

**Consideration in Committee of the Whole of Bills and Other Matters
Capital Budget—NWT Housing Corporation
Increasing the Supply of Housing Units**

September 27, 2017

MR. O'REILLY: Thanks, Mr. Chair. I guess I would like to start with page 72, where it looks like the spending by the Housing Corporation might be in decline. Maybe I can start with that. Has the spending on capital by the Housing Corporation declined now over a series of years? Thanks, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you, Mr. O'Reilly. The Minister has indicated that Mr. Martin will field this. Mr. Martin.

MR. MARTIN: Thank you, Mr. Chairman. In terms of funding for the capital plan for the Housing Corporation, in the last couple of years, the Housing Corporation was in receipt of budget 2016 federal funding under the Investment in Affordable Housing Agreement. This provided incremental funding for the Housing Corporation to supplement our capital plan. The funding for 2018-2019 for capital investment has yet to be confirmed, as we continue to work with the federal government in reviewing the various funding pots. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you. Mr. O'Reilly. Mr. O'Reilly?

MR. O'REILLY: Sorry, I was waiting for the microphone to come on. Let us get this clear, then. We are not cutting back our funding because the feds are coming back in again? Is that what I am hearing? Thanks, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you. Mr. Martin.

MR. MARTIN: Thank you, Mr. Chairman. The Housing Corporation has historically set aside a base capital allocation of \$15 million, and has continued to do that consistently for a number of years. This \$15 million is funded through various sources of funding that we receive as revenues for the corporation, including GNWT contributions. When we do receive the additional federal funding for capital investment, that enables us to supplement that \$15 million. Thank you, Mr. Chairman.

CHAIRPERSON (Mr. Simpson): Thank you. Mr. O'Reilly.

MR. O'REILLY: Thanks, Mr. Chair. I appreciate that answer. How long has the Housing Corporation's capital been capped at \$15 million? Thank you.

CHAIRPERSON (Mr. Simpson): Thank you, Mr. O'Reilly. Mr. Martin.

MR. MARTIN: Thank you, Mr. Chairman. Just to point out in terms of the financials being presented in 2017-2018, that column there does include carry-overs and deferred projects from the previous year as well. That is what it brought up to the \$40 million for investment. What we have in there is our \$15 million base and the additional projects that were funded in the previous 2016-2017 year that are being completed in 2017-2018. Thank you, Mr. Chairman.

CHAIRPERSON (Mr. Simpson): Thank you. Mr. O'Reilly.

MR. O'REILLY: Thanks, Mr. Chair. That answered one of the other questions I was going to have. How long has this \$15 million allocation for capital within the Housing Corporation been pegged or capped at \$15 million? Thanks, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you, Mr. O'Reilly. Minister.

HON. CAROLINE COCHRANE: Thank you, Mr. Chair. The \$15 million has been the same for many years, in all honesty. The reality, though, is that the capital is one small piece of the financial allocations that we provide. We provide \$15 million, but in total we spend \$132 million. A lot of our actual work is done in the operating and maintenance and the maintenance that comes in later. A lot of the work that we do in communities is actually retrofitting; so upgrading and renovating units. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you, Minister. Mr. O'Reilly.

MR. O'REILLY: Thanks, Mr. Chair. Yes, I recognize this is some sort of balancing act between maintaining your units and trying to build new ones, but if we have got the capital for new ones or even maintenance and so on capped for a long time, that is probably not where we should be in terms of housing.

When I look at the list of projects on pages 73 through 75, I do not think there is actually any new construction. We have a list of, like, 35 projects here, and they are all retrofits or replacements. There is not one new unit being constructed by the Housing Corporation in this year. Thanks, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you, Mr. O'Reilly. Minister.

HON. CAROLINE COCHRANE: Thank you, Mr. Chair. The list of projects where they do say "replacement" are actually new builds. We have within this proposed fiscal year coming up, we have a total of 21 public house replacements. There will be 21 new housing units on the ground where the units that are currently there are not usable. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you, Minister. Mr. O'Reilly.

MR. O'REILLY: Thanks, Mr. Chair. That is helpful, but we are not actually expanding our housing stock in any way. When it says here "replacement," we are replacing a unit that is not as derelict in the community. We are not actually expanding our housing stock in any ways. Is that the case? Thanks, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you, Mr. O'Reilly. Minister.

HON. CAROLINE COCHRANE: Thank you, Mr. Chair. Right across Canada, most jurisdictions actually have a halt on because of the declining CMHC funding that was announced many years ago, as well. All jurisdictions have been negotiating with the federal government to reverse that decision so that we can get funded for the operating and maintenance of units.

Within those negotiations, the federal government has agreed to put a halt on it temporarily, but that is not a permanent decision by them. That is why I am looking at

different initiatives to move more people into home ownership. Through the lease-to-own, we will be able to increase the stock so that we can actually put more public housing units. By moving people out, it is an internal shuffle where we will be able to actually increase the amount of housing that the Northwest Territories Housing Corporation provides.

However, we do have to live within our means, because we need to be able to pay for the operating and maintenance of these units if and when the federal government says they are coming right out and they are not giving any money for operating and maintenance in the future. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you, Minister. Mr. O'Reilly.

MR. O'REILLY: Thanks, Mr. Chair. I guess I have two or three comments here. That is good news that CMHC has halted its declining capital infusion. That is very good news, but that is not an excuse for us not to be spending more money on our housing, period.

Lastly, I know that our Cabinet spends a lot of time talking about federal projects, federal funding. Most of it is around big capital projects such as dams and roads, and I want at least as much emphasis on the social side. The Minister knows my views on this very well, and I have expressed them in the House. You have to be expending at least as much effort on the social infrastructure needs of this territory as the physical and resource development side of infrastructure.

I continue to support the Minister going to Ottawa to get more money for housing as opposed to roads. Thank you, Mr. Chair. I do not expect a response.

CHAIRPERSON (Mr. Simpson): Thank you, Mr. O'Reilly. I will allow the Minister to respond if she likes. There are 40 seconds left on the clock.

HON. CAROLINE COCHRANE: Thank you, Mr. Chair. I am on it. Thank you, Mr. Chair.