

**JULIE GREEN—MLA YELLOWKNIFE CENTRE**  
**Canada-NWT Bilateral Housing Agreement**  
**Committee of the Whole—2019-2020 Operating Budget Review**  
**NWT Housing Corporation—March 7, 2019**

**MS. GREEN:** Thank you, Mr. Chair. I'm wondering if the Minister could tell us how the new housing bilateral agreement with Ottawa is reflected on this page. Thank you.

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

**MR. MARTIN:** Thank you, Mr. Chairman. Within the 2019-2020 mains, right now, we have built in \$3.6 million under the new bilateral agreement with Canada. Thank you, Mr. Chairman.

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

**MS. GREEN:** Thank you, Mr. Chair. Could the Minister please remind us how that money is going to be allocated? Thank you.

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

**MR. MARTIN:** Thank you, Mr. Chairman. The \$3.6 million that's currently set up in the budget, we've allocated \$1.5 million to modernization and improvement investments for the LHOs into our repairs for social housing stock. We've allocated \$1 million into demolition and environmental remediation projects. We've allocated \$900,000 into supporting the Community Housing Support Initiative investments. We've set aside \$100,000 to top up the Apprenticeship Program to support additional apprentices at our LHO level. Finally, we put an additional \$100,000 of that \$3.6 million into supporting an additional policy analyst position a couple of years ago, and that continues to support us with our strategic renewal efforts. Thank you, Mr. Chairman.

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**MS. GREEN:** Thank you, Mr. Chair. I wanted to follow up the last response I was given by Mr. Martin. I asked him for a breakdown of the \$3.6 million that would be spent under the new housing bilateral agreement in the next fiscal year, and I understood part of his answer was that there would be an expenditure of \$1.5 million on modernization and improvements. On page 373, the budget actually shows a decrease of \$751,000 in spending, so maybe he can tell me why those numbers are not adding up. Are they not referring to the same thing? Thank you.

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

**MR. MARTIN:** Thank you, Mr. Chairman. Yes, we actually incorporated in that base budget adjustment in 2018-2019, and that was as part of that initial allocation under the bilateral agreement, for modernization and improvement. Now, subsequent to that, though, there have been other adjustments in the modernization and improvements

area, and one of the larger adjustments there is a \$400,000 reduction associated with the decline in gain on disposal of assets, and I will explain that. That is a revenue adjustment that we had to implement in our fiscal framework. Historically, if you look at the revenue schedule, we were targeting about \$800,000 a year for gains on sales of assets. However, over the last few years, we have noticed that, the Housing Corporation, the assets that we are now dealing with are aged assets and we are no longer realizing these gains on sales in these situations. So we had to adjust the fiscal framework, and where we adjusted it was in the modernization and improvement category. Thank you, Mr. Chairman.

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

**MS. GREEN:** Thank you, Mr. Chair. So what I am hearing, then, is that the \$1.5 million from the bilateral agreement is not really \$1.5 million; it's more like \$750,000 once it's plugged into all of the other variables. Is that correct? Thank you.

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

**MR. MARTIN:** Thank you, Mr. Chairman. That is correct. There are a number of ins and outs associated with this particular line item. Thank you.

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

**MS. GREEN:** Yes, did the Housing Corporation look at any other ways to try to make up that difference? It is a considerable sum of money, almost half of what is allocated for this year. Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Martin. Okay, Ms. Green, could you please repeat your question for the witnesses? Thank you.

**MS. GREEN:** Sure, Mr. Chair. My observation is that, rather than having an additional \$1.5 million available for modernization and improvements, there is actually \$750,000 available. My question is: could the difference have been made up in another way, rather than reducing minor modernization and improvements? Thank you.

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

**MR. MARTIN:** Thank you, Mr. Chairman. The Housing Corporation, through the annual business planning process, does look at its overall fiscal framework and does integrate adjustments where needed. During that review process, it was decided that we would be adjusting the minor maintenance and improvement category at this time, without having to impact other programs and services. Thank you, Mr. Chairman.

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

**MS. GREEN:** Thank you, Mr. Chair. I heard a decision was made, but I did not hear why it was made. Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you. Who should I direct this to? Mr. Martin.

**MR. MARTIN:** Thank you, Mr. Chairman. One of the reasons why this particular line item was identified for an adjustment in that area was the fact that the Housing

Corporation, also as part of the 2019-2020 business planning process, is reinvesting an additional \$250,000 into this category, for priority fuel tank replacements. So we did identify that we were also putting money into this category as well as adjusting for other factors. Thank you, Mr. Chairman.

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

**MS. GREEN:** Yes, thank you, Mr. Chair. So can the witness confirm that in fact decreasing this category had nothing to do with the money available in the federal bilateral? Thank you.

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

**MR. MARTIN:** Thank you, Mr. Chairman. The adjustments in this category were not related to the bilateral agreement, with the exception of clarifying that there was an adjustment in this category for \$372,000, a reduction adjustment, for declining CMHC operating fund in 2019-2020. The Housing Corporation will be reinstating that \$372,000 in this category following the finalization of the three-year action plan with Canada. Thank you, Mr. Chairman.

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

**MS. GREEN:** Thank you. I am glad to hear that that's the case. Now, I realize that this is not the right page for this, but I heard the witness say that the money was going to be invested in fuel tank replacement, and, if I heard correctly, I do not see that the budget document supports that. The amount to be invested is the same as it was in the last fiscal year. Thank you.

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

**MR. MARTIN:** Thank you, Mr. Chairman. So, as noted, there were a few adjustments in this particular account. At this time, given the fact that the \$372,000 related to the CMHC declining funding is reflected in this account, there are more reductions in this particular line item as opposed to adds. So the net effect right now is a reduction, but, as noted, the Housing Corporation will be reinstating another \$372,000 into this line item. It's still not going to get us all of the way there, but it will be a reinstatement as soon as the bilateral three-year action plan is approved. Thank you, Mr. Chair.

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

**MS. GREEN:** Thank you, Mr. Chair. A couple of things: I did not realize that the bilateral action plan was not approved. I thought that it was a done deal. Is that not the case? Thank you.

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

**HON. ALFRED MOSES:** Thank you. It was approved, and we are going through the process of approving the budget here. Maybe through you, Mr. Chair, I will ask the president and CEO to give us a little bit more detail. Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Williams.

**MR. WILLIAMS:** Thank you, Mr. Chair. Under the signing of the bilateral, each jurisdiction had to come up with a three-year action plan. Initially, it was due in the end of January. The fact that only six jurisdictions now have signed onto the bilateral, they gave us more time. We have until March 31<sup>st</sup> to submit the action plan. So it's in progress right now. We are finalizing it. Thank you, Mr. Chair.

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

**MS. GREEN:** Thank you for that response, Mr. Chair. Finally, I would like to ask the Minister to make a commitment to restate this page in correspondence with the Standing Committee on Social Development so that we have a more accurate idea of the coming and going on page 373. Thank you.

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

**HON. ALFRED MOSES:** Thank you, Mr. Chair. Restate the page? Maybe a little bit more clarification from the Member. Some of the detail might be from some of the back-and-forth on the questions, but we could definitely provide the information that the Member was asking for. We are going through the budget process. Maybe a little bit more clarification, Mr. Chair, in terms of what restating of the page she wants? Thank you.

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

**MS. GREEN:** Thank you, Mr. Chair. What I would like the Minister to do is to take the additional information given by Mr. Martin in his responses to my question and incorporate them into this page. I understand that the totals will be the same, but I am looking for some of the detail to be drawn out so that we understand. For example, we know that the minor modernization and improvements line is going to go up. Could he provide that detail in correspondence to the Standing Committee on Social Development? Thank you.

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

**HON. ALFRED MOSES:** Thank you, Mr. Chair. I am not sure if we could really restate the page, because it has already been printed, but if the Member is fine with it, we can follow up with a supplementary letter on the breakdown of the detail of this. If a letter is fine with the Member and the committee, we would be more than happy to show that breakdown. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you for confirmation. Ms. Green.

**MS. GREEN:** Thank you. A letter that details what is going on on this page is what I am seeking, so if the Minister could provide that, we are good. Thank you.