ballpark?

MR. BENNETT: Just my own conclusion. I don't really know what the, say, \$52,000 figure includes; for example, on the mobile-home side if that includes, you know, a located home, fully developed, and everything.

MR. CLARK: Does it?

MR. CHAMBERS: Mr. Chairman, that is to be the total price.

MR. BENNETT: Some of the small incidentals, I'm not sure what they may come to, but I do know that the Atco homes intact, completely finished, and partially landscaped, sold for between \$46,000 and \$56,000. That would be for between an 800 and 1,000 square foot home.

MR. CLARK: The second question, Mr. Chairman. There seems to be quite a bit of agreement on the idea of a project manager of some sort. From the discussions we've had here with regard to the Housing Corporation, the Home Mortgage Corporation, and so on, one of the suggestions that's been made to me is that to finish this project and get it to where we all want to see it, if we could somehow arrange for a project manager who would work pretty directly out of the minister's office so he wouldn't be part of the Housing Corporation, the Home Mortgage Corporation, the consulting engineers, and so

on. I ask you pretty directly: is that the route you see us going? Or do
have some other . . . ?

MR. BENNETT: That's the route I'd like to see. If that could be set up I'd be
all for it.

MR. CHAIRMAN: Mr. Musgreave.

MR. MUSGREAVE: Mr. Mayor, I think perhaps part of your attitude in comparing
the Atco with the other one is that perhaps it was finished, as you said,
faster and perhaps they had more expertise available. I didn't see the Atco
one, so what I'd like to know is: in your opinion, is it as innovative as the
other one? Would you say the other one is better, or would say they're very
comparable?

MR. BENNETT: I would say they're very comparable. When both projects are
finished I think they'll be very comparable to one another.

MR. MUSGREAVE: So what you're saying in effect is that the fresh, new ideas of
the government have been emulated by private industry. Is that right? Or
would you take it the other way around?

MR. BENNETT: In the past year we've probably had as many as 20, or maybe more,
different forms of layouts presented to us on the various developments --
three or four different layouts with each one. So it's hard to say whether
yours is better or theirs is better. I think it's the type of development,
depending on the landscaping and the location of it -- which one fits the area
best.

MR. MUSGREAVE: That's my next question. Can you put any trailer in the Atco
one, or does it have to be supplied by Atco?

MR. BENNETT: No, the Atco one isn't a mobile-home subdivision. It's a housing
development.

MR. MUSGREAVE: It's a modular-home one, is it?

MR. BENNETT: It's a housing development. Atco built all the homes. Atco and
Engineered Homes.

MR. MUSGREAVE: So they had control over the development completely -- the kind
of housing, when it went in, where it went in. They had control over the
rough grading and everything else.

MR. BENNETT: That's right, everything.

MR. MUSGREAVE: They were in total control of the project.

MR. BENNETT: Yes, it's a little bit different in that respect.

MR. MUSGREAVE: Quite a bit.

MR. BENNETT: Quite a bit different.

MR. MUSGREAVE: Okay. This is what I wanted to bring out.

MR. BENNETT: That's where I see the act of a good, knowledgeable project manager co-ordinating all these things.

MR. MUSGREAVE: But they were doing everything. They were supplying the land, the services, the homes -- the whole package.

MR. BENNETT: Yes. So it's a little easier to control.

MR. MUSGREAVE: Okay. Thank you.

MR. CHAIRMAN: Are there any further questions to the mayor? Mr. Minister, do you have any further comments?

MR. BENNETT: Thank you very much.

MR. CHAIRMAN: Thank you very much, Mr. Mayor. We appreciate your remarks.

MR. BENNETT: I don't want to be strictly negative. I think we can come to grips with it. The thing I'm trying to stress to the committee is that there are problems. We're certainly prepared to sit down with you and work them out and help you, and anything we can do to get them resolved, because we'd like to see it developed. We think it can end up as a very nice model community, and we want it to be part of our town.

Thank you.

MR. CHAIRMAN: Thank you, Mr. Mayor.

MR. MUSGREAVE: Mr. Chairman, I think I would like to say I appreciate that sort of response from a municipal government. Having been a former member, I can appreciate the concerns.

MR. CHAIRMAN: Thank you, Mr. Musgreave. I believe we have a brief from some of the home-owners over in the project. Perhaps you would like to come forward, if you're representing the group.

MR. JONES: Mr. Chairman, I'd like to thank you and your committee for taking the time and trouble to come down here today. I'd like to thank His Worship for the words that he has spoken. I'd like to distribute a copy of the brief. I have one for each of the committee members.

For the benefit of the rest of the people sitting here, I might introduce myself.

MR. CHAIRMAN: If you would, please.

MR. JONES: I am Rick Jones. I was the one who authored the public notice informing the general populace of the subdivision on the east side of the highway that the committee would be coming down here. I hope I have caused no hard feelings in taking it upon myself.

I think what we'd like to do, Mr. Chairman, if it's agreeable to you, is to work through this brief. A small committee of us have sat down and hammered this thing out with what we feel are valid statements.

The first point of discussion would be the access into our subdivision. The condition of the main entry roads, roads within the subdivision, and specifically the roads along which one must travel from home to Highway 2 or vice versa are the points we wish to talk about here. The main entry roads, consisting of the north and south access roads, have continually been in deplorable condition; that is, lack of proper maintenance for even a gravel road -- which the south access road basically has been -- resulting in a washboard and many, many potholes. This, I might add, has resulted in damage to vehicles. I know in my own instance I've had to repair the power steering in my car. I can cite other examples where people have lost mufflers and rims have been bent. This gets expensive.

The roads within the subdivision have been paved in the north section only of phase one, but the paving has been far from acceptable. I might stress that what you've seen today in your tour of the subdivision is not so bad. The paving crew has been working very quickly this last week, since the announcement last Tuesday in *The Calgary Herald* that you were coming down. I cannot argue the fact that this was done strictly for your benefit; in fact it may have been scheduled that way three months ago. I don't know. It just seems somewhat of a coincidence to me.

For example, Big Hill Circle has for three months been in a continuous state of disrepair, having been repaved only during the week of September 24. Big Hill Way has not yet seen pavement -- this is the area down by the cemetery -- although the curbs and gutter were installed towards the end of August, with the result that residents cannot pull their own vehicles onto their own property. The clay base for the street is approximately 20 inches to 2 feet below curb height. I don't think anybody here would expect an automobile to try to jump a curb of that height.

A manhole located in front of block 13, lot 34, has been left without a cover since July 1, 1978. I might add that that was covered yesterday. Water mains in this area have been under seemingly constant repair, which would seem to indicate lack of qualified or proper workmanship. Further to this, opposite block 12, lot 18, the water main has been broken, dug up, and repaired more times than I would care to recall. Now when I say opposite block 12, lot 18, I mean on the other side of the street. In fact, this main has run right into that particular party's lot. I'm sure if anybody walked from the bus stop north, they would have seen a nice area that in fact is not so nice. The rest of the lawn is there, and they have a nice patch of clay. Many residents in this area have gone without water for two to three days at a time due to construction or repair on these water mains. No prior notice was given. I know we ourselves were caught without water, and it's rather inconvenient.

The roads in the south section of phase one have yet to be completed. Consequently residents of the south section, who were verbally given a July 1 possession date, have yet to realize possession of their lot. I might stress that what I refer to as the south section of phase one is in fact the south section of phase one. The way the lot has been presented to us here, phase one incorporates that which you have seen today. Phase two is to the east of the road upon which you entered our subdivision.

The second point of discussion we feel would be that of a site superintendent. It is the feeling of both the residents of this community and the contractors working in this area that a site superintendent would do a lot to alleviate the confusions and problems in construction that have been blatantly evident. This superintendent should have the following responsibilities and authority: one, the total co-ordination of all

contractors and inspections within the subdivision; two, the total control of work and the authority to stop work if workmanship is substandard; three, direct communication with the Alberta Housing Corporation, the town of Airdrie and, should the need arise, the Minister of Housing and his committee.

The third point for discussion we feel is that of interim financing. We appreciate the fact here that while this committee has little or nothing to do with interim financing, the money dispersed from the heritage fund to the Alberta Home Mortgage Corporation for the mortgages of roughly 80 per cent of the residents in this lot are the concern of this committee. Most residents of this subdivision have financed through the Alberta Home Mortgage Corporation. A prerequisite of mortgage approval has been the arrangement of interim financing. This means in most cases the individuals concerned are faced with a rental payment for temporary dwelling until they can move into Airdrie Estates, coupled with an interest payment against their interim financing. In many cases, due to long delays, residents have carried the interim financing for many months.

A point in case. With the express permission of Mr. and Mrs. Al Moore, their case is as follows: approximately April 1, 1978 interim financing was arranged and the sum of \$500 was deposited with the bank concerned to prepay interest. As of October 1, 1978, they have received no proceeds from their mortgage. Consequently, they are looking at considerably more than the prepaid amount in interest charges. This hurts. While this is one documented case, there are undoubtedly many that parallel this one.

The fourth point of discussion we feel would be the schools and buses. Part of the initial feature of this subdivision, as stated by the Alberta Housing Corporation, was that a site had been set aside for a future school development. Considering the density of population already located in the north half of phase one and looking forward to an almost equal amount of people locating in the south of phase one, the question arises: how far into the future is this school? At present it is costing the residents money from their own pockets to bus their children into schools located west of Highway 2. These rates follow for grade and high school, and they're listed there. This amount covers transportation each way until July 1, '79. It is our understanding that at that point the contract with the buses will be renegotiated and the rates in fact may go up.

MR. HORSMAN: Could I just stop you there? Your brief says January '79, and you just said July 1.

MR. JONES: I'm sorry. January 1, '79.

For kindergarten, the satellite service bus has been hired to provide similar transportation at a cost of 50 cents each way. Statements from various people have brought to light that a percentage of the grade school rate will be recovered through application to the Department of Education, while the kindergarten rate will be 100 per cent refundable two or three months down the road. There has to date been no appearance of application forms or indication of exactly how to apply for these rebates.

The fifth point is commitments from the Alberta Housing Corporation. These commitments we feel have been made to us and have not been honored. The first point here is the future school, which we've just noted. Second would be a commercial site, and a quote from the brochure on Airdrie Estates, published by the Alberta Housing Corporation: "A 9.7-acre . . . site will be provided in the northern part of the subdivision." This for commercial use. Residents of this subdivision would like to know when, and what this site will entail. To

date there appears to be a body shop and a glass factory, which in fact are light industry rather than commercial developments. We'd like to know: has the zoning been changed? The third thing in this proposal is a proposed man-made lake. This was another selling feature. We'd like to know what the status of this lake is.

In summary, basically there has been no indication that the Alberta Housing Corporation intends to fulfil these commitments as advertised in the brochure on Airdrie Estates. If I might add one other thing: Mr. Minister, you state that the Alberta Housing Corporation in fact is a very efficient body of people. I would tend to agree with that only as far as the internal workings of their offices go; I would say certainly not in the field.

MR. CHAIRMAN: Mr. Minister, would you care to respond?

MR. CHAMBERS: First of all, Mr. Chairman, I'd like to compliment Mr. Jones for an obviously sincere and well-prepared brief. I don't think it's possible or necessarily expected that we respond to all points at this time. I would point out, though, with regard to the problem of paving I can assure Mr. Jones that the paving, while it maybe looked coincidental to him, the reason for the timing of the paving obviously is the weather. In order to get a good asphalt job, it's necessary to lay that paving over a very dry base. Moisture content is of course damaging to a paved road. When you get a day of rain and then you get a day of drying, it isn't quite enough and then it rains again. I might point out we had 115 days of rain this year to September 20. It's been very difficult to get that base dry enough to pave. So that's one of the basic problems there.

Of course the fact that the clay base for the street is approximately 20 inches to 2 feet below curb height: I guess that's one of the unfortunate items one has to tolerate until the road is finished, because there has to be height room there to put in the proper gravel build-up base and the asphalt.

You mentioned a manhole. Obviously that should have been covered a lot more promptly than recently. A very well-taken point.

You mention contact with the Minister of Housing. Certainly. My door is always open, and anybody can feel free to contact me.

Many of the other questions perhaps should be referred to your mayor. Yes, there is a commercial site laid out and allocated, but as to whether the town would wish the corporation to develop that in an integrated way or whether the town would prefer to do it in a different way I think is a sort of municipal decision, Mr. Mayor.

Again, the school site is there. But as to the timing of the school, again that's not within my jurisdiction.

In summary, I would briefly say I appreciate the constructive nature of the brief. It's well thought out. We welcome it, and the Housing Corporation will take into very serious consideration all points.

MR. CHAIRMAN: Are there any further questions to Mr. Jones?

MR. CLARK: Mr. Chairman, to Mr. Jones. One of the most often-heard complaints I heard this morning was the question of the workmanship on -- I don't what you use as the term -- these things some of the mobile homes sit on.

MR. KROEGER: Pilings.

MR. CLARK: Pilings, thank you. Workmanship in general. From your standpoint, Mr. Jones, where does that responsibility rest? Is it the town's responsibility? Is it the Housing Corporation's responsibility? Or has it been nobody's responsibility?

MR. JONES: As the minister stated in reply to His Worship's presentation, the contractual responsibility of Alberta Housing is to sell the lots and develop the land ready for individuals to move onto. At that point in time the individuals have either bought a package deal from individual mobile-home dealers, in which case the pilings were included in that, or they have privately contracted contractors to go out and sink the pilings for them. I believe that with a site superintendent we would have properly qualified workmanship. The pilings would have been inspected before being poured. We would have the right grade of concrete going into them. You yourself evidenced this morning that that concrete in some instances is not tolerable. I believe the responsibility to provide that site superintendent is the Alberta Housing Corporation's, because this is their development. That man should be on site until the development in fact is completed.

MR. CLARK: You called it a site superintendent and the town talks about a project manager. You're really talking about the same person.

MR. JONES: The same person.

MR. CHAIRMAN: Mr. Horsman.

MR. HORSMAN: To follow up on that point, I'd just like to know: have you lived on this lot for some time?

MR. JONES: I am a resident here for the past three months.

MR. HORSMAN: With regard to the construction problems you mentioned, how many contractors have there been? We've heard estimates of 300, but I assume that means 300 individuals, some of them doing the work themselves, some contracting out. Have there been half a dozen, a dozen contractors supplying these services for the construction and installation of these homes?

MR. JONES: In my estimation I would say there were no more than half a dozen actual construction contractors working on this site, possibly less. However, there does seem to be some lack of co-ordination.

MR. HORSMAN: I've heard reference this morning, in discussion with people who live there, that there have been problems with one or two contractors particularly and no trouble with others. Is that a fair assessment?

MR. JONES: That would be a fair assessment, maybe, based on individuals' remarks. It is not the intent of our brief as a community to pick a fight with individual contractors.

MR. HORSMAN: May I take it for granted that you approve of the basic idea that Alberta Housing Corporation is trying to develop here?

MR. JONES: Do I approve of the concept?

MR. HORSMAN: Yes.

MR. JONES: One hundred per cent. I approve of the concept; I do not approve of the way it has been handled.

MR. HORSMAN: So what you really think we have to do if we are to proceed with future projects of this nature is to install a sort of construction czar, if you will, with power over the individual contractors to make them shape up as far as their work is concerned.

MR. JONES: To quote the phrase: "shape up or ship out".

MR. HORSMAN: But you would insist that we enter into an agreement with the town or whatever municipality is involved that the Alberta Housing Corporation would supply that type of inspector services.

MR. JONES: I would be happy to see Alberta Housing supply that type of service, not necessarily from their own manpower but rather to go out and hire somebody who is qualified for the job.

MR. HORSMAN: However, it would be the responsibility of Alberta Housing Corporation to place on these sites somebody with a great deal of power over individual contractors?

MR. JONES: Yes.

MR. HORSMAN: And you see that as being the responsibility of the corporation rather than the municipality?

MR. JONES: Yes. This is the corporation's development, not the municipality's development.

MR. CHAIRMAN: Mr. Taylor.

MR. TAYLOR: I'd like to ask a supplementary on that, because there's the rights of the person whose home this is. I assume you're talking about enforcing standards that have been agreed to by Alberta Housing, the town, and the people, before they went on.

MR. JONES: Not only standards that have been . . .

MR. TAYLOR: Not to have control over what a person does. If he wants to put a certain type of paint or siding on and the contractor's going to say, I don't like that. Well, maybe the fellow's wife likes that. What I'm afraid of is that we're going to be interfering with the individual responsibility of the man who is paying the cost. I'm hoping that you're agreeing that certain standards in regard to grade lines, drainage, and so on are set out; then the superintendent, as you call him, or the on-site project manager must see that those standards are enforced and carried out by every contractor and every home-owner. I would think the home-owners would have to know that before they put down their money.

MR. JONES: What you're saying is essentially correct. I do not want a czar type of person who is going to run the private lives of each individual in the

community. What a person does to develop his or her own lot, once located there, within reason we certainly . . . I don't think any of us here want to see a junk heap. We all take pride in our own developments. The type of paint that is appealing to one individual, be it his choice, may not be appealing to his neighbor. However, we usually split the fences, so that is not a bone of contention. No, the project superintendent would not have jurisdiction over individual matters, but rather the construction trades who are faced with the problem of locating us into there.

MR. TAYLOR: I wonder if I could ask one other question. The first part of your submission is on roads and access. Roads affect everybody. Would you know how many road contractors are responsible to build the roads in phase one? Is there only contractor or are there several road contractors?

MR. JONES: I do not know for sure.

MR. TAYLOR: Could we have that answer, Mr. Chairman?

MR. CHAMBERS: Mr. Chairman, I don't know that specifically, but I think our project manager Mr. Sheddon does.

MR. SHEDDON: The answer is one road contractor.

MR. TAYLOR: One further question: what is the total mileage of road that contractor is required to build?

MR. SHEDDON: That's a statistic I don't think anybody knows yet, Mr. Chairman. I wish our engineers were here today, because a lot of these questions are hinging on our consultants who we engaged to do the engineering and supervision. They have that knowledge. I don't know, I guess 8 to 10 miles perhaps.

MR. TAYLOR: My reason for asking that is the project that you, Mr. Clark, and I looked at, at the request of two of the ladies over there this morning, where the road was rather bad in places and the contractor apparently is not there because he's someplace else. I'm just wondering if the number of miles of road that each contractor's going to undertake is set out pretty carefully. Because otherwise, I know contractors: they'll queue up a lot of work and then do it in their own good time, and the people can suffer or otherwise. My suggestion, rather than a question, is that perhaps some of these difficulties in regard to the access and roads could be eliminated if each contractor is given a smaller slice of the whole project.

MR. CHAIRMAN: Mr. Planche.

MR. PLANCHE: Thank you, Mr. Chairman. Mr. Jones, I too would like to compliment you on your presentation. It was very comprehensive. I'm wondering, in listening to you, sir: do you envisage Alberta Housing now as being a guarantor of each contractor's work? In other words, you're asking for a project manager to oversee construction on each lot, which is one step beyond the planning and subdivision of a development. That, necessarily, of course would add to the cost of the whole thing. But in asking for them to oversee things like pilings, footings, and one thing and another, if I understood you correctly, you're asking the government then, through AHC, to

guarantee the work of individual contractors. Is that what I understood you to say?

MR. JONES: Not so much to guarantee, but rather to assure that the contractors working in the area are properly qualified to do the work they are going to do. The reason for that is that we have had problems with, I would say, almost every contractor working in the area. Some contractors have been very good in coming back to correct their problems; some contractors have been very slow coming back to correct their problems; and some contractors have disappeared completely, leaving people high and dry.

MR. PLANCHE: Mr. Jones, I'm not a lawyer, but the thing that troubles me here is that let's just suppose your house wasn't satisfactorily completed. You went to court. And AHC, because they oversaw it, would then be a defendant in a suit, would they not?

MR. JONES: That would sound reasonable, only I think what you're trying to do is put AHC into a compromising position. I don't think that is fair. I think that any qualified building inspector, albeit the building inspector from the town of Airdrie, has that authority. He is certainly not going to be liable. He is there to inspect the project and make sure that the project measures up to the standards set down in the labor codes. I think that a man provided by Alberta Housing Corporation, albeit the inspector of the town of Airdrie, paid for his time by Alberta Housing Corporation funds, would certainly suffice.

MR. PLANCHE: I just want to be very clear, because when we go into our deliberations this in my view is a very key point. I'm still not sure in my own mind whether or not you want an inspector overseeing from the municipality or, in this case, the town of Airdrie, or do you want AHC to oversee the contractors.

MR. JONES: I would like an inspector funded by AHC, somebody who is properly qualified to oversee. I do not think an office worker is properly qualified. There are things here like the type of concrete to be used in pilings, for instance, is a completely different type of concrete than is used on the curbs and gutters. The structural strength must obviously be greater.

MR. PLANCHE: No question about that. I agree with that. And I don't quarrel with the talent of the man or whatever. I just want to know: under whose direction should this man be overseeing the contractors?

MR. JONES: I don't think this man need be under anybody's direction, *per se*. This man must meet the qualifications in order to hold the licence of a building inspector. In other words, he must pass those provincial and federal exams.

MR. PLANCHE: I don't want to belabor it. This is the last time I'll try to understand. Are you suggesting that AHC employs that man? That man is an AHC employee?

MR. JONES: Yes.

MR. PLANCHE: Thanks.

MR. CHAIRMAN: Mr. Musgreave.

MR. MUSGREAVE: Mr. Jones, to follow along, though, what you're really asking is that we would hire this super person who is going to check everything, control everything, and in effect guarantee you a good product. Isn't that what you're really after?

MR. JONES: I don't think that's an unfair request.

MR. MUSGREAVE: No, I know. But that's what you're after.

MR. JONES: I am after somebody who will be on site to co-ordinate the activities and to assure that the activities of the contractors are of quality.

MR. MUSGREAVE: But at the same time you want to have the freedom to select your own contractor.

MR. JONES: No, not necessarily. There are contractors on site. I don't think anybody has gone and selected a contractor, for instance, who is primarily working in High River and dragged him out here to do their own particular unit. The contractors on site are doing, I would say, 95 per cent of the work on site.

MR. MUSGREAVE: All right. So the contractors on site then, Mr. Chairman, in effect are the ones who obviously are providing a service and are making some money and can stay in business. Now, they're not all charging the same price, are they?

MR. JONES: I wouldn't know. I suspect not.

MR. MUSGREAVE: No. So there is a problem in the market place that we can't protect every person against his own decision. I don't think you'd want us to.

MR. JONES: No, I'm not asking you to . . .

MR. MUSGREAVE: And if the price of one contractor is substantially lower than, say, two or three others, this should send up a warning signal that maybe he isn't going to be able to deliver. Now we get criticized all the time that we have too much government in the province; we have too many civil servants; we have too much control on citizens' lives. Yet on the other hand you seem to be wanting us to have total control of the purchase of your home: where it's placed on the lot, who puts it there, and everything else. I find that a strange dilemma.

MR. JONES: I think that is a misconception, sir. What we are asking for, in fact, is that the contractors who'll be allowed to work on this site be properly screened beforehand.

MR. MUSGREAVE: Well, I would suggest to you, through the Chair, that that really is the responsibility of your community to see that those people are licensed by your municipality, for a start.

A MEMBER OF THE AUDIENCE: It's really the standards you're talking about, that's all.

MR. JONES: That's correct.

MR. CHAIRMAN: Mr. Minister, would you like to comment, perhaps.

MR. CHAMBERS: Just briefly, Mr. Chairman, in response to Mr. Taylor's comment, which is a very valid one in terms of the road. Nevertheless McNickol Construction got the bid. They were the low bidder -- and it was a very favorable tender -- for this entire construction project for \$2,293,945. Now maybe an alternative would have been to do it by project management and a series of tenders. But I rather doubt that we could have approached this price. The total price again goes back on the lot. Whether or not in going that other route we could come in at a \$10,500 figure, I would have real doubts. This was a very favorable contract. Now these roads have to be made right. The contractor has the responsibility, and we're going to insist that he live up to his responsibility. Again I would point out that we are in the business of affordable housing, and these are very affordable lot prices that the people are getting.

MR. TAYLOR: Are they bonded, Mr. Minister?

MR. CHAMBERS: Oh yes.

MR. TAYLOR: These roads must stand up at least one full year before they're accepted by the town?

MR. CHAMBERS: I don't know. Perhaps I could ask Mr. Sheddon. Is it one year?

MR. SHEDDON: One-year performance bond, yes.

MR. CHAMBERS: You know, Mr. Jones has raised an area that concerns me. I'm not a lawyer either, Mr. Chairman, but we're into the whole responsibility of the individual here. The corporation undertook to deliver serviced lots. We felt, and I think the demand has shown, the need. For example, there were quite a number -- I think 60-odd, as I recall -- people who, because of the closure of parks in Calgary, were desperate to find a place to move their mobile home to. The whole concept was to sell these lots to individuals. Well, individuals have responsibility surely in the purchase of their mobile home or modular or whatever they buy, and surely have responsibility in hiring a contractor to put in their piling or their basement. I think you raise a valid point on inspection. The Home Mortgage Corporation obviously has to be satisfied with inspection in terms of the Mortgage Corporation's investment in the housing. I think the municipality, through the municipal inspector, surely must wish to be satisfied that the standards are being met.

MR. CHAIRMAN: Mr. Clark.

MR. CLARK: Mr. Chairman, if I might just comment to the minister. It seems to me that the problem is that when Alberta Housing Corporation undertook to supply serviced lots, people who bought the lots assumed that the Alberta Housing Corporation was going to take on a far broader responsibility than in fact the Alberta Housing Corporation felt that its commitment took.

The second thing, Mr. Minister, I think we have to keep in mind is that it's all well and good to come along now and say the municipality should look after some of the inspecting responsibilities and so on, but remember, this was a project which the town of Airdrie found out about when it was announced. I think we have to keep that in mind too. If there's one thing we can do here today, hopefully it'll be to improve the communications and the decision-making apparatus at the Housing Corporation or wherever else.

MR. CHAMBERS: Mr. Chairman, I think Mr. Clark has focussed on a very valid point. Perhaps what we're really focussing in on here is communication. The suggestion made, I believe, by the mayor earlier that we need to improve that communication -- maybe the way we do it is to have the processes of communication clearly articulated so that if anybody has a problem they can go see an Alberta Housing Corporation representative and then be directed, if you like, to the mobile-home manufacturer, or the dealer who sold the mobile home, or contractors. In other words, we're talking about an overall communication process here that I think needs to be improved. I would think that's a valid comment.

MR. CHAIRMAN: Mr. Jones.

MR. JONES: I'd just like to reply somewhat further. I'm reading here from the Airdrie Mobile Home Subdivision: Alberta Housing Corporation agenda, I guess prepared by the minister and submitted to the committee:

During the months of April 1, 1978 to September 1978, we encountered 115 days of precipitation out of 173 days. As a result of this further delays were experienced by the gas, power and concrete contractors.

And also the paving contractors.

No argument there. The only argument or complaint: where were these people when the sun was shining? We had two solid weeks of sunshine recently. The paving contractors were shutting down at 3:30 in the afternoon and going home. They never showed up at all on the weekends. I would think it only fair to make up for lost time. They certainly don't have to live out there. They don't really care. They're getting paid for their job; they're on a contract basis. It doesn't really matter to them how long it takes them to do their job. They will get paid once the job is completed. We have to live there, and there are those of us who are living on clay streets. Every time it rains our vehicles are two blocks from us. If we happen to go out in nice weather and come home in rain and we've been to a formal function, for instance, the ladies have the long gown on and are tripping through the clay. I don't think this is fair. The site superintendent I think has been fairly well thrashed around. I trust that the committee will look into this matter and come back with a recommendation.

The third thing, on the commercial site, reading directly from the Alberta Housing Corporation publication on Airdrie Estates:

A 9.7 . . . commercial site will be provided in the northern part of the subdivision. Alberta Housing Corporation will tender the contract for construction of this commercial facility and long-term leases will be entered into with interested parties. Priority will be given to existing merchants in Airdrie.

I feel that is the responsibility, as stated, of Alberta Housing Corporation, not the town or municipality.

MR. CHAIRMAN: Mr. Minister.

MR. CHAMBERS: Well, Mr. Chairman, I hope the mayor heard your last statement.

AN HON. MEMBER: He left.

MR. CHAMBERS: Oh, he left. Because obviously it's a question of working with the municipality in terms of utilization of that site as suitable to the needs of the municipality. I think we have to keep that in mind. The Alberta Housing Corporation is certainly ready to proceed with the development of the commercial site. But I think the mayor, if he were here, would undoubtedly concur that the municipality . . .

MR. JONES: Has a voice in it.

MR. CHAMBERS: . . . has a significant voice in it, and a good deal of concern as to how that commercial site is developed.

MR. JONES: I'm sure the residents would agree with that. Could I ask for clarification of what a commercial site entails as opposed, let's say, to an industrial or light industrial site?

MR. CHAMBERS: Commercial sites, Mr. Chairman, really in a broad way tend to have your stores and shops -- whether it be a big shop or a grocery store or whatever -- dental office. That normally is the definition or framework within which the commercial definition occurs. An industrial site, of course -- we have 57 acres presently under development of the more than 200 in the industrial site -- is meant to encompass heavier industrial activity, whether it be manufacturing or whatever. So that I think is the distinction.

MR. JONES: Would a fair statement then be that both sites do exist at this moment?

MR. CHAMBERS: Yes.

MR. JONES: I for one was not informed that there would be a light industrial site or an industrial site at all.

MR. CHAMBERS: The industrial site, Mr. Chairman, is being actively developed north of the mobile-home subdivision.

MR. JONES: Yes, but at the time of purchase of my lot I was not informed, and I think many of the residents here were not informed that there would be an industrial site. It matters not at this point in time. It's there and we're there.

MR. CHAMBERS: It's always been planned, and I think if anything preceded in many ways the residential site. I think the mayor alluded to this earlier: a tax base is important to a town. I think he indicated that he welcomed a diverse base in the town, to have the manufacturing that would obviously assist the tax base of the individual residents.

MR. JONES: Okay. One further thing I would like to do is call on Mr. Bob McLafferty to join me here and have him speak with regard to the south section of phase one.

MR. CHAIRMAN: Just a moment before we have him. Mr. Horsman, do you have a question?

MR. HORSMAN: I just thought I'd throw in the comment that I for one, being a Conservative, have some serious reservations about the desirability of Alberta Housing Corporation or any other government agency building a commercial site in competition with other private developers. We may have said that we're going to do that, but I just want you to know that there are some very serious implications involved in any government agency going out and building a commercial site and leasing it out in competition with other developers. I see a new building being built in downtown Airdrie which struck me as being a commercial development that's probably being developed by private enterprise. I would wonder very much about the developers' point of view of the government getting involved in another commercial development, albeit on the other side of town. So there's some real questions that have to be asked there.

Before you have your partner join you, may I just say that I think you've raised some interesting points with respect to this question of supervision. It seems to me that there may be a number of solutions to the problems that have arisen. Perhaps we as a developer will have to take bids from contractors who can come onto these sites in the future to ensure that there will be only a limited number of them, all of whom meet specified qualifications. Perhaps that's one way out of the dilemma that has arisen here. Perhaps it might be more clearly spelled out in future developments of this kind, if we recommend that they proceed: that we spell out very carefully to the lot purchasers that we assume no responsibility and make it very clear at the very outset that no responsibility is being assumed by the developer for the work of individual contractors. Maybe that's an approach.

In any event, I think that we can learn by what has happened here, and maybe as I indicated earlier the lesson that we have learned in this development is that the government, through Alberta Housing Corporation, should stay out of these developments in the future. Maybe that's one of the things. If you're prepared to tell us that, I'd like to hear it. If you don't feel you're prepared to say that at this stage, fine and dandy. The mayor felt that we should perhaps continue these in the future. But I think these are very real questions that this committee is going to have to wrestle with in our advice to the minister in future.

MR. JONES: I would concur in the mayor's remarks as to future development. The concept is beautiful; the low-cost housing is affordable; the whole thing is great -- with the exception of the way it has proceeded to this date. If the act can be cleaned up, and I'm sure it can, then I'm 100 per cent in favor of it. I would ask, Mr. Chairman, that your committee come back to us with a written submission outlining what action you will recommend so that at least we are informed.

MR. TAYLOR: Mr. Chairman, could I make one comment? I'm becoming concerned about the extent to which we're talking about supervision of contractors, because we may well preclude an individual doing the work himself. Many people are adapted and can properly do the work themselves. What I'm concerned about is that certain specifications or standards be set out and

then whoever the contractor, or the individual himself, he must live up to those specifications in regard to vital things like grade lines, drainage, and so on. I don't want government or an inspector coming into my house telling me to do certain things to my house that do not affect anybody else, as long as I'm meeting the standards which I think could very well be set out in specifications, the same as they are in highway and bridge building.

MR. JONES: In reply to that, Mr. Chairman: in order to qualify under Alberta Home Mortgage, for an individual to do any portion of the developmental work on his own lot that person had to convince the Mortgage Corporation that he was well enough qualified to do the work.

MR. CHAIRMAN: Thank you. The minister has to leave in a few minutes, as he's due back in cabinet. If we can have the other gentleman up that you asked to have up, now would be the time.

MR. DAHL: Mr. Chairman, I was just listening to the brief here. I'm Charles Dahl (inaudible) . . . superintendent could possibly look into, and that's the safety aspect of the equipment over there (inaudible) or generally through the day. A lot of it's being left overnight and through the day in an unsafe way, with buckets up (inaudible). I'm concerned about it (inaudible). But this superintendent could oversee a lot of this sort of thing that's going on.

MR. CHAIRMAN: What is your name, sir?

MR. McLAFFERTY: Bob McLafferty.

MR. CHAIRMAN: Mr. McLafferty, would you like to join Mr. Jones there. Did you have something you wished to say to the committee?

MR. McLAFFERTY: Yes, I'm a stranger to most people here. I'm a potential buyer in the south of phase one. I'm very concerned about the delays we've had in getting onto our lots. I made application for a lot in May of this year to Alberta Housing. At that time they told me I would be on by the 15th of July. I can give you all the dates and stuff and the delays they gave me. The reasons are quite extensive, I guess. But we had gone on and when the 15th of July came it was delayed for another two weeks. When the first of August came it was delayed for another two weeks. On the 1st of September it was delayed for another two weeks. Now it's delayed until we don't know when. So this has been going on all summer.

My wife and I are in the position that we've got no place to live. We have to stay with my daughter now. It's very inconvenient for her and very inconvenient for my daughter. So I feel that I would like to know the reasons for these, if you people can give us the reasons for it. Some of us got our building permits. We got the surveyors to go on there and survey it. They were pulled off the lots and we were not allowed to go back on. We were told not to go back on the lots, after our building permit. All we asked for was to put in our pylons and services, not at this time bring in our mobile home. Because we felt if we could get in our piers and services, this would certainly help us when the cold weather came. But no, they won't let us even do that. In fact we can't even go to speak to Mr. Stevens. He won't even speak to us, which I think is terrible.

On June 19 I got a letter from Alberta Housing. In this letter it stated: "Upon completion of the subdivision we will be mailing the option to purchase

agreement, at which time a 10 per cent down payment of the purchase price would be required." I read out of this that upon completion of the subdivision they will be mailing the option to purchase agreement. Right? The option to purchase agreement was mailed to me on July 26. I had to put a 10 per cent down payment, and there's still no way I can get onto the property. Could you give me the reasons for this?

MR. CHAMBERS: Mr. Chairman, again I think we've covered the reasons for the delay, and they're very valid ones. There are a lot of farmers out here all across Alberta today who are in some difficulty too in terms of trying to get their crops off. It's because of rain. Last year of course we had the seven-month concrete workers' strike which we had no control over. This summer we've had 115 days of rain. That has caused an unavoidable delay, just as it's caused all these farmers to have a terrific delay in combining their crops. We have no control over the weather.

One of the difficulties we had was when we moved people in for compassionate reasons early last fall. They're in there and then they have the longer period of mud and so forth to cope with. It's much easier if -- and this is the way the private developers do it and avoid some criticism -- nobody gets in until the thing is finished and ready for delivery. That's the economic and the easy way, and it avoids a lot of problems. I think with the weather holding and the progress we're making now, we're looking very soon at having the southern part of phase one completed and ready to move into, hopefully within a couple of weeks.

With regard to your question on the mortgage application, I have Wayne Wendell here, our branch manager. Perhaps Wayne would like to comment on the detail of the way this procedure operates.

MR. WENDELL: Mr. Minister, Mr. Chairman, with all due respect, this gentleman is not getting a mortgage. He's paying cash for his unit and talking about the option agreement (inaudible)

MR. CHAMBERS: Oh, I see.

MR. JONES: I think the question here, Mr. Minister, is as stated in a letter from the Alberta Housing Corporation that when the subdivision was ready for occupancy the option to purchase would be exercised. The option to purchase was mailed out on July 26; therefore one is to assume that the subdivision is ready. If in fact it was not ready, why was Mr. McLafferty put into a position where he must exercise his option to purchase and put out the 10 per cent down payment?

MR. CHAMBERS: Again, Mr. Chairman, we have no control over the weather. The corporation has tried very hard to expedite matters here; in other words, tried to co-ordinate things in as rapid a way as possible in terms of accommodating people. If the weather had held, we would have had that finished by July 15. But the weather didn't hold, and we have no control over that weather.

MR. JONES: That being the case, sir, why was the option to purchase placed in Mr. McLafferty's hands and in fact he must necessitate the option by putting his percentage down?

MR. McLAFFERTY: By the 1st of September.

MR. CHAMBERS: Obviously, Mr. Chairman, I don't have knowledge of every specific piece of paper that is involved with my department across Alberta. I don't know that it would be fair to even expect Mr. Sheddon to be familiar with an individual item, but perhaps Mr. Malin is.

MR. MALIN: Mr. Chairman, Mr. Minister, and committee members, the option agreement, or agreement for sale, was issued. It also indicates in that agreement typically a date of possession. In the case of the agreement for sale it indicates upon receipt of notification from Alberta Housing Corporation that possession can be taken 15 days following. (Inaudible) has been sent out in an attempt to assist many people who wish to make provision for mortgages and make application at that point in time so it could be processed so that when the subdivision was completed, an immediate move onto the site could be taken into account. Mr. McLafferty fortunately is not in a position of having to mortgage. As I recall, an agreement for sale was executed with Mr. McLafferty, indicating the latter clause regarding 15 days' notice.

MR. CLARK: I suppose in the simplest form, you have his 10 per cent and he's still living someplace else.

MR. MALIN: That's right.

MR. McLAFFERTY: And I'm getting no interest on that money.

MR. CHAIRMAN: Would you address the Chair please, gentlemen?

MR. McLAFFERTY: Oh, sorry.

MR. CHAIRMAN: Any further questions to Mr. McLafferty?

MR. TAYLOR: Mr. McLafferty, you aren't asking for your 10 per cent back?

MR. McLAFFERTY: No, I'm not asking for my 10 per cent back. I want to get on the lot. I've put my money down, I went to my bank, I've got the statement from my bank, I've got the building permit. I've done everything Alberta Housing has asked me -- every move. There's some more gentlemen back here in exactly the same position I am. We did as we were asked to do. We were told we'd be on this property on July 15. We're not on it, and there's no indication when we're going to be on it.

MR. CHAMBERS: Mr. Chairman, if I could make one final comment to Mr. McLafferty. I understand his concern. Obviously it's a logical concern. If that blue sky stays up there -- I think it was blue a few minutes ago -- we expect to have the southern portion of phase one complete within about two weeks. So hopefully you'll be able to get on then.

MR. McLAFFERTY: This has been told to me so often that I just can't accept it.

MR. CHAMBERS: I wish I could promise you that it's not going to rain any more. I really do. I'd love to be able to make that commitment.

MR. McLAFFERTY: Can I make a statement about some of the other contract work? They're going right ahead.

MR. JONES: I believe the point in question here, sir, is: why, when phase one has not as yet been completed, has phase two begun? It just sort of doesn't make sense. Phase one being the north and south half. That hasn't been completed, yet the general contractor has started work on phase two.

MR. CHAMBERS: Mr. Chairman, it's a different phase and different equipment and a different purpose. It's stripping operations you're seeing out there. Hopefully, if the town will concur, there'll be some servicing put in. But it's a different situation. It's involving different equipment and has nothing to do with the completion of phase one.

MR. JONES: Okay. I think that's a fair statement. I believe there is one other gentleman, Mr. Funk, who would like to present his case to the committee.

MR. CHAIRMAN: Fine. We'll excuse you, Mr. McLafferty. Mr. Funk, just come up to the front here, please. The minister has to leave in four or five minutes, so if you would make it as brief as possible while we still have him with us.

MR. FUNK: Mr. Chairman, I would like to say this much to the Minister of Housing: he's been hiding behind the clouds of rain all the time he's been here. We had three weeks of 80 and 90 degrees above temperature. There wasn't a solitary thing done in that division. There was no rain. Calgary Power was finished with their project two weeks before Ken Sheddon ever knew about it, so there was another two weeks they could have worked. It seems to me that the rain has been falling on this project only, because all the other contractors around here were working in rubber boots. That's what should have been done here. Thank you very much.

MR. CHAMBERS: Mr. Chairman, if I just might comment out of fairness to everybody concerned. You know, it didn't just rain here; it rained broadly across Alberta. Obviously there's only so much construction equipment around Alberta; there's only so many construction people. To make a living, these contractors obviously have to do more than one contract. It's a logistics operation to work out their equipment in between rain storms to complete this operation and that operation. You know, I would like to suggest to you that instead of a \$10,500 average lot, if you had to make a contractor guarantee that he would drop everything else he's doing in this province and do this one specific thing, jump in and pull everything he's got in from everywhere else he's got it for that 10-day sunshine period, which he maybe doesn't know is going to last for 10 days, that's perhaps unreasonable and those \$10,500 lots might be double that. So I think you have to face reality in these situations as well.

MR. FUNK: We do not accept your excuse for rain anymore. We have been promised since the 1st of June, the 15th of June, and we're still sitting out in the dark. We don't know when we're going to get in here.

MR. CHAMBERS: I have no further comment.

MR. FUNK: Thank you. You've sure been kind.

MR. CHAIRMAN: Thank you, ladies and gentlemen. I would like in particular to thank His Worship the Mayor and Mr. Jones for excellent presentations. The

recommendations will be considered and acted upon by the committee. We thank you all for your attendance and for your courteous attendance this afternoon. Ladies and gentlemen, the meeting is adjourned.

The meeting was adjourned at 3:30 p.m.