

JULIE GREEN—MLA YELLOWKNIFE CENTRE
LHO Surpluses
Committee of the Whole—2018-2019 Operating Budget Review
NWT Housing Corporation—March 7, 2018

MS. GREEN: Thank you, Mr. Chair. Mr. Chair, I want to just follow up on a couple of responses that I heard here this afternoon. What I recall about the LHOs is that some of them had considerable surpluses, and some of them didn't have surpluses at all. How is this cut going to be applied? What is the methodology? Thank you.

CHAIRPERSON (Mr. Simpson): Thank you, Ms. Green. Mr. Martin.

MR. MARTIN: Thank you, Mr. Chairman. The Housing Corporation, as part of this implementation of this reduction exercise, does recognize that there is a need to continue to closely monitor the LHOs' fiscal situation. As part of that process, the Housing Corporation will be undertaking a full review of the LHO funding formula in 2018-2019, and we have already received a fair amount of feedback from the local housing organizations in that regard. We are expecting to implement the outcomes of that review later in 2018-2019. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you. Ms. Green.

MS. GREEN: Thank you, Mr. Chair. With respect to the current situation, which is making the cut, do I understand correctly that 2 per cent is going to be cut from every LHO, whether the LHO has a \$10 surplus or \$1 million surplus? Thank you.

CHAIRPERSON (Mr. Simpson): Thank you, Ms. Green. Mr. Martin.

MR. MARTIN: Thank you, Mr. Chairman. The initial allocations of the reductions were done on a pro rata basis, and given the amount of dollars involved here per each local housing organization, the dollar amounts are quite small. As a result of that, that is what makes this allocation methodology a viable approach.

We will continue to closely monitor the financial results for the coming fiscal year, and certainly, as part of the funding formula review, we could potentially be making adjustments on a case-by-case basis. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you, Mr. Martin. Ms. Green.

MS. GREEN: Thank you, Mr. Chair. Further to that point, the Yellowknife Housing Authority had a fairly significant surplus, which they wanted to spend on creating more housing for their extensive waiting list. Has the Housing Corporation come to an agreement with the Yellowknife Housing Authority about how that money can be spent? Thank you.

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

HON. CAROLINE COCHRANE: Thank you, Mr. Chair. Yes, we have worked with the Yellowknife local housing organization. They are using a lot of surplus, actually, to build an eight-plex within Yellowknife. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you. Ms. Green.

MS. GREEN: That's good news. When is that going to happen? Thank you.

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

HON. CAROLINE COCHRANE: Thank you, Mr. Chair. We just have started the design work for that currently. As soon as we have got the design finished, construction will begin. It's not okay for LHOs to have \$600,000 in reserves. I am not okay with that.

I do want to also state that, when we are doing the cuts across, like I said, over the two years, it has been 1 per cent last year and 1 per cent this year, some of the communities are only getting a reduction of \$2,000 per year.

Like Mr. Martin said, we are closely monitoring them on a case-by-case basis. If the smaller LHOs do run into a problem with that, a deficit, we will ensure that they have the funding to be able to provide the services. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you. Ms. Green.

MS. GREEN: Thank you, Mr. Chair. Mr. Chair, I don't think it is appropriate to scold the housing authorities for having surpluses. That is prudent management on their part. The money is used for housing. In the case of Yellowknife, it is used to address the waiting list, which is the most substantial in the NWT. It looks like the housing authority is actually doing work which the Housing Corporation is not up to. I recognize that that may not be an ideal situation from their point of view, but I guess I want the Minister to acknowledge that this isn't wasted money; this is housing money, whether it is spent by the housing authority or the Housing Corporation. Thank you.

CHAIRPERSON (Mr. Simpson): Minister, any response?

HON. CAROLINE COCHRANE: Thank you, Mr. Chair. In 2016-2017, the Yellowknife housing organization provided a year-to-date surplus of \$3.4 million. That is a lot of money that can be used for services. We are not going to take it away and not provide other supports. We have asked them to reinvest that money into housing. They are building the eight-plex.

We have also started new programs. If they were using that to address the wait list, we have other programs now that will address the wait list. We have our rent supplement program in which any resident who is paying more than 30 per cent of their rent can actually get up to \$500 in rent supplement. We are working with the City of Yellowknife on their Housing First project to have rent supplements for people. We are expanding that, and so we are working with the other non-profit organizations in the communities that are providing housing support so that there will be rent support to support people who are on the wait list who are paying more than 30 per cent. So, when that program takes off, and I advertise it as much as I can, we are projecting that our wait list within the market communities will go down because of that.

So we are not penalizing people on the wait list. We are actually providing better support for people on the wait list. Not all LHOs have that. It was nice that the Yellowknife Housing Authority did, but this rent supplement program and the NGO rent

supplement program are across the market communities, so they address the needs in all of the market communities, not just one community that had such a huge surplus. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you. Ms. Green.

MS. GREEN: Mr. Chair, the Yellowknife Housing Authority has this surplus in order to meet the housing needs of Yellowknifers. Can the Minister guarantee that money that is taken away from the Yellowknife Housing Authority will be spent in Yellowknife? Thank you.

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

HON. CAROLINE COCHRANE: Thank you, Mr. Chair. As stated before, the surplus that they are looking at now is going to build a six-plex. The intent is to actually provide more housing supports in every community, so, yes, the intent is to keep the monies in the communities. It's not to penalize communities. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you. Ms. Green.

MS. GREEN: Thank you. I appreciate that answer. Often, Yellowknife has been short-changed in public housing because of the fact that there is a market here for rental accommodation, and so I will just leave that where it is. The Minister referenced the CMHC decline. It was my understanding that the National Housing Strategy halted the decline in CMHC funding. Can the Minister confirm that, please?

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

HON. CAROLINE COCHRANE: Thank you, Mr. Chair. So, the CMHC, Canada Mortgage and Housing Corporation, halted the cuts that they were taking every year, so now we will not be cut any further, but, in 2038, that money is still on the table to be chopped. Thank you, Mr. Chair.