

HANSARD

NOVA SCOTIA HOUSE OF ASSEMBLY

COMMITTEE

ON

PUBLIC ACCOUNTS

Wednesday, May 3, 2023

COMMITTEE ROOM

**Department of Municipal Affairs and Housing
Most Recent Accountability Report, Business Plan, Financial Statements,
Action Plan and Affordable Housing Initiatives**

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Public Accounts Committee

Hon. Kelly Regan (Chair)
Nolan Young (Vice Chair)
John A. MacDonald
Melissa Sheehy-Richard
Tom Taggart
Kent Smith
Hon. Brendan Maguire
Susan Leblanc
Kendra Coombes

In Attendance:

Kim Adair
Auditor General

Kim Langille
Legislative Committee Clerk

Gordon Hebb
Chief Legislative Counsel

WITNESSES

Department of Municipal Affairs and Housing

Paul LaFleche - Deputy Minister
Stephan Richard - Executive Director, Housing Solutions and Development
Paul Mason - Executive Director of the Emergency Management Office
Andrew Atherton - Executive Director, Municipal Services
Kathy Cox-Brown - Project Executive
Kathleen Patterson - Director, Strategic Policy and Planning

Nova Scotia Provincial Housing Agency

Paul LaFleche - Acting CEO
Pamela Menchenton - Executive Director, Client Services
Brian Ward - Executive Director, Operations



House of Assembly
Nova Scotia

HALIFAX, WEDNESDAY, MAY 3, 2023

STANDING COMMITTEE ON PUBLIC ACCOUNTS

9:00 A.M.

CHAIR

Hon. Kelly Regan

VICE CHAIR

Nolan Young

THE CHAIR: Order. I now call the Standing Committee on Public Accounts to order. My name is Kelly Regan, and I am the MLA for Bedford Basin.

A reminder to all of us to put our phones on silent. I will ask committee members to introduce themselves, beginning with Ms. Coombes, who is participating virtually today.

[The committee members introduced themselves.]

THE CHAIR: On today's agenda we have officials with us from the Department of Municipal Affairs and Housing with respect to their most recent Accountability Report, Business Plan, Financial Statements, Action Plan and Affordable Housing Initiatives. I will ask the witnesses to introduce themselves, beginning with Deputy Minister LaFleche.

[The witnesses introduced themselves.]

THE CHAIR: Deputy Minister LaFleche, please make your opening remarks.

PAUL LAFLECHE: I've got a couple of pages here I'm going to read. I apologize, this morning, I just took drops, so I'm operating on one and a half eyes right now.

Good morning, Chair, and members of the committee. Thank you for inviting us here today to speak about the department's most recent accountability report, Business Plan, Financial Statements, And Action Plan and Affordable Housing Initiatives. I can tell you we have a lot going on in the department, so I look forward to speaking with you today, along with my colleagues, about all the disparate work that we have under way that will help and benefit Nova Scotians.

Before we get into the details, I should introduce my crew, which I've done already - or the Chair has done. There are other staff members here today who are legal witnesses - Ms. Langille knows who they are. I won't introduce them, but if they are required to speak, we will introduce them at that time. There are some other staff members who are not legal witnesses, in back of me, whom we may confer with from time to time on financial matters.

First, I want to introduce a few key numbers. The total budget Estimate for the Department of Municipal Affairs and Housing is estimated to be about \$550 million dollars for the 2023-2024 fiscal year. That's up about \$154 million dollars from last year. This is a strong and exciting budget for Nova Scotians. It is the single largest-ever increase to the department's budget. To me, it's a budget of the future, but I want to emphasize that \$90 million of that is new money that will build on the historic investments this government has made in housing, supporting municipalities, communities, repairing and preserving infrastructure, and emergency management and response. As part of that increase, there is an accounting change, which accounts for the rest of the money, so it's not all new money, but \$90 million is new.

We are in a time of unprecedented growth in our province, and this is great news, but with that kind of growth and opportunity, challenge is never far behind. The pandemic, rising costs, the housing crisis, labour shortages, and, over the last several months, the work to recover from Hurricane Fiona, one of the most destructive and expensive storms in our province's history that affected certain areas of our province in a very, very big way.

Municipalities, like all Nova Scotians, are concerned about housing, transportation, and the rising cost of just about everything. As you know, we've been focused on renegotiating the memorandum of understanding - or the service exchange agreement, as it's colloquially called - with our municipalities. This has not changed since 1995. There have been several attempts to change it since, all of which have failed. Sometimes the timing was bad, other times, we were not able to fully negotiate all elements of an agreement.

This time we're close. Tonight, the minister and I are going to the Nova Scotia Federation of Municipalities meeting in Digby. There will be a lot of talk about that agreement. We've been discussing elements of the agreement with a committee that's set up by the federation, and progress, I hope, is imminent.

Another important piece of work is the review of the Municipal Government Act and the Halifax Regional Municipality Charter. Both of these were in the minister's mandate letter. We've done some work and introduced some legislation and regulations on both of those, but there's a lot more to come, a lot of good work to do. We look forward to sharing these initiatives once that work is complete.

I would also like to tell you about the innovative work under way with Nova Scotia's Emergency Management Office to support development of the next-generation 911 system. This project will give Nova Scotians access to new emergency services, features, and new capabilities. An RFP was issued on April 18th, and our goal is to have the new system complete and in place by March 2025, the date described by the CRTC. Paul Mason, who is the executive director of that office, is behind me and is a witness who can answer questions.

Like many Nova Scotians, housing is a topic that keeps me awake at night. I want you to know it's a priority for the minister and the department. On the way here, I passed by Tracey Taweel, the Deputy Minister of Community Services. She is my counterpart in the housing crisis. She is in charge of the homelessness file, I'm in charge of the other part of the file, and I can assure you that she and her department are working very closely with us on the homelessness issues.

The government understands the urgency of the housing crisis in Nova Scotia. We are working on a variety of fronts with all our partners, be they other departments or municipalities or the federal government. Because there is no simple solution to the housing crisis - all provinces are dealing with it, many jurisdictions across North America are dealing with it - there is, quite frankly, no one place or entity that's going to solve it. We all have to work together. We have to pull our weight and we have to co-operate.

Right now, the main issue of housing is supply. We need more of it, all types of housing, all the way from one end of the spectrum to the other. With that in mind, the government has invested close to \$200 million to increase, improve, and preserve housing supply in this province. In the last few months alone, this government has invested more than \$80 million in almost every region of the province to create more housing.

This includes modular housing options for health care and skilled workers; more housing for students; temporary housing for people experiencing homelessness; funding to preserve, modernize, and improve existing affordable housing, public housing, and to grow the community and non-profit sector. And from our provincial land inventory, we've identified 37 parcels of land that may be suitable for housing. Announcements on some of those are to come in the near future, and we've identified many more parcels, which await approval before they're released.

Just two weeks ago, on April 21st, we announced the province is providing the Affordable Housing Association of Nova Scotia with 3.3 hectares of provincially owned land on Tremain Crescent in Windsor. The proposed project will see the construction of up

to 137 units in a high-demand area of the province, including 105 townhouses and units that will meet the needs of families, seniors, and people living with disabilities. This is the second project to come out of our Land for Housing Initiative. Many more will come. The first was on Circassion Drive in Cole Harbour, which is slated to begin construction this Fall. I am pleased to say we look forward to making more of these announcements in the not-too-distant future.

I recognize that bringing new supply online takes time. In some cases, people say we should have started years ago, but we do not have a crystal ball. Previous governments could not predict years ago that we would be in this place now - otherwise, I'm sure we would have started years ago. We're doing all we can to move as quickly as possible. We are working to get as many units built as quickly as possible. Hence, we have to do things that are uncomfortable in some cases, like the task force in Halifax.

While we wait for homes to be built, we know we need to enhance other supports to help people with affordability. That's where rent supplements and our home repair and assistance programs have a role to play.

We need to preserve the existing supply of affordable houses. We have a range of programs available in both of my departments to help landlords keep their affordable units in good repair and to keep seniors in their residences. Last year, we introduced the first provincial lending program designed to help non-profits purchase existing rental units. The Community Housing Acquisition Program - CHAP - is the first of its kind in this country since the 1990s and has been recently recognized . . .

THE CHAIR: Order, please. When we reach out, we indicate that you have five minutes to make opening remarks. You have now gone double that. I'm going to let you and all deputy ministers coming before this committee in the future know that they will be held to five minutes. It cuts into the time that our members have for questioning.

Thank you very much. If you have more that you would like to tell us, please, by all means, send a copy of your remarks to us, and we'll be happy to read them.

We're going to begin with our first round of questioning. Each caucus has 20 minutes, and we will begin with the Liberal caucus.

MLA Maguire.

HON. BRENDAN MAGUIRE: One of the things that was said in that speech and one of the things that this government has touted is rent supplements which, in Opposition, they were completely against, and you can go back through Hansard and see that over and over and over. One of the things that this government did was move the income threshold from 30 per cent to 50 per cent, basically knocking hundreds, if not thousands of people off the list. I'm asking questions. I would appreciate short answers. What's the rationale

besides - we know what the rationale is because they said it. It cost too much to continue to stay at 30 per cent. We know what the rationale is. How many individuals were disqualified from the rent supplement by going from 30 per cent to 50 per cent?

PAUL LAFLECHE: Mr. Richard will take that.

THE CHAIR: Mr. Richard.

STEPHAN RICHARD: I don't have the exact number of applicants who would have been rejected because they don't meet the new threshold, but we can get that.

BRENDAN MAGUIRE: I ask that that be sent to the committee for us to review.

Were there individuals who had been waiting for a rent supplement for weeks, months, years who were disqualified from that list?

STEPHAN RICHARD: I think it's important to clarify that anyone who had submitted an application before January 27th, when the change was made, would still be eligible based on the former rule of 30 per cent of income. If you submitted an application before the change was made, you would not be disqualified or rejected because of the change.

BRENDAN MAGUIRE: I would argue against that because we have had individuals rejected out of my office. We probably do as many applications for rent supplements as just about anyone in HRM and Nova Scotia, and we have had people rejected based on that. If you like, I can table that to the committee.

How many individuals are going to be rejected based on that criterion? Does this department think that 50 per cent of your income is a fair number to spend on your rent?

STEPHAN RICHARD: It's impossible to answer how many applicants will be rejected for the simple fact that some applicants may self-determine that they might no longer be eligible for the program, and they won't even apply in the first place.

What I would say to anyone out there who may feel that they are spending more than 30 per cent of their income and might not be eligible would be to apply anyway, because not all income sources are recognized or would be captured as part of the review of the application.

We know that some people will not apply. We can provide information in terms of what we've seen since January 27, in terms of the number of applications that we've received and the number of applications that have been approved, or the number of applications that have been rejected.

[9:30 a.m.]

Now in terms of the appropriateness of the 50 per cent, I think a point I would like to make is we need to recognize this as a program that is jointly funded by the federal government. It was co-designed by the federal government and it's pretty clear that under the Canada Housing Benefit agreement that this program is a partial affordability gap program, meaning that it does not fully address the difference, if you will, between 30 per cent of income and the actual rent that the household might be paying towards rent.

The other important factor I should mention is that it was meant to target - hence the targeted name in the name of the program, because we thought it was important when we found out that the federal government imposed those restrictions on provinces - it is targeted to the most vulnerable. By targeting those who are in severe housing need, meaning that they spend more than 50 per cent of their income on housing, we are in line with federal guidelines.

BRENDAN MAGUIRE: You can't blame the federal government on this one - we can't. This program was at 30 per cent and it was having a massive impact on my community, and I dare say at the community of most people around this table.

I would argue that 30, 35, 40, 45, 49 per cent is severe housing needs. Not one person sitting at this table, or probably in this room, is spending 50 per cent of their income on housing, yet this government and the department has the audacity to say that 40 per cent and 45 per cent of income being spent on housing is not a crisis, that it is affordable.

During the last session, the Minister of Community Services said that nobody will go hungry under her watch, and that if you go hungry, to call her personally. Somebody's spending 40 per cent, and that's why the number was set at 30. The individuals sitting in this room were involved in that 30 per cent and it certainly worked a year ago. The reason this change was made is because this government doesn't want to spend more money, that's why.

In the recent budget there was over half a billion dollars of unallocated money sitting in that budget that could have been used for this. It's one thing to say that we're spending more money than ever, but I would argue that Nova Scotians are spending more money than ever on housing.

There is now a wait-list, there is an article on the CBC of over 1,000 people waiting for rent from this department and from this government. That's a two-part thing for me.

The program is a success, and that's thank you to everyone in the department who had the foresight to create and work with the federal government on this program, but it also shows the desperation. By changing 30 per cent to 50 per cent what this government has done is fudge the numbers to make themselves look good, the demand for the rental

program has gone down, we're not getting the uptake that we used to get because we're solving the housing crisis. No, they're not solving the housing crisis. They're disqualifying people. Shame on them for doing that.

My question to this department and to the individuals, and directly to the deputy minister, is: Why do we have thousands of people waiting for this program who are going to end up homeless, who are going to end up on the street, who are going to end up couch-surfing? Their children are going to miss out on programs and food and all kinds of different things.

My question to the deputy minister is: Why are we waiting and what are you doing to address the people waiting for this program?

THE CHAIR: Mr. LaFleche.

PAUL LAFLECHE: I'll start and then Mr. Richard will take over.

We've increased this program in value since . . .

BRENDAN MAGUIRE: You decreased the program.

PAUL LAFLECHE: Well, the figures we have out of the Budget Estimates, unless they're wrong - I can check with my chap, Adam, back here - are that the program in 2019-20 was \$9.5 million and 2,500 people served. Forecast in 2023-24, the recent budget, \$52 million. That's over five times as much, and 8,000 people served. So, in fact, the program is rapidly increasing.

We've also made the program fully portable, so we're no longer giving rent supplements directly to landlords. We've made a lot of positive changes to the program. What we intended to do with the change is target those in most desperate need, those who are at the 50 per cent who really need help now, versus those who may be at 30 per cent. Maybe we can only apologize for that type of decision, but we've got to get to those who are truly in need right now.

BRENDAN MAGUIRE: That was not the question. There are thousands of people waiting - it is being reported right now on the CBC - waiting for this program. The question is: What are you doing to address it so that they get this program not months from now, not years from now, but today, tomorrow, next week? The question is to the deputy minister.

PAUL LAFLECHE: We'll double check. Obviously, the CBC would have some information. There's a reporter here we can check with. We have the wait-list at about 1,000, not thousands.

BRENDAN MAGUIRE: So, what are we doing to address that?

PAUL LAFLECHE: I think we're working through it. Mr. Richard?

THE CHAIR: Mr. Richard.

STEPHAN RICHARD: We do have additional investment in this year's budget to increase the number of rent supplements by about 1,000 - 400 of them will be coming under a new agreement with the federal government to target families who are experiencing domestic violence, but 600 are through our regular program stream.

I think we've already approved about 71 in April and we're looking at approximately 200 this month. The fact of the matter is we are still receiving upwards of 400 applications every month.

To your point, there's a need out there. There's a housing crisis, as the deputy mentioned. Rent supplement is one tool that is available to us. There are other tools, but we know there's a need out there. The program works on a first-come, first-served basis for eligible applications, so what we've done is increased the number of staff who are available to process applications.

We've put in the resources and we're working as fast as we can to approve applications, but the fact remains that there's still more demand than resources available.

THE CHAIR: MLA Maguire.

BRENDAN MAGUIRE: This is not on the department, but what I would say is that there isn't more demand than resources available. We have a government that is willing to spend money on everything, anything, anytime.

This isn't a matter of resources available. This is a matter of priorities from this current government. It's clear that this government fudged the numbers on the rental program. To sit here and say that somebody who's at 45 per cent, who's at 40 per cent - there's a reason why 30 per cent was chosen. We know that. Everybody in this room knows that. Again, I will say, nobody in this room is paying 40 per cent. Nobody in this room is paying 45 per cent. Maybe some people, but very few people are paying 45 per cent, and if they were, they would be in desperate housing. Yet 45 per cent was determined by this government - that that's not a crisis level.

It was all to decrease the list. That's all it is. This is all just public relations, and it's offensive, as somebody who's dealing with this on a daily, hourly, weekly, minute-by-minute basis. If you talk to my constituency assistant, the number one issue is housing.

Respectfully, Mr. Richard just said that there are other programs that are available, that there are other resources that are available. This will be to the deputy minister. The

last time you were here, you said that more public housing is needed. You said that. We desperately need more public housing - those were your words.

You are now the acting CEO who is in charge of all of this. Where's the money for the public housing? Not the repair - I understand the repairs. We're not talking about repairs. We're not talking about renovations. We're talking about new builds. Where's the money for the new builds in this year's budget, and will there be money for new builds in this coming year?

THE CHAIR: MLA Maguire, you have less than five minutes left.

Mr. LaFleche.

PAUL LAFLECHE: I'll get to that, but first, I think I need to correct the record. The Auditor General is here. It was mentioned that we fudged the numbers. If we did fudge the numbers - we did hear a claim that we have thousands on the waiting list. We don't have the thousands. We can't find them. We have maybe a thousand.

So if there is a fudging of the numbers, if there is some inaccuracy, I'm certainly going to be talking to the Auditor General after the meeting and finding out what numbers we fudged and how we fudged them. These are audited numbers. I don't think we fund them - a five-fold increase in the budget of rent supplements is a very significant increase. We fund - of every \$6, the province funds \$5 and the feds fund \$1. That's a significant resource allocation on the part of the province.

Having said that, I want to first state that I'm very pleased with the member's comments overall. He may consider that they're aggressive and he's after me or the government, but they're good comments. I've been here and people have attacked the rent subsidy program. The fact that the member is actually supporting it and wants it to increase - that's a good thing. I think the minister would consider that good. The minister has increased it.

What we're really debating, maybe, is just how fast we do it and how it's done and who it serves. I would encourage the member - I'm not sure if I'm supposed to speak to the Chair or the member - but I would encourage, through the Chair, the member to speak to the minister about that. We will certainly take his comments back. We thank him for his support. But I am a bit worried about the "fudge" comment, simply because we don't understand. We would be in dereliction of duty if we fudged.

On the public housing side, I don't know if it was the last time I was here, because I'm busy with appearances in front of different committees, but I did mention that in terms of the accessible units, the best way to build and address the accessibility requirements that we have built into legislation for public housing would be to build new units. The minister

has acknowledged that. It's just too difficult to really renovate some of our existing 40-year-old units for accessibility.

[9:45 a.m.]

We have money from the federal government, and we have our own for accessible units, and we will be making some decisions in the near future on how we're going to tackle that on the new units side or renovation for accessibility. The minister will have more to say in the near future.

In terms of any other new public housing units, that will be part of a public housing strategy that the minister is working on now. He would have to deal with his colleagues on that. He'll be coming forward in the near future. I think several people in here understand that process.

It was mentioned that you don't want to hear about repairs. I was getting Mr. Ward up to talk about repairs, but in view of your limited time, I will not bother you with that. You know we're putting over \$50 million in repairs.

THE CHAIR: MLA Maguire, one minute.

BRENDAN MAGUIRE: I think the repair stuff is great. I am a big supporter of the rent subsidies, so if I'm coming across as aggressive, it's more frustration than aggression. This is something that we're dealing with non-stop. I drive to work today, and there are tents everywhere. I know that this is the responsibility of different levels of government, but the truth is that this change to the rent subsidy has had a massive impact on individuals' lives, and it's very frustrating that we can't get the government members to see that. We can't get them to see that going from 30 per cent - and there was a reason why it was 30 per cent - to 50 per cent, only because they don't want to pay more money and spend more money on it, has an impact on housing. It has an impact on our health care system, an impact on our justice system, an impact on our community services. It has an impact on all our systems.

THE CHAIR: Order. The time for Liberal questioning has elapsed. We'll now move on to MLA Leblanc.

SUSAN LEBLANC: I'm just going to continue this discussion for a little bit. I think my colleague has already asked a bunch of the questions that I had, but I do want to echo his experience in his constituency office. I would wager that our offices are either neck-and-neck in terms of these applications, or Dartmouth North wins in the bad way.

These rent subsidies - Mr. LaFleche talked about people attacking the rent subsidy program. That could have been me at one point. I still do, policy-wise. On a very broad level, I don't think that the best way to keep people housed is by giving public money to

private landlords. I actually do think a better way is to invest heavily in public housing and in co-op and social housing and supportive housing and all of those things. I've said it millions of times, and I won't defend that position further. That being said, the rent subsidy for my constituents and people in my community is keeping people housed right now. Therefore, I appreciate it, and I do appreciate that it's gone portable. That has changed things considerably.

All of that being said, one of the questions I want to ask, one of the nuances of the CBC article, is that in the last six months - in the reports, the rent supplement data comes in six-month chunks. In this past six months, there were way more applications, way more dealt with, but the backlog remains. I think the number is 1,016, but that is up from 55, compared with the six months prior. I'm wondering if Mr. Richard can talk about why he thinks that difference has happened.

THE CHAIR: Mr. Richard.

STEPHAN RICHARD: Unfortunately, I haven't had a chance to read the CBC story. I believe we provided numbers - that's not how we keep track. Whether it's the backlog of the number of applications, it was just how we recorded it. I would have to look at what is in the article to really comment on this. It's a point in time. At the moment, that is roughly what we're seeing, in terms of the number of applications that are waiting to be processed.

SUSAN LEBLANC: Just to be a bit clearer, I'll quickly read this. In the last six months, there were 2,340 applications received. By the end of that reporting period, there were 1,016 people still waiting to hear if they received a rent supplement. That increase is up from 55 people at the end of the previous reporting period. There are 1,000 more people who are waiting to hear. What is going on in the department that is causing that to happen? Is it just that there's a massive number of applications, or is it staffing shortages? What is the issue with the processing time?

STEPHAN RICHARD: I feel very uncomfortable, because you're asking me to speculate on numbers that I haven't seen yet, but I'll try to give you an answer. The one thing that I have seen in the last six months of 2022 - not the last six months, but the last six months of the calendar year - is approximately 400 applications a month, whereas that number was around half of that in the first six months of 2022. We've seen an increase in demand in the latter part of 2022. The government invested - just looking at my notes - approximately \$6 million in additional funding in 2022-23 to help 2,000 additional households. I would venture to guess that this additional investment helped the increase in demand. I can't speculate, again, why the number is what it is today vis-à-vis what it was the previous period.

THE CHAIR: MLA Leblanc.

SUSAN LEBLANC: Can you tell us, were there discussions when the demand started rising? Is there a direct correlation between the demand rising and the change from 30 per cent to 50 per cent eligibility?

STEPHAN RICHARD: We have, certainly, made the government and the minister aware, which is why the government has increased funding in 2022-23 to meet that demand, yes.

SUSAN LEBLANC: I would argue that the funding increase does not meet the demand. First of all, we see a thousand people waiting for a rent supplement, but there's also a whole swath of people who are no longer eligible for the program. The government - I don't disagree with your budget numbers. I do believe that you've got correct budget numbers there, Mr. LaFleche, but I want to just be clear that even with the budget increase, there's a whole chunk of the population that is no longer applying. The demand for housing support is not being met. Do you agree with that statement?

STEPHAN RICHARD: What I would say is that we are still seeing strong demand for the program, yes.

SUSAN LEBLANC: I want to talk a little bit more about housing in general, but to Mr. LaFleche's remarks earlier about the housing subsidy, the way I was made aware of the CBC article this morning - and apologies to the journalist, because I didn't read the news on the website - it was on Twitter from Adsum.

Adsum Housing for Women and Children tweeted the article, and their comment - and let's all acknowledge the excellent and important work that Adsum Housing for Women and Children does in this province. They are experts in housing. They say, "This is failing Nova Scotians... Offering rent supplements as a key response to the deepening housing crisis, and making renters wait months... and months...to process applications for support. People are desperate, in crisis now. To be clear, we don't believe that rent supps alone are the fix. We need policies, leadership, and major and sustained investment to create 1000s of truly affordable housing units across this province."

THE CHAIR: MLA Leblanc, I will just ask you to table that.

SUSAN LEBLANC: Table that? Yes, sure.

Speaking of housing units, we're hearing these great announcements, and the deputy minister has said that we're going to hear more announcements coming. My question about that is: Are we looking at creating thousands of affordable housing units? When I say affordable, I mean according to the generally accepted definition that a unit is 30 per cent of your income.

We know that we have lots of housing being built. In Dartmouth North, there are five cranes in the immediate area of my house. I can see five cranes in the sky. That's great, but we're talking about affordable housing. Every time one of those buildings goes up and the rent is \$2,000 a month - on a fixed-term lease, by the way - it's not serving the people who actually need the units.

How are we making sure that the units are actually affordable - that we are building affordable units that people can move into, and know that their rent is geared to their income?

PAUL LAFLECHE: I think I touched off in my very excessively long speech, which I apologize for, that we need to build all across the spectrum. Affordable - yes, that's urgent. That's serving the needs of those in the most crisis right now, but we need to build across the whole spectrum for all the million-fifty Nova Scotians. We're trying to do all sorts of housing. You will find apartments for \$2,000 a month that we have approved under the task force for a special planning area. You will find other construction done by the private sector that is at that price. You will also find thousands of affordable units.

Right now our estimate, which we haven't released, is that we have in the order of 70,000-odd units needed in the next five years to support the population in Nova Scotia. That's going to have to be all sorts of different units from affordable to mid-level to higher end, because there are people who want different things. Just as I'm glad that you raised in your opening comments rent subsidies, they're all portable now. Any new ones are portable ...

THE CHAIR: MLA Leblanc.

SUSAN LEBLANC: I'm sorry. Respectfully, I have other questions that I want to ask, so I'm going to ask you to stop there.

I will say this: Yes, I agree that we need housing across the spectrum, but the Government of Nova Scotia doesn't have to build housing across the spectrum. We need to look after the people who are vulnerable. That is the purpose of government - that government money goes into government programs. Why are we spending government money on private landlords?

Yes, make it easier for them to build their across-the-spectrum housing - absolutely. Special planning areas - great, awesome idea. Even letting them build until 9 o'clock at night - that's controversial, but whatever.

It is not the government's job to build all those units. It's maybe to facilitate the ease of those units, but not to build them. We need to build. Mr. LaFleche, you have said that you know of thousands of affordable housing units. I would love the list of those and

the plan for those to be tabled to this committee. If that's the case, then great, we don't have to talk about this anymore. We know that it's all coming. I want to see the list.

I'm going to change tack for a second. Recently in Estimates, we asked the minister about the growing issue of the subsidies that were tied to landlords. We have talked about how everything's portable now, but there were some that were grandparented that are beginning to expire. In exchange for large sums of public funds, some landlords have agreed to offer the housing at a reduced rate for a set period of time.

In our questioning in Estimates, it did not appear that the department had planned for the expiry of the agreements and how to support the renters who are in those subsidized units - talking about the ending of the old system. I'm wondering if someone can provide an update to what's happening with those folks who are in those subsidized units, and what discussions are taking place to figure out how to continue to support them?

PAUL LAFLECHE: There are two different things there. One is the portability and non-portability of rent supplements. That's one issue. We're out of non-portable rent supplements right now. We haven't given them out in I don't know how long, but quite a while. They're all portable.

The ones that are non-portable, I'll allow the phase-out to be addressed by Mr. Richard.

The other issue is some type of funding, and it could be in different ways that, over the last 30 or 40 years, was given to landlords to create affordability in apartments. There's a complex history of that involving the federal and provincial governments. Those are agreements which were made not before I was born, but before many people here were born. They do expire, and we have to deal with the expiration of those - and I'll allow Mr. Richard to deal with that. I just want to point out that there are two different things that were questioned there, very different.

STEPHAN RICHARD: What I could share with you is that right now - as of February 2023 - it was around 29 per cent of all of our rent supplements that are considered non-portable, so they're still attached to a landlord. We are reviewing the program, and we are reviewing the program objectives and the outcomes of the non-portable. We need to determine and decide what the next step will be when these agreements expire. I believe we have three agreements with the federal government that are still in place that support these non-portable. When they do expire, we'll have a plan in place, and government will decide if they want to continue as non-portable or convert or transfer these clients.

I can tell you, in the past, when there was an agreement expiring under our affordable housing program, we have worked with landlords and tenants to switch or convert them to portable. We're looking at all the options, and we'll make recommendations soon.

[10:00 a.m.]

SUSAN LEBLANC: In that, I would assume that those ones that will expire are based on the old eligibility of 30 per cent. Is there acknowledgement, or is there a commitment to making sure that anyone who's in that program right now will be offered something at the same rate, so they don't then have to requalify at 50 per cent of their income to receive any kind of assistance?

STEPHAN RICHARD: That is a great point. Obviously, that will be part of the consideration, and we'll submit our recommendations based on our findings and best options.

THE CHAIR: MLA Leblanc, five minutes.

SUSAN LEBLANC: Your recommendations to the minister? Your recommendations to the minister? (Interruption) Would you though, Mr. Richard, accept that if someone has been living with a subsidized unit based on their income - that they're paying 30 per cent of their income on rent - to switch them to something where they then do not qualify because the rules have changed, would be particularly difficult for that person?

THE CHAIR: Mr. LaFleche.

PAUL LAFLECHE: That's a personal opinion. I appreciate the question. It's a good question, but Mr. Richard or myself, we're civil servants. What we do is we prepare the options for the minister. We tell the minister the pros and cons, the benefits and disbenefits, if you will, and we present the minister all those options. Then he usually takes those options, if he has to, under legislative authority to the Treasury Board, et cetera. You know the routine. We can't really give you our opinion. We can just tell you that what you said is a good point, and we will cover that in the options.

SUSAN LEBLANC: Great to hear. We heard earlier this year about a dramatic cut to the public housing wait-list. Can anyone explain why this occurred and by what criteria people were found to be ineligible? How was this audit of the wait-list conducted? This is public housing.

THE CHAIR: Ms. Menchenton.

PAMELA MENCHENTON: We've gone from 6,625 applicants on the wait-list to 4,790. That's a 30 per cent reduction since last June. What accounts for that are a number of different things. By the way, I just want to mention that the wait-list is a measure. We're more interested in the time it takes to move people off that wait-list into our units. That's really what we're focusing on. The wait-list can ebb and flow, depending on different

pressures. I just don't want to indicate that the wait-list is the one thing that we're really looking at.

We're improving our data integrity as well as we upgrade our IT processes, our Yardi tool. For example, part of the explanation here is we're removing people from the wait-list who no longer qualify, or who had turned down a unit three times in a row. Those automatically remove you from the wait-list. Things like that. There's also a focus on unit turnaround and putting units back into service sooner too. There are a number of different factors, I would say, that are affecting the wait-list as it is right now.

Honestly, we are more focused on the time it takes to get you off that wait-list and into our units. I can report that that's actually improved incrementally, by 10 per cent, which we're hoping will continue in that direction.

SUSAN LEBLANC: Is the eligibility criteria changing for public housing as well - to the 50 per cent guideline in terms of being eligible? (Interruption) But it is 30 per cent, right?

PAMELA MENCHENTON: That's right.

SUSAN LEBLANC: Okay, thanks.

THE CHAIR: MLA Leblanc, you have a minute.

SUSAN LEBLANC: In the Auditor General's Report on housing, Recommendation 1.2 stated the wait-list and wait time information should be reported publicly and the department's target date was this year or last. Any updates on that?

THE CHAIR: Ms. Menchenton.

PAMELA MENCHENTON: It is coming. We fully intend to put all of that information out. We have dashboard information. We are building that and when we have it - when we're really happy with the data and the data integrity - we want to post it publicly.

SUSAN LEBLANC: Approximate date and a definite commitment to doing it?

PAMELA MENCHENTON: There's definitely a commitment to doing that. The date I hesitate to share. As soon as we are certain with the data that we have and the data integrity we'll have it up there.

THE CHAIR: MLA Leblanc, 20 seconds.

SUSAN LEBLANC: What about Recommendation 1.14, to develop a consistent tenant appeal policy and process?

PAMELA MENCHENTON: We're in the process of doing that right now and we aim to have something in place by the Fall.

SUSAN LEBLANC: Also recommended that the . . .

THE CHAIR: Sorry, the time has elapsed for NDP questioning. We'll now move on to the PC caucus. MLA Young.

NOLAN YOUNG: I have a couple of questions around the Emergency Management Office. I'm wondering if you could share some of the initiatives the department has under way to help people whose houses were damaged by Hurricane Fiona.

THE CHAIR: Mr. LaFleche.

PAUL LAFLECHE: He wasn't introduced, but Paul Mason - a good first name - is the executive director of the Emergency Management Office, so he will field many of those questions.

THE CHAIR: Mr. Mason.

PAUL MASON: With regard to Hurricane Fiona and some of the homes that were damaged, we've received approximately 1,500 applications. We've paid out just under 400 of those so far.

The guidelines that we operate the Disaster Financial Assistance program under are federal guidelines, so we've been utilizing those and interpreting the various applications. Each application really has to be looked at on a case-by-case basis. There could be unique components that would really speak to whether or not the applicant would qualify for funding under the federal terms and conditions.

We've also worked with the federal government, in concert with some of the other Atlantic Canadian provinces that were impacted, to get the federal guidelines expanded as much as possible, to try to increase areas of coverage. We've had some success on that front, in collaboration with Prince Edward Island, particularly around mussels and some of the aquaculture industries that were significantly impacted by Hurricane Fiona - also around some of the tree and debris damage that occurred as a result of the storm. Historically, that hadn't been covered under the federal Disaster Financial Assistance guidelines. We were able to work with the federal government to have them broaden their interpretation of what would be eligible. We've been able to do those things to increase the compensation that impacted households can get via the federal program.

THE CHAIR: MLA Young.

NOLAN YOUNG: We've had several incidents in recent years with cell phones and landlines or the internet going out. I wonder what Nova Scotia EMO is doing to ensure this doesn't happen again.

THE CHAIR: Mr. Mason.

PAUL MASON: When it comes to telecommunications, you're correct. We've had a number of incidents over the past several years that have resulted in impacts to the telecommunications infrastructure. Some of those are weather-related with some of the large storms that we've had. Some of them are around technical impacts, such as the 2017 fibre optic cut that Bell experienced, and what have you. There have been a number of things that have happened on that front.

Critical infrastructure is looked at nationally through the Public Safety Canada Critical Infrastructure strategy, which the various provinces implement. Of course, we're a partner in that, and telecommunications is one of 10 sectors identified. Those issues are discussed regularly with the federal government. Also, any areas of concern have been raised with the CRTC, the regulatory body that oversees telecommunications.

Of course, there have been changes to legislation passed in the Fall around telecommunications, to the Emergency "911" Act and the Emergency Management Act. We are currently looking at how regulations can be implemented. We've had discussions with our federal partners and with the Canadian Wireless Communications Association as well.

THE CHAIR: MLA Young.

NOLAN YOUNG: Thank you so much. I'll pass it to my colleague, MLA Smith.

THE CHAIR: MLA Smith.

KENT SMITH: My questions are going to come back to the Provincial Housing Agency. I will direct a couple of them to Deputy Minister LaFleche and let him deflect them to those who might be able to answer a little bit better.

With respect to the Provincial Housing Agency, I'm wondering if you can give an update on the status of the agency. I'm also looking to know if we can get some information on what the department expects from this agency, and why it was necessary to create it.

PAUL LAFLECHE: Prior to this - and I don't know how long this existed - we had five regional housing authorities. The authorities had these boards, I'll call them, which were really in charge of placements. They weren't really in charge of the governance of a structure. We wanted to have a corporation where there would be true governance. It's

accountable to the minister. The minister answers in the Legislature for it. The minister has to assign and approve business plans and annual reports. There would be a CEO.

It was created in line with the other two agencies, Invest Nova Scotia and Build Nova Scotia. All three were created with a similar model of an advisory board, which would advise the minister. The governance would remain under the minister, so the minister is responsible to the people of Nova Scotia, and there is true accountability in the Legislature - from the minister to the people. That is the general structure.

In the case of Housing Nova Scotia, which we called the Nova Scotia Provincial Housing Agency, we made a bit of a difference. When we introduced the legislation, we put in place a temporary advisory board and allowance for a temporary CEO, both of which are me, so that we could get certain things done. We had several labour relations issues. We're probably going to have to go to a labour relations tribunal. We have different bargaining units because of the different authorities. So there are a lot of labour things that have to be done. It'll probably take a year, maybe 18 months. We wanted to have a regime in charge that was familiar with what to do.

Similarly, we were taking five different agencies that we found had different policies, standards, and collective agreements for tenants. We wanted to take that all together and create a common agency policy, common collective agreements, common procedures for dealing with tenant complaints - which, apparently, we do have in place, so we didn't give you quite the correct answer. The beatings will continue later. I'm only kidding.

Ms. Menchenton's doing a great job. She's worked with me three times before, I think, in different jobs.

We have that policy in place, and by the Fall we will have in place the other policies that Ms. Leblanc asked about earlier.

We're trying to create consistency, transparency, and good governance for Nova Scotians. Yes, the good governance will come.

I'll tell you a little story. Ten days ago, on Friday, I was driving somewhere in the province - I think it was down to Berwick - and Vicki Elliott-Lopez, who is right now in Disney World or Disneyland, whatever it's called in Florida, with her kids. She phoned me up and said, "I have a great idea. We need a competent CEO for the housing corporation." Well, I almost drove into the ditch, because I'm the acting CEO. I don't think she understood what she said. (Laughter)

After bawling her out (Laughter), I said, this is the structure - I'm going to remain the CEO. It was Mark Peck until he left for the Joint Regional Transportation Agency. I'll just remain the CEO with a light hand until we're in a better spot with respect to certain

things I just mentioned. Then we'll have a competition for a CEO, like we did with Build Nova Scotia and Invest Nova Scotia. We just recently appointed CEOs there. Then we'll have an advisory board.

[10:15 a.m.]

All of those things will come, but we've got to go through a few what I call "machinery-of-government processes." At the end of that, you will have a unified corporation that answers to the people of Nova Scotia, that the minister is accountable for in the House. It won't be some mysterious board that is not appointed by the minister, or the chairs of which you never see.

All of that will be regularized for a standard Crown corporation template. That's the sort of direction we're going in.

In the meantime, before we get to some of the things I mentioned, which are regulatory in nature, Ms. Menchenton and Mr. Ward are working hard to do what they can without those regulatory decisions, and some of those things are like the tenant appeal system and how we deal with tenant relations. Some of the staff relations things we can do without the collective agreement changes.

Anything like that that we can do, we're doing now. We're not waiting, but we can only do so much in the interim. Everything is coming onstream - new software systems, new software staff being hired. Yesterday I was accused by Don Maillet of stealing his employees, so we are doing everything we can. You know who Don is.

We're doing what we can to get going, but it does take time. I went through a similar thing with the Nova Scotia Community College, which was done in the mid-90s, and it took about 18 months to get all of those things through all the regulatory authorities, to get the thing. Invest Nova Scotia and Build Nova Scotia do not have the same issues. You need another question. (Laughs)

THE CHAIR: MLA Smith, you have 10 minutes.

KENT SMITH: I do appreciate the detailed responses you give, Deputy Minister. It's always nice to hear you at committee giving the answers that you do, because you have a thorough understanding of your department and most other government departments as well. It's also nice to hear that this new agency is going to help streamline and make everything a little more transparent - and ultimately give the minister the accountability that was not there in the past.

Switching gears ever so slightly to the assets that we currently own in the public housing realm. Like everything else, they're aging. I'm curious to know what we're doing

to make sure that those assets are being well-maintained, and what the plan is for those that might not be well-maintained, moving forward.

THE CHAIR: Excuse me, deputy minister. I'm just going to remind you - because I know you hardly ever come here (Laughter) - that you have to wait to be recognized. I think we're going to go to Mr. Ward.

BRIAN WARD: Our average age of the housing infrastructure portfolio is 42 years. We've been doing a lot of work trying to prioritize work across the province. We have the projects come in from our field staff and we start to look at them about infrastructure, trying to extend the lifespan of the infrastructure. One of our oldest homes is over 200 years old, and our newest was back in the mid-90s. It kind of gives you an idea of what we're working with.

This year we're going to be investing, of the recent \$50.7 million - the four-year plan that was approved for us - about \$13.4 million of that will be invested in public housing and repairs. We had another \$5.7 million on a program of TCA. We'll also be adding some of our operational funding. This year we have a planned portfolio project of \$56 million, is what we're focusing on, getting ready to tender. It's across the province, from one end of the province to the other. We have a substantial amount of work that's out there, and we've been meeting with the minister and going through that now with him.

KENT SMITH: I think that will wrap up my questions for now. I'll turn it back over to the other side of the table.

THE CHAIR: MLA Taggart.

TOM TAGGART: I'll pose my question to Deputy Minister LaFleche, and he can direct it wherever he wants. I want to shift gears a little bit to municipalities. When I reviewed the AG's Report, there were some comments in there about whether the department tracks year-over-year business planning and accountability reporting for municipalities. As you know, I've got a little bit of history in municipalities, and I have a fair understanding of it. On the other side of the table, when I was there, of course we wanted money from the provincial government. We just didn't want the provincial government to tell us how to spend it. I don't suspect things have changed.

There's been a lot in the news over the last while about municipalities, and budget discussions, and that sort of thing. I viewed what is called the financial indicators as kind of an accounting. I'm just wondering if somebody could give me a rundown of that, so I understand how it is now.

THE CHAIR: Mr. LaFleche.

PAUL LAFLECHE: Ms. Doucett is in the back of the room, but I don't think she is a licensed speaker - is that correct? She's a licensed speaker, so I'll ask Andrew, do you want her to take it or you? (Interruption)

THE CHAIR: Mr. Atherton.

ANDREW ATHERTON: First of all, thank you. It's nice to be able to get a chance to speak here. It's nice to be back. Many of you have seen me in the past so it's nice. I appreciate Rebecca allowing me to speak to this.

We collect a lot of information from the municipalities. Where we start the process is we collect financial information returns from them. It includes a bunch of information, audited financial statements, internal control letters for various things. We're working with them through that process.

As they are doing that, they are starting to prepare their financial condition indicators - the FCIs - which I think is what you are referring to. They are working on preparing those. They are back and forth with our staff.

Before they submit that to us, the FCIs have to go through their audit committee to make sure everybody on council knows that's going on. Then they'll submit those reports to our office. The team will work through them. We'll work with the municipalities back and forth. Ultimately, once we've settled on the financial information return information, we settle the financial condition indicators and then we put together the house. You are probably familiar with the house: That's where we make a determination of the overall financial health of the municipality.

If they have more than six of their indicators that are either red or yellow, or fewer than six that are green, then we consider that to be a more risky situation. At this point, we go back to the municipality, and we ask them to present to us an action plan of what they are going to do - what changes they are going to make to try to address those concerns.

We are back and forth with them throughout the process, helping them figure out next steps. We're not down at the budget level telling them how to budget or what to do, what they should spend their money on and what they shouldn't. We're working with them at the FCI level of what are the indicators of health. What do you need to do to make sure that your municipality is in good shape so you can give the citizens what they need?

THE CHAIR: MLA Taggart.

TOM TAGGART: I guess that's done year over year. The Department of Municipal Affairs does track it year over year. I am glad to hear that you do work back and forth over time before you put that indicators report out.

Do you have any examples of municipalities taking that information in these reports and adjusting their approach to financial sustainability?

ANDREW ATHERTON: It's interesting because that's one of the topics. I'm only four months in with the department so I have been asking questions: What do we do? What happens with this? What sort of improvements are we seeing? The team flagged a couple of specific examples for me.

Annapolis Royal was having some issues around a loss of revenue that they knew was coming, so they worked very closely with our team to figure out, if we do this, how is that going to play out? What is it going to look like for our FCIs? How is that going to help?

They are using those FCIs as a measuring tool. They come to our office - some of them - and they work with us, and we figure it out. Okay, so if we do this, or we do this, how is that going to get us where we need to go and help make sure that we're on a solid financial footing?

We've also had some information recently from the town of Trenton. They are doing a lot of training around just basic, prudent fiscal management. They are working with our office identifying some areas where they could provide some budget training or expenditure management training. Those are just two examples where we're very clearly seeing municipalities saying okay, this FCI shows that we have some issues we have to deal with. What can we do? What changes can we make? Our team works with them to try to consider those changes and what impacts they will have.

TOM TAGGART: I really do appreciate that because that is the way that - I just wondered if something has changed because that was - and ironically Mr. Peck was the guy who tried to help us stay in line back when I was in municipal government. I would just change it a little bit here.

I want to move to these special planning areas. Can someone tell us a little bit about the accomplishments of the task force so far and how it has helped to streamline the housing development process in HRM?

THE CHAIR: Mr. LaFleche.

PAUL LAFLECHE: I could go on at that, but - we only have one minute, so maybe I'll do that. Kathy Cox-Brown is here to address that.

Basically, we've approved 10 special planning areas, and the main thing that happens at the task force is the minister replaces the HRM council. There's been a lot of mystery about what really happens. All of the other HRM processes are gone through, all of the HRM staff develop the information, they send it to the task force, just as any normal

application. Anybody who wants to go to the task force, we say, go to HRM Planning & Development, and they have to go through it. It comes to the task force, the task force then makes a recommendation to the minister, and the minister effectively replaces HRM council. That's all that happens.

I think there's been a lot of mystery. People think we've approved hundreds of special planning areas - we've approved 10 ones which are important.

THE CHAIR: Order. Time for PC questioning has elapsed.

We'll now move on to the second round. Each caucus will have five minutes, beginning with the Liberal caucus. MLA Maguire.

BRENDAN MAGUIRE: I just wanted to clarify that the actual number of individuals waiting on the wait-list is 10,016 as reported by the CBC. It did go from 55 to 10,016 - oh, sorry, what did I say? Ten thousand, oh my god.

THE CHAIR: One thousand.

BRENDAN MAGUIRE: I will get it right eventually - 1,016. Okay. One of the things that was said today on the radio - and I just called my office and verified this - was the wait time for these to be processed. On CBC Radio today, it said three to four months. I called my CA, Kelly. I asked how long it is taking, and she said, we put ones in in January. They got an approval May 1st. They still haven't gotten their money, and they've been told it's going to take weeks until the money is in the bank. So it is actually taking four months. I asked, is that an outlier? She said that's how long it's taking.

My question is, quickly, because I only have five minutes: What does the Department of Municipal Affairs and Housing expect those people to do in those four months while they're waiting for their rent subsidy?

PAUL LAFLECHE: Thank you for that correction. Ms. Seguin is actually in the back of the room. I did want to bring that up, so thank you for bringing it up. She wrote a great article. The only thing I'm going to suggest to her is that she get a better picture of Minister Lohr. He's much better looking today than in the photo.

With that, Stephan will answer the question.

STEPHAN RICHARD: The wait time for approvals has gone up, as we've seen a significant increase in the number of applications that come in. We did proceed with hiring temporary staff to help us clear the backlog, and we're in the process of hiring, I believe, eight new staff to help us accelerate the process.

[10:30 a.m.]

As part of our program review, we did look at our delivery process. One item of feedback that we received from the clients and stakeholders that we talked to during this process really was communications. We're aware that while people are waiting, getting accurate and timely information is critical. We're addressing that issue, but we are in a better place. I realize this does not bring comfort to the people who are waiting, but we are addressing and approving applications as quickly as we can.

BRENDAN MAGUIRE: Again, this isn't to blame the actual people working in the department. It's very clear that this department is underfunded, that it's understaffed, and it's under-resourced. To hire temporary employees to deal with the backlog is like putting a Band-Aid on a gaping wound. This isn't going to slow down. We're going to continue to have people looking for rent subsidies, so I would argue that it is the job of the deputy minister and the department to advocate for more staffing, more resources, and the proper bodies on the ground to ensure that people aren't waiting four months.

The question wasn't answered, so I'm going to tell you what happens when people are waiting for the rent subsidies, because we deal with it every day. The Department of Community Services says - even though the minister said no one's going to go hungry under her watch - send them to a shelter. Good. Try to go to a shelter. You can't go to a shelter. I would argue that it's probably not the best place for children and individuals to be. It should be the last resource. We called the shelters. The shelters say the same thing: We're full. There's no room here at the inn. Where do they end up? They end up on the street or they end up couch surfing. Or in some cases, their children get removed from the home because they can't properly house them.

This isn't just about the rent subsidies. This is about getting the resources for this department. It is abundantly clear to me that you guys are now on the front line, and have been on the front line, and you do not have the resources to properly get these rent subsidies out in time. A four-month turnaround - you wouldn't wait four months for anything. If I put my car into the shop and they said, it's going to take four months - guess what? You're never going to that shop again. If I went to a restaurant and it took an hour, I would never go back to that restaurant again. To give people the basic dignity and roof over their head takes four months . . .

THE CHAIR: Order, please. The time for Liberal questioning has elapsed. We'll now move on to the NDP.

MLA Leblanc.

SUSAN LEBLANC: I just wanted to clarify with Ms. Menchenton about the recommendation to develop a consistent tenant appeal policy.

PAMELA MENCHENTON: I wanted to correct myself. I got excited when you said tenant and I heard tenant engagement. That is, in fact, coming in the Fall. The appeals process is online now and has been for about two months.

SUSAN LEBLANC: In the same report, there was a recommendation that the department investigate conflict of interest among staff. Does the department now know how many of its employees are currently landlords in receipt of public funds, and what about public servants at large?

PAUL LAFLECHE: The question is, how many are landlords or how many are landlords in receipt of public funds. We don't know how many are landlords. We'll probably never know because that's something that's maybe a privacy issue. How many are in receipt of public funds? We think we know, but I would never guarantee that because we're always discovering new things. We cannot deal with numbered companies and other things that people can hide under. Maybe I'll allow Pam to have a go at where we think we are.

THE CHAIR: Ms. Menchenton.

PAMELA MENCHENTON: I'm very pleased to say that since we were here the last time and talked to the conflict of interest, we have 100 per cent compliance as far as people filling out the conflict-of-interest forms and any mitigation forms that they needed to fill out. I don't have the exact number of anybody who declared a conflict of interest with respect to being a landlord, but there was nothing in there that suggested there was anything. They declared it, certainly, if someone was a landlord, but there's nobody - a landlord or anybody - who is collecting subsidies from government. They would mitigate it by letting us know that that was happening, and of course, we would look into it to see if there was anything extra, we would need to do around that. Everybody has signed the form, and we will revisit that annually, so I'm happy to say that.

SUSAN LEBLANC: I'm going to go to the special planning areas. Are there any new special planning areas being anticipated right now? How many applications is the department considering?

THE CHAIR: Mr. LaFleche.

PAUL LAFLECHE: We have Kathy Cox-Brown here, but just up front - we said we have 10 of them. We can't anticipate the future, but we're trying to work as closely with HRM as possible. In some cases, we have managed to avoid having special planning areas because we have managed to achieve compromises where they will allow the development, greenlight the project to go ahead without the minister getting involved. That's one way, and Deputy Minister Fred Crooks, who is now the Chair, is working very hard on that. I can't guarantee we won't have more. We'll probably have more, and they may be in special circumstances. Maybe, Kathy, you can . . .

THE CHAIR: MLA Leblanc would like to proceed.

SUSAN LEBLANC: Yes, sorry. I only have two minutes. The deputy said there are 10, so yes or no, there are no more lined up right now to be approved or anything?

PAUL LAFLECHE: There are some that could be approved, but they may not need the approval because we may have an understanding with HRM.

THE CHAIR: MLA Leblanc, you have one minute.

SUSAN LEBLANC: How much money in grants has been provided to developers of special planning areas?

PAUL LAFLECHE: The special planning areas don't come with grants. Anybody who gets a special planning - or anybody who's a builder anywhere in Nova Scotia - can apply to any of our programs that they're eligible for. That's a very different question. The special planning areas and the grants are not linked at all. You don't get a grant because you're a special planning area, but it doesn't prevent you from applying for grants either. There are a few that have subsequently . . .

THE CHAIR: MLA Leblanc.

SUSAN LEBLANC: How many developers who are working in special planning areas have received grants?

PAUL LAFLECHE: I don't have that exact answer, but Stephan probably does. (Interruption) One. That doesn't mean that the other nine couldn't apply in the future.

THE CHAIR: Four seconds. Sorry, MLA Leblanc. Over to MLA Sheehy-Richard.

MELISSA SHEEHY-RICHARD: I just want to go back a little bit. I heard earlier - I can't remember if it was your opening remarks or one of your long answers (Laughter) - the department has ways to preserve and expand on our affordable rental units that are already in existence. I was wondering if you could share with us some of the new initiatives with regard to those.

THE CHAIR: Mr. Ward.

BRIAN WARD: One of the initiatives that we're looking at within public housing is we're going back to review how we're dealing with our accessible units. In the past, we've been converting and renovating existing accessible units. We're seeing that, as we try to convert or renovate existing units, we've been finding they've been offline for about 12 months. That doesn't help us with bringing clients in or meeting the needs that we have with our clients.

We're starting to look at other opportunities, other ways that we can do accessibility into the future. We've been very fortunate recently. We had an accessible suite that we were able to renovate for some individuals. It was a two-bedroom unit that was vacant. Because it was vacant, we were actually working with our contractors and able to renovate it within three months, and we were able to put a family into that unit quite quickly. They had been in one of our high-rise buildings that we had elevator work on, and unfortunately, the young family member had to go live with somebody else during the elevator renovations.

It's certainly a success story for our staff. They thought outside the box quickly and renovated a vacant unit in three months. Ten to twelve months is what we've been seeing across the province, with the contractors who are available, so that was a very successful outside-the-box. We're rethinking accessible units and how we do them into the future.

MELISSA SHEEHY-RICHARD: Can you share a bit about what the department's expectations are when it comes to the future of affordable rental units in the province, and where are we going next?

PAUL LAFLECHE: Affordable could be public housing or it could be non-public housing. It could be things we do in the private sector. We want everybody to have affordable housing. That's the goal in life here, and that's the government's goal. We're doing everything we can across the spectrum, whether it be public housing, whether it be through rent subsidies, whether it be working with builders to see how they can build more cost-effectively. That's an important thing, because with the price of materials going up, the price of labour, the price of land, builders are being squeezed. I'm looking at Mr. Taggart, because he's always after me on the land-for-housing issue. You had an announcement recently, Ms. Sheehy-Richard, in your area, and there will be several others coming.

If we can give land preferential value to lower the cost of a development, we are buying affordability. That's the deal. Anything we can do to buy affordability, we will. The biggest thing that will create affordability is to get back to where Nova Scotia was - not in terms of economy but in terms of the housing supply five or ten years ago, which is that we will have an excess supply. I mentioned we're short a lot of units right now, both in HRM and around the province. As long as we're short on supply, people are going to bid up housing, whether it be apartments, condos, single-family homes, town homes - whatever it is. That's going to cause a problem of affordability.

We've got to get supply out there. That's the reason for that task force in HRM. That's the reason for many of the programs we have. That's the reason we're looking at things in public housing, et cetera. Rent subsidies fit a certain category, a certain type of tenant wants those. They are good, but they don't increase supply. They just utilize the same supply. They are a great tool, but we also need things that increase supply.

A lot of the things we do to increase supply - land for housing, even in your case - there were people who weren't happy that we are developing Tremain Crescent and putting in those hundreds of units locally. You may have taken a bit of a hit on that, as well as your municipal councillors.

These are the things we have to do. We just have to increase that supply or we're not going to address this issue.

THE CHAIR: Ten seconds, MLA Sheehy-Richard.

MELISSA SHEEHY-RICHARD: Thank you for that. (Laughter) I am excited to see that project move forward, for sure.

THE CHAIR: Order. The time for questioning by all caucuses has now elapsed. We have a brief moment here for final remarks from Deputy Minister LaFleche and then I will ask our presenters to leave quickly and quietly because we have committee business that we have to work out.

PAUL LAFLECHE: First of all, I want to thank you for getting me up to the Department of Finance and Treasury Board on time - brilliant. I owe you.

THE CHAIR: It was my entire reason for being here today.

PAUL LAFLECHE: Second of all, this is what communications people fear the most - they haven't prepared closing remarks for me, but I have some. That's what they really fear.

I just want to point out a couple of things. One is we mentioned budget. We had a 38 per cent increase in the department on our budget year over year - the highest in government, and my colleagues are very envious. What they are also envious of is that the second-highest increase was in my other department, Seniors and Long-term Care, which is part of the solution. We're building net new - we've already announced 1,200 new spots in long-term care - net new, coming within the next two to three years, mostly in two years. These are very important. They are part of the housing supply.

The other side of the housing supply we don't mention a lot, which is affordable, is student housing. My colleague, Nancy MacLellan, and her minister, Brian Wong, are working on a student housing policy. You'll see that in the future, they will have more to say. They have been working with us and with the universities and with the community college. They are going to ensure that we can accommodate Nova Scotia students with their housing needs, as much as we possibly can.

Those are the two other things that are out there which we haven't really mentioned today, which we cooperate with other departments on. We co-operate with the Department

of Community Services on the homeless file. It was mentioned earlier by MLA Leblanc. We provide the physical funding for the physical entity for them. They provide the wraparound supports which are really important in that file, but we work with them. Madam Chair, I think you had that portfolio and the housing portfolio, so you know how difficult those files are. We work with all of those partners.

Our budget increase is large - it was pointed out today by MLA Maguire. I want to point out that he didn't make me tear in this eye; it's the drops that are running out and I have to get new drops. So don't blame MLA Maguire.

We may need more money, who knows. The minister will deal with that, as all ministers do. Right now, we're doing very well on the funding front. With that, I'd like to conclude my remarks and thank you very much for the appearance here. We'll see you soon, in two weeks, with Paul Mason.

THE CHAIR: Thank you very much, Deputy Minister LaFleche, and your cast of thousands. Thank you very much for coming before the committee today.

We'll now move on to committee business. If people could leave quietly, please.

Our first item is correspondence, Nova Scotia Legal Aid Commission.

I would ask that people please leave the room without conversations. No, I'm not recessing - we don't have time.

Correspondence - Nova Scotia Legal Aid Commission. Information requested from the March 29th meeting. Is there any discussion on the correspondence that we received from Nova Scotia Legal Aid?

Hearing none, thank you.

Subcommittee record of decision. Subcommittee met prior to this morning's meeting. Members have been provided with a Record of Decision from this meeting, which was delivered to you during this meeting. I will open the floor for discussion.

MLA Leblanc.

SUSAN LEBLANC: I was just going to make a motion that we take the Record of Decision from the subcommittee meeting and make a motion that we pass it here.

THE CHAIR: MLA YOUNG.

NOLAN YOUNG: I would like to, for the Record of Decision from the subcommittee, I'd like to go through what was discussed in the subcommittee, step by step, motion by motion. I know there's a motion . . .

THE CHAIR: I think we have a motion on the floor, so I think we have to vote on that motion before we can have a motion to go step by step.

SUSAN LEBLANC: I can withdraw.

THE CHAIR: You're going to withdraw the motion with the consent of the entire committee? (Interruption) Okay, so it's not being withdrawn. We will now vote on the Record of Decision, that it be approved as written here.

All those in favour? Contrary minded?

The motion is defeated.

MLA Young.

NOLAN YOUNG: I'd like to put a couple of motions out. The topic of the first motion would be the 2023 Report of the Auditor General Follow-up Report of 2018, 2019, and 2020 Performance Audit Recommendations regarding 2019 Selection and Quality Management of Bridge Projects, and 2020 Contaminated Sites, with the witnesses being the Department of Public Works, deputy minister and appropriate representatives, and the CEO of Build Nova Scotia and appropriate representatives.

THE CHAIR: Any discussion?

All those in favour? Contrary minded?

The motion is carried.

MLA Young.

NOLAN YOUNG: The topic being the 2023 Report of the Auditor General Follow-up of 2018, 2019, and 2020 Performance Audit Recommendations regarding NSLC Phase I, 2020, and Phase II, 2021, with the witnesses being NSLC CEO and Department of Finance and Treasury Board, deputy ministers or appropriate witnesses.

THE CHAIR: Any discussion?

All those in favour? Contrary minded?

The motion is carried.

MLA Young.

NOLAN YOUNG: The other motion would be for the 2023 Report of the Auditor General Follow-up of 2018, 2019, and 2020 Performance Audit Recommendations regarding Diversity and Inclusion in the Public Service. I would like to add witnesses related to the focus of the report: Department of Agriculture, Department of Community Services, Department of Justice, and the Public Service Commission.

THE CHAIR: MLA MAGUIRE.

BRENDAN MAGUIRE: If we actually look at what passed in subcommittee, there is a witness that's being left off by the government, and that would be the Premier's deputy minister. We did feel that it was important to have the Premier's deputy minister here because, ultimately, they are the ones that select the most senior management, and CEOs, and a lot of the executive directors of boards, commissions, deputy ministers, things like that. We feel that it's appropriate that diversity is shown throughout those positions.

Leadership starts from the top down, and I think everybody here knows that. If you put somebody in those positions who believes in diversity and has a different outlook, a different way of approaching things, then that filters down through. We felt - I felt, I'm not going to speak for the member for Dartmouth North - I felt it was important that the people who appoint the most senior management in the public service have an opportunity to voice their opinions, to defend themselves, and bring forward their vision.

SUSAN LEBLANC: Yes, I agree with my colleague that it would be good to have the Premier's deputy minister in that meeting. Leadership is top-down in government, so it would be good to have that representation.

THE CHAIR: MLA Young.

NOLAN YOUNG: Diversity and inclusion are obviously very important to us - very important to the government. The focus of the audit was on several departments. This is one department that was not part of the audit. I would like to stick with the Auditor General's recommendations based on the audit and have those witnesses appear.

BRENDAN MAGUIRE: I think there's a little bit of confusion. What was said during the subcommittee - first of all, the Premier's deputy minister is not a department. The Premier's deputy minister is essentially the deputy minister of the deputy ministers.

The Premier's deputy minister would have input and have direct control over who is selected and who gets appointed deputy ministers of the departments we are discussing. That was said in subcommittee. That was actually agreed (Interruption) I'm not finished.

THE CHAIR: MLA Taggart.

TOM TAGGART: I thought the subcommittee meetings were in camera. If they are in camera, why are we quoting what was said in that meeting?

BRENDAN MAGUIRE: That individual is the one who is appointing and helping select deputy ministers. They're the ones who are helping select CEOs for the actual departments that we're bringing in. If we want to have a discussion around diversity and inclusion, we need to have everybody at the table who is part of that process. I think if we asked the Auditor General, she would agree that that individual - that it's important that that individual come before the committee.

Listen, if the member and the government feel that it's not important to ask that person questions, they don't have to ask that person questions. You don't have to. You can completely ignore that witness. But we on this side feel that it's important to have that person there.

It's not a gotcha thing. It's not a partisan thing. We just want to know, and we want to have the full number of witnesses here so that no question goes unanswered.

THE CHAIR: Does the member want to make a motion?

BRENDAN MAGUIRE: I just want to know - is there a response?

THE CHAIR: MLA Young, do you have a response?

NOLAN YOUNG: Again, I'm not playing politics here, really and honestly. There were departments that were the focus of the report from the Auditor General. There were recommendations within those departments. I think it's appropriate to have the witnesses who were part of the audit - again, I'm not trying to play politics. The audit focused on departments. Let's have them as witnesses.

THE CHAIR: MLA Maguire.

BRENDAN MAGUIRE: Inclusion within those departments doesn't just stop at these departments. I don't understand how members aren't understanding this. There is a hierarchy of individuals who decide who runs these departments. It would be important that those individuals be here so that we can get the answers that are needed. It's a very simple thing.

Nobody's trying to play whatever, but we don't want to sit here and ask why this deputy minister was selected, or why this was CEO selected, and those individuals who have those jobs not be able to answer or feel like they're in some kind of conflict.

I feel it's important that we have all the pieces at the table so that the questions that are going to be put forward will be answered. I would like to put an amendment forward

that - as we see on this piece of paper that everybody has - one of the witnesses agreed upon in the subcommittee was the Premier's deputy minister. That was agreed upon in subcommittee. It's on this piece of paper here.

I would like to amend the motion to include all of the witnesses agreed upon in the subcommittee of Agenda and Procedures on May 3, 2023.

THE CHAIR: Is that to deal with the Public Service Commission? That particular item?

BRENDAN MAGUIRE: Yes, please. Yes.

THE CHAIR: Any further discussion? MLA Young.

NOLAN YOUNG: Respectfully, we'll not support this motion. We will support the recommendations of the Auditor General.

THE CHAIR: MLA Maguire.

BRENDAN MAGUIRE: My question to the member would be: Why would you not support what came out of subcommittee? That's fine.

THE CHAIR: I'm going to call the question.

All those in favour of the amendment? We will have a recorded vote.

[The clerk calls the roll.]

[10:56 a.m.]

YEAS

Brendan Maguire
Susan Leblanc
Kendra Coombes
Hon. Kelly Regan

NAYS

Kent Smith
Melissa Sheehy-Richard
John A. MacDonald
Tom Taggart
Nolan Young

THE CLERK: For, 4; Against, 5.

THE CHAIR: The amendment is defeated.

We will now vote on the main . . .

MLA Maguire.

BRENDAN MAGUIRE: Maybe the clerk can help us with this. If we can't get agreement on the Premier's deputy minister, is there somebody else in a similar position within the public service we can look at, who helps appoint and hire individuals in the most senior positions? I think it's important that we have the people here who are selecting the most senior bureaucrats so that we can ask them questions around diversity and culture within the public sector. Is there anyone else aside from the Premier's deputy minister we can look at to potentially bring in on this?

THE CHAIR: Ms. Langille.

KIM LANGILLE: Honestly, I don't know. It's up to the committee to decide who they want to bring for topics.

THE CHAIR: MLA Maguire.

BRENDAN MAGUIRE: Am I able to put forward a motion to postpone this until we find somebody that all parties can agree on?

THE CHAIR: We actually have a motion on the floor that we're going to have to deal with here today. You can propose something. That's up to you. It's another amendment.

BRENDAN MAGUIRE: Okay, I'd like to put an amendment forward, then.

THE CHAIR: Your amendment will say?

BRENDAN MAGUIRE: The amendment would be that we work together as a committee to find somebody. If the committee cannot fully agree on the Premier's deputy minister to come in, that the committee meet a half hour before the next meeting, to sit down and have a discussion on who in the public service we can bring in who oversees the most senior management hirings in the public sector, so that we have actual input as a Public Accounts Committee on how these decisions are made, and that we have proper representation. We know . . .

THE CHAIR: Stop there. You have a motion, so we're stopping there. Otherwise, all of that gets included in the motion. Let's stop there. (Interruption)

That was the motion. I asked you to do that. Any discussion? (Interruption) The motion is that we get together a half hour before our next committee meeting to discuss who we could get - if we can't get the Premier's deputy minister - to speak to us about diversity and inclusion hiring in the public service.

THE CHAIR: MLA Young.

NOLAN YOUNG: I just want to say that it's sad that you're playing politics with this. The report is out. There are departments that were audited. There are recommendations that are in the report, you know? (Interruption)

THE CHAIR: Any further discussion? I'm going to call the vote. (Interruption)

The meeting is adjourned, folks. We'll see you next week when our witness will be the Office of the Auditor General, 2023 Report of the Auditor General - Office of the Fire Marshal. That will be in camera.

[The committee adjourned at 11:00 a.m.]