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Northwest  
Territories Special Committee on Housing

TENTH ASSEMBLY

VERBATIM TRANSCRIPTS  
OF COMMUNITY HEARINGS

*KEEWATIN TOUR*

October 1984

Baker Lake  
Rankin Inlet

SPECIAL COMMITTEE ON HOUSING VERBATIM TRANSCRIPTS

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(The Special Committee on Housing had planned to travel to the communities of Whale Cove, Eskimo Point and Sanikiluaq. Weather conditions forced the cancellation of public hearings in these communities.)

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SPECIAL COMMITTEE ON HOUSING

BAKER LAKE, OCTOBER 9, 1984

MEETING WITH NWT HOUSING CORPORATION

CHAIRMAN (Mr. McCallum): Before we start, for the record this is open to the press. There are people from the press, most of them from that big city -- Yellowknife. So Mr. Jaeb and the Hon. Gordon Wray, so just for the record I would like to take time to introduce Members of the committee. I would also remind you Mr. Minister, when you or your people talk I would like you to indicate your name because we want to attribute whatever is being said to whoever is saying it. So if there is a dialogue back and forth, please make sure that your name precedes it.

My name is Arnold McCallum, I have my co-chairman, Mr. Ludy Pudluk. To my far left is Mr. Joe Arlooktoo, Sam Gargan, Mike Ballantyne and Red Pedersen. We are here as Members of the Special Committee on Housing and we are meeting with the Minister, chairman of the board of directors and president of the Housing Corporation. I understand, Mr. Minister that you would like to make a statement to us at this time. We will have a public meeting in approximately 40 minutes. There very well may be questions of the task force to you or your colleagues after your statement. We have translation, even with the translation I would caution you not to be too quick, although it is instantaneous translation. With those few remarks I would like to turn the meeting over to you Mr. Minister, Mr. Gordon Wray.

HON. GORDON WRAY: Thank you Mr. Chairman, just by way of advice, I will be making two statements tonight, one at present which is a formal statement on behalf of the Housing Corporation and at the public meeting I will also be making a short presentation on behalf of my constituents.

CHAIRMAN (Mr. McCallum): Now it will be in your role as Minister of the Housing Corporation.

HON. GORDON WRAY: Correct Mr. Chairman. First of all let me introduce the officials that I have present. On my left is the newly appointed chairman of the board of directors, Mr. Gary Jaeb; to my immediate left is Mr. Tom Owljoot who is the vice chairman of the board of directors; Mr. Hal Logsdon, the vice president of programs; Mr. Joe Solowy representing the construction division; and Mr. Vic Irving who is the president of the Housing Corporation; and myself who you know.

The NWT Housing Corporation was formed on the recommendation of the NWT Task Force on Housing which reported to the Council in 1972. They recommended a corporation in part because a corporation would have the flexibility to develop housing "whether such development is fostered through the federal government, the province or territory, CMHC or the private sector involved in housing development." A corporation is still accountable to the government but has a greater degree of freedom, such as the ability to act in partnership with CMHC. As the task force observed, "Under this structure -- that is the structure of a corporation -- a government, through its cabinet, retains the necessary degree of control to ensure that their housing policies are followed. Within this control are the freedoms and flexibilities to properly carry out these policies. It has the advantages and efficiencies of a corporate structure while remaining subject to government policy."

Another reason for the formation of a corporation, which was discussed at length in the Legislative Assembly, was to allow the public a voice in the affairs of the corporation through the board of directors.

The structure of the NWTHC is unique in the territorial government and is often misunderstood. Frequently, because the corporation is seen as something different from a government department, it is perceived as being outside and beyond the control of the Executive Council and the Legislative Assembly. At earlier hearings of this committee it has been suggested that the corporation does

business under the sole direction of its officers and is unaccountable to this government. This is simply not the case at all. In terms of its accountability the corporation really is not any different from a government department. They report to me as Minister and I am responsible for them in the Legislative Assembly. They take direction from the Legislative Assembly and Executive Council in the same manner as any other government department responsible to a Minister.

The primary difference is the corporation's board of directors and this structure can be a significant benefit. The board is a group of NWT citizens appointed by myself through a motion in the Legislature. They review the policies and operations of the corporation and make recommendations to me. The board is not meant to be representative like the Legislative Assembly although its members are a cross section of the NWT. The board acts in an advisory capacity and enables the Minister to get advice and consultation from a group specifically interested in housing matters. However, the board does not direct the Minister.

There are some structural changes in housing delivery that could be beneficial. Housing associations currently manage all of the corporation's housing stock. These associations are made up of tenants elected from amongst themselves. In some communities, this arrangement does not offer the community as a whole, control over housing. In communities where public housing tenants are not the majority of citizens, housing ceases to be a community-run affair and becomes run by an interest group within the community. In these cases, the housing authority may be a more representative vehicle to manage social housing. Housing authorities have been formed in Hay River, Fort Smith, Yellowknife and Inuvik, and function well.

As we all know, there are many organizations in communities formed to advise government departments and deliver government programs. To name a few, most communities have LEAs, HTAs, housing associations, health and recreation committees, etc. Each organization needs resources, employees, facilities and funding. There is much duplication and little co-ordination. We think it makes sense to consolidate these organizations under the auspices of community councils and to this end we have begun discussions with CMHC and the Department of Local Government to determine the feasibility of this approach.

Currently, housing associations operate as an agent of the corporation. They are much the same as a settlement council. They must become more like hamlet councils with definite responsibilities but with discretionary decision making authority to carry out these responsibilities. The corporation is currently defining in a very detailed manner the responsibilities of associations including maintenance tasks to be done on every unit. We are also moving toward formula financing rather than deficit financing arrangements to give associations discretionary financial authority. These changes could be applied equally to hamlet councils as management agents of the corporation's houses.

On most policy issues concerning rental housing, the corporation directs the associations with broad policy and expects the associations to formulate specific policy within these parameters. For example, our user-pay policy on electricity allows the association to set a rate schedule from a minimum of one cent per KWH to a maximum of the local domestic rate. It also allows up to 500 KWH of free consumption or a graduated rate scale. We expect the association to accept the principle of the broad policy since it is an expression of the Minister who is responsible to the Legislative Assembly. The associations can significantly tailor the policy to their specific community concerns and have considerable leeway in determining what the final program looks like in their community.

For example, in Resolute Bay the association charges the minimum rate which results in average electrical bills to tenants of less than four dollars a month. In Fort Resolution, the association elected to charge six cents per KWH to stimulate home-ownership and the average bill is about \$35 a month which is close to what the home-owner pays.

Most of the policy direction takes this form. Allocation of housing units, staffing, maintenance and energy conservation are all areas where policy takes this form. So when the committee hears that the community does not possess any power to determine its own priorities or change programs, what specific issues are in question?

There are two areas that are more strictly defined for the associations, the rent scale and new house design. Both areas however have received significant input from associations but both require overall consistency. People who have been involved with the extensive community hearings

that proceeded new rental policy or who worked on the 40-odd SSHAG designs with individual families to evaluate the best ones for our catalogue wonder how people can complain about not being consulted or not having any input to policy or house design. Housing associations are tenants and their boards are elected. We think that if we consult with our association on rental matters, that should represent the community viewpoint on that issue.

We possess one of the oldest and most decentralized bodies for program delivery in the NWT government, the housing association. If it fails to operate it is because it does not have the resources. If it fails to inform tenants about the program, it is because of inexperienced managers, lack of personnel, high staff turnover and the array of problems caused by insufficient funding. The conduit for good communication is in place and the corporation is using it; it just is not working because we have financially squeezed it for so long. Put in some funding to hire, train and retain good managers and the system of communication between the association, its tenants, and the corporation should work.

I am going to depart from the written transcript because I found something which I think should be put into this presentation. I apologize to the interpreters for screwing up a little bit, but I will take my time here and slow down so they can translate.

It is with regard to maintenance and the disparity of maintenance levels across the Territories. The disparity in maintenance levels in houses administered by the territorial Department of Public Works for the Government of the NWT employees and those administered by housing association employees for public housing tenants has long been recognized in all communities across the NWT. Local residents have viewed their poorly maintained housing as a reflection of the governments attitude toward the indigenous peoples themselves, especially since those living in GNWT housing are actually non-native.

The real source of the problem however, related to several issues, the two most important of which were the transfer from the federal government in 1974-75 of an inadequate level of funding for public housing maintenance and the mandate of the NWT Housing Corporation during its initial years.

With respect to the former, funds transferred in 1974 to the territorial government for the annual maintenance of approximately 2200 federal units amounted, according to Housing Corporation records, to \$225 per unit. This figure, which even on the surface must be considered to be insufficient, considering high northern costs and severe climatic conditions, was used as a base on which future years funding and maintenance requests were calculated. This was the case since given the nature of the federal/territorial funding process, only forced growth increases on the existing program base were to be included in the annual territorial program forecast.

Regarding the latter, since its inception in 1973, the NWT Housing Corporation has given as its first priority the construction of new houses to alleviate the dramatic housing shortage in the North. Despite this new construction emphasis, it was recognized that maintenance levels were unsatisfactory and attempts were made by the corporation to obtain additional moneys. These attempts were unsuccessful due to the territorial governments limited funding situation, thus the problem of poorly maintained public housing has continued to the present.

That gentlemen, which I will talk about a little bit later on.

CHAIRMAN (Mr. McCallum): Excuse me Mr. Minister, since you read it, would it be possible to get a copy of that to include in this transcript?

HON. GORDON WRAY: I will submit to you a copy of the entire Treasury Board submission so that you know what we are doing.

Over 60 per cent of the total NWTHC O and M budget goes to housing associations which maintain the rental units. Yet maintenance, or the lack of it, is one of the corporation's major problems. Why are the associations and authorities unable to do the job? A little research into resources available to associations and authorities is inadequate to expect much more than present. Compare salaries between association staff and GNWT and the level of material funding for public housing versus staff housing.

In the Keewatin Region you will be looking at differences of \$1.5 million and that says a lot about why Keewatin housing associations cannot do the job that tenants expect and demand. Compare associations' office facilities with hamlet space and equipment. Compare workshop space. Compare vehicles.

The corporation and the Department of Public Works and Highways are developing a maintenance management system which details what tasks ought to be done in a maintenance program, how often they should be done and the costs to do the work. Applying this system, the corporation should contribute \$15.2 million to associations if a proper maintenance program is expected. Our current 1985 projected level of contribution is to be only \$6.6 million less than half the amount required.

The same system indicates a requirement for 253 maintenance personnel at the housing association level and another 30 working at the district office level to undertake more complex jobs. Currently, we have only 139 with the housing associations and no working tradesmen at the district level whatsoever. In short, we are paying for less than half the job we expect to be done. The less than satisfactory result should not surprise us.

Deterioration of the housing inventory results from lack of proper maintenance but poor maintenance also costs money in wasted fuel and major repairs caused by neglect. The lack of preventative maintenance will eventually waste more money than it costs. Based on the maintenance management system, the corporation has just completed a funding request for an additional \$12.7 million to be used to increase the maintenance and administration capabilities of housing associations. The submission has been forwarded by the GNWT to the federal Treasury Board and if approved, would provide the financial resources to the associations to provide an adequate maintenance program.

Housing associations and authorities have not had sufficient funding to allow them to attract and retain quality personnel. We often joke, somewhat half-heartedly, that all the good employees in a community started with the housing association. Unless associations are able to offer competitive salaries, benefits and working facilities, it is unlikely they will ever be able to do the job.

The corporation currently allocates as much money to associations as possible. The administration of the corporation consumes only 16 per cent of the O and M budget and over a third of that supports our district offices which are almost solely devoted to support of associations.

There is no doubt that in most NWT communities there is a general shortage of housing. Since public housing or government housing is so prevalent in the North, there is a natural tendency to call upon the Housing Corporation to supply more of the same without regard to the type of housing actually required.

Currently, the corporation's mandate is to provide housing, both for ownership and rental, to families who are unable to provide for their own accommodation. Because of high costs and generally low incomes, the corporation can be expected to serve many NWT families, but not all.

Families who have adequate income should be expected to provide shelter for themselves, either by renting units on the private market or through ownership. The government may play a role in this area by stimulating the production of private homes and rental units but does not provide assistance to families per se.

In assisted rental housing there is an enormous shortfall. In January, 1984, the corporation's Housing Needs Survey indicated a 500 unit deficit. A five-year program, producing 200 or more units a year was needed to close the gap and produce units for population growth and replacement of condemned houses. The corporation's capital target allowed for a meagre 78 units of public housing.

Fortunately, additional funds were allocated to the corporation allowing them to produce 247 units of public housing in 1984, but our 1985 capital target will again allow us only 62 units, far short of the continuing 200 units per year requirement.

In assisted home-ownership, the demand for the corporation's Home-ownership Assistance Program far outstrips supply. In the Mackenzie Valley the program usually draws about 150 applications a year. We are able to approve only about 35 applications annually in this area. Our HAP program and Rural and Remote Program are providing 82 new units in 1984. This could be easily doubled if funding was available.



Assisted housing programs in the NWT are simply underfunded given the requirement. A very high percentage of the NWT's population simply cannot provide their own shelter without some sort of assistance and the capital budgets assigned to the NWTHC for both assisted rental and assisted home-ownership have been inadequate. Although the Housing Needs Survey has demonstrated the need for at least 200 units a year, 1979 was the last year that main estimates were approved to allow that level of construction. Between 1980 and 1983, the corporation was able to produce only 307 units; 800 were required.

The corporations' capital budget estimates exceed the targets assigned by the GNWT but if the GNWT targets are adhered to, the housing shortage will continue to become more chronic. There must be a recognition that the corporation simply must produce more units and that increased capital appropriations are necessary to achieve this goal.

While an increase to the corporation budget will help build more units for assisted housing what about private apartments and new homes for sale for families who can afford to pay the full cost? In many communities market housing is just not available at any price.

Although legally empowered to do so, the corporation has not delivered programs designed to encourage the production of private market housing. Because of the general lack of funding, the corporation has turned its attention toward assisted housing exclusively, hoping that the private market will produce enough units to take care of those who could afford the full cost. Unfortunately, it has not. Apartment starts are very low in the NWT's major centres although vacancies are practically nil. Mortgage money, especially interim financing is hard to acquire, especially outside Yellowknife.

The corporation has developed several programs designed to stimulate the production of private housing but none are currently funded. We believe the corporation can and should play a role in this area but new programs and the attendant funding must be approved.

The principle of a social housing rental scale is rent-to-income. A person with higher income will pay a higher rent than a person with lower income. No one pays more than our monthly cost of the unit unless there is a market in that community and market rates are greater than our cost. The rent scale charges 25 per cent of assessable income as basic rent and then reduces that amount by the Territorial Rental Adjustment which is dependent upon cost zone and number of family members. Although we often hear about rent being 25 per cent of income, it is rarely that much because not all income is included and the Territorial Rent Adjustment is applied. The corporation has supplied the committee with a full description of the rent scale complete with examples which show percentages of gross income ranging from 5.5 per cent to 11.9 per cent which are typical.

Most renters would like to pay less rent: this is probably human nature. But when your rent is geared to income, the proportion of income is important. NWT residents in social housing pay the lowest proportions of income for rent than any Canadian. That is a fact. It is also true that most other commodities and services cost more in the NWT and some people will argue that because food and transportation are so high, rents should be even lower. Frankly, we feel that is the wrong approach. Apply your subsidy directly to the items of high cost. If food is too expensive, subsidize food. You cannot help the territorial resident who is not in public housing combat the high cost of food by further subsidizing public housing rents. And you will never encourage the public housing tenant to move into his own accommodation if all kinds of other subsidies are rolled up into housing rent subsidies.

Many complaints are made about near-maximum or maximum rents. One often hears that the unit "is not worth" the maximum rent. Actually, value or worth is not really the issue -- it is cost. The maximum rent is the cost of the unit to the corporation. In many communities the maximums are considerably lower than cost. Why should a family not pay more of the cost as their income increases? There is an important incentive issue here and if we are really serious about home-ownership we must recognize it. If we rent social housing to high income families at rates far below cost, why in the world would a family ever seek their own home, even if they could afford it. People make economic decisions. Not too many families will choose home-ownership if the bills are much higher than their rent in public housing even if they can afford it. The most effective method of crushing home-ownership is to make public housing too lucrative to higher income families.

Obviously, public housing cannot address every family's requirements or taste in housing. A good public house design must consider lifestyles, efficiency and safety and still be modest and affordable. The design must be mass produced for affordability yet must contain the best elements of design that suit most families needs.

The corporation has built a number of different designs, some successful, some not. Considering that fully modern, energy efficient housing was only introduced in the North in the mid 1970s, it is understandable that some mistakes have been made. We had to learn about foundations, the effects of condensation, and snow infiltration and since we were the first to construct modern houses, we had to learn the hard way.

Today's design is the product of lessons learned from past years and a lot of consultation with families who live in our houses. We have learned how to control condensation and how to alleviate foundation problems. There are dozens of features incorporated in our design in response to community and tenant concerns -- wind porches, working areas, open living areas and standardized equipment, are but a few.

Families who want custom housing should look toward ownership. By owning your own home, even with government assistance, a family can make improvements to reflect their individual tastes and requirements. If we really want to promote ownership we should not be attempting to push public housing past the modest house concept. Modest does not mean substandard. It means basic. Ownership should be the means by which families provide special housing for themselves.

Home-ownership is probably the most desirable method of housing NWT residents. Families enjoy the independence of home-ownership and the ability to provide for themselves, shelter which suits their individual lifestyle.

But home-ownership is an expensive proposition. Capital costs are high and operating costs over long winters can consume much of a family's income. Job opportunities in many communities are limited and the steady income required to meet day to day expenses of ownership is hard to obtain.

Operating expenses can be reduced below the treeline by using wood as fuel, but above the treeline, there is no way to avoid those high operating expenses associated with heating fuel and electricity. Over the past five years the corporation has made a concerted effort to expand home-ownership opportunities. In the western NWT, this effort has been successful and most of the housing delivered below the treeline is assisted home-ownership rather than public housing. The corporation's Home-ownership Assistance Program has been expanded and improved and is effectively delivering over 65 units a year. The Rural and Remote Program has been revamped to delivery more new units and has been providing about 15 units a year.

The Home-ownership Assistance Program provides a package of materials, foundation, freight costs to the community and installation of electrical as a loan which is forgiven over five years. The client builds the home himself and can usually get a labour grant through one of the federal works programs. The Rural and Remote Program provides 100 per cent mortgage financing with payments based on 25 per cent of family income over 25 years.

Most of the home-ownership budget is spent on assistance to Western Arctic families because costs of operation there are lower. Fewer families above the treeline can afford the full costs of operation, primarily because of the dependency and cost of fuel oil. Although 23 units are being delivered above the treeline in 1984, this number should, and can be increased.

Affordability is the problem in high cost communities and subsidies, targeted to high cost commodities such as fuel, electricity and water are one solution. There will be a fuel subsidy as part of the Rural and Remote Program beginning in 1985. A program to offer a Home-owner Shelter Allowance has been proposed. Also, a program to make supplemental mortgage financing available at reduced interest rates, if necessary, has been developed. These new program proposals require funding in order to be implemented. The corporation has offered an interim financing program in the past to provide bridge financing. However, the program has not been funded to several years.

All of these programs will help produce more ownership in the NWT but all require funding to make them work. The benefits however are many. First of all it is cheaper to assist in the capital and operating costs of home-ownership than assume all of the costs of public housing. But perhaps more importantly, home-ownership, even with deep subsidies, instills a pride of ownership and independence which is simply impossible to foster in public housing. Although public housing provides shelter it also promotes a dependency on the government which is more than simply a financial dependency -- it robs families of the incentive to provide for themselves.

In 1985-86, CMHC will be providing 100 per cent funding for the Rural and Remote Program which will allow us to increase our delivery dramatically. This new funding arrangement will allow us to increase delivery in both the R and R and HAP programs.

Coupled with new incentives to promote home-ownership must come some disincentives for higher income families to continue to stay in public housing. Higher income families who can afford home-ownership cannot be offered a better deal financially in public housing. Along with the pull toward ownership provided via new programs there must be a push to move from public housing. This push will come from the rent scale.

Mr. Chairman, if it is permissible I will ask the chairman and the vice chairman to make some comments.

CHAIRMAN (Mr. McCallum): Fine.

MR. GARY JAEB: Thank you, Mr. Minister. Mr. Chairman, special committee Members and guests. The presentation that our Minister has just made on behalf of the NWT Housing Corporation, was reviewed and supported unanimously by our board of directors at a meeting and I would like to point out that our board is made up of a total of 12 people from the communities which, as our Minister has pointed out, represents a cross section of the NWT. We are convinced that in order to really deal with the problems that we are hearing, that we really need to have the kind of financial support as it has been outlined in the presentation. I think anything less than a firm commitment from our government to provide this level of funding is going to disappoint all of the people across the North who have had opportunities to talk to this committee and who have expressed their concerns about housing.

We have, I think, the committee has and certainly the corporation is of the same mind, that something has to become of it. We have to do something that is going to meet the expectations that have been created at the community levels. As our Minister has presented, we have a number of programs -- ideas of dealing with this, but we need the financial resources. Thank you.

CHAIRMAN (Mr. McCallum): Thank you very much, Mr. Jaeb. I am sure there are questions of the committee, so I will throw it open to the committee. Mr. Owljoot, sorry, would you like to add something Tommy?

MR. TOM OWLIJOOT: Qujannamiik. (Translation) Thank you for allowing me to speak to the committee. I think we are all aware that in the NWT the Special Committee on Housing from the Legislative Assembly is too long in coming. For a year and a half I have been on the board of directors and there have been many problems presented to me from the public. The Special Committee on Housing should have made this hearing 10 years ago, it is about time this is happening. We are away behind financially now.

We continually talk about money, but eventually something will become of it. Definitely more money is going to have to be allocated to run all the programs and ideas that need to be set forth right now to update the level of housing in the NWT. We are aware that the public housing renters as opposed to the government staff house renters -- you have to study this too because low housing rents is a big problem in trying to live from day to day because the government workers get subsidy for rents and I think this type of idea should also be studied.

I will come to my conclusion now. The board of directors change but the problems will always be there. I think that most of the problems will be rectified by more finance. It is very important that this be stressed.

HON. GORDON WRAY: Just one final comment. The bottom line for us Mr. Chairman, is that if the Housing Corporation was still in the business of housing low income families and we have more than enough houses in our present stock to accommodate that, unfortunately we have been no longer asked to do that, we have been asked to accommodate nearly all the residents in the NWT including government employees, and we are not in a position to fulfill that mandate.

CHAIRMAN (Mr. McCallum): Thank you Mr. Minister. I am sure there are questions of committee Members, so I will throw it open to the Members. Mr. Ballantyne.

MR. BALLANTYNE: Mr. Minister, obviously we do not have time today to discuss this particular brief in detail. I think for us to make our final report we will need more meetings with the board of directors and the Housing Corporation. This is obviously put together -- it seems to be a preliminary analysis of the problems and I think a lot more work has to be done in looking at the problems. So if we could just touch on some general questions right now and I will save my more detailed questions for a more appropriate time.

I notice in your submission, when you are looking at structure of the corporation, I take it that generally you are happy with the existing structure as it exists, and what you are saying to us is that with a little bit better training and more resources for housing authorities and associations and for the corporation itself, more financing, the existing structure is adequate to deliver housing programs in the NWT. Is that correct?

HON. GORDON WRAY: Generally speaking yes, that is correct. I use the word "generally" because obviously some refinements could take place to the corporation, the problem is though, until you know the level of funding you are getting and the direction you are going, it is very hard to determine the structure that you want in place to do that. One of the things that I have said to the Housing Corporation since I took office was in terms of any major changes in delivery and structure, let's hold. Basically everything has been put on hold until we see the report of the special committee.

But after seven months I am generally satisfied that the general structure is probably the best one at this time. Problems associated with the structure have not necessarily been structural problems, they have been funding problems which has not allowed the structure to do the job it was supposed to do.

MR. BALLANTYNE: Major concerns we have heard in every community is that communities really want more involvement, whether that is at a direct community level or a regional level is something that is to be determined. When you did the analysis looking at the structure, it seems to be in the analysis that you only looked at that option of it becoming a government department. There have been a number of options put forward to us during the community hearings, I wonder what is your basic feeling that, over a period of time, that communities either through regional governments or under their own auspices would actually take over more control of the actual delivery of a lot of the programs, rather than just the maintenance of housing stock in the community.

HON. GORDON WRAY: I think ultimately through time -- my question is though, that as a corporation our mandate is to provide a broad level of housing in every community. Now there are some districts where interest and expertise is higher than others. The difficult thing to judge is how you apply that throughout the North or do we break it down into regional levels and apply it regionally. I am not hung up on the way the system is right now, all I am saying is that with the present level of funding, the present mandate of the corporation, I do not think any other structure would work. A structure is only as good as the money you put into it and if the money is not put there, you can set up all the structures you want, we could even go to the communities and give them block funding and say for them to build their own housing. They would still not be able to do the job because the funding is not there.

I reject the approach of total decentralization, when you say to 62 communities, "Here is X amount of dollars, you build your own housing because the only people who get rich out of that is the architects." Other than that, a greater involvement at the regional level, yes, I think there should be greater amount of involvement at the regional level. I think there should be a greater amount of involvement at the community level, but the only money they have right now is to maintain homes. Any thoughts in that area are fine but they are a long way down the road until we have the basic problems fixed up, that is my only concern.

MR. BALLANTYNE: I don't think it is any disagreement with you then, that there is a need for more financial resources, for the corporations and the associations to carry out their task but I think it is probably worth-while to know that the committee is looking into how, if we can get the money, it is all dependent on that obviously, is just because of the fact that the political climate in the North has changed so much in the last 10 years, as you know, communities are better able to and have more desire to look after their own affairs. I think that is something that was not really touched on here, I think it is something that the corporation should be seriously looking at, to aim in that direction. That is my opinion, it is not the opinion of the committee, but I think it is probably worth the corporation's while to look at some of those options and develop some long term planning.

If I could get on, Mr. Chairman, to another topic. As the treasury board's submission is made, now with formula funding agreement. Is that 12.7, I take it, wasn't included in the new base? So I take it we might have some problems getting it because now we have agreed to formula financing, so perhaps that as an option is not really as viable as we would like it to be.

HON. GORDON WRAY: You are quite correct. In fact the last word that I got was that the new government had ordered a freeze on all treasury board submissions. And I don't know where it stands right now, that was the word I got last week in Yellowknife.

But you are right. All we have done for the first time is identify the based efficiency and that was my biggest job. Was first of all, lets find out how much money and how many people we are talking about. Because we have all talked for many years about other housing associations don't have enough money and they don't have enough people but nobody could ever put figures on it. Now, we have the figures. Now we know what the shortfall is. Now the job is to find the money. My first approach is to the treasury board obviously because it is a based efficiency. And I think that they should be the first people that we go after for money but if it is not forthcoming, then yeah, we still got problems because it means we still have to find the money somewhere but at least we are dealing with figures now. Before we were only dealing with bitches, now we have figures with the bitches.

MR. BALLANTYNE: One more question, Mr. Chairman. This is just a philosophical question. I know the Housing Corporation over the years has looked at this as -- in your submission, you mentioned the fact that it is unrealistic to subsidize housing rather than subsidize food or transportation. The fact remains, the Housing Corporation is probably the largest single social agency of our Government of the Northwest Territories. Now, has the corporation recently, and is there any possibility of looking into it a little bit deeper, let's say the general concept, I mean there is all sorts of derivatives of this, is that you set a market or a rent for each unit, people pay that and you go to another department of the federal government, Health and Welfare, to make up the difference.

The territorial and they would make an agreement with the feds. I understand there is a 50-50 agreement in the provinces between the federal government and the provinces to do this sort of thing. So you have the Housing Corporation building houses and any social implications are handled by the appropriate territorial and federal agencies. Is that -- are the financial implications of that been looked into and also the psychological implications of that?

HON. GORDON WRAY: It has been talked about. It has never been addressed seriously because the main reason being that -- fine, one arm of the government can say "This rent is going to cost you \$400 a month" but the reality is that for the Department of Social Services to pay it, it still has to come back to the government part for the money. And the money was just never there, so it has never been really looked at seriously, but it has been looked at. I thought about it but no major work has been done on it. Plus how do you assess a rent on an individual house in a community like this with 250 different houses, 250 different levels of maintenance, 250 different conditions of housing. You know, you have two four bedroom houses side by side, how are you going to say this one is worth \$700 a month and this one is only worth \$500 a month? Who is going to make that judgment? That would be a massive undertaking and it would be a ready an owner's task on the corporation's employees who at the present time cannot cope with what they have got.

So, sure it can be looked at but like I said before until we get the basic problems sorted out, all these other good things that we are talking about, are just going to have to wait. Right now, all I am interested in, is getting peoples houses fixed and building them enough houses to live in.

CHAIRMAN (Mr. McCallum): Thank you. Are there further questions?

I was just going to indicate that we were supposed to have a public meeting, Mr. Minister, and it would assume to me that there are a number of questions that should be asked. I am wondering, is it possible, at the end of this tour that we are to do within the next three, four or five days. We as a group, will be back in Yellowknife on the 14th, 15th and 16th. I am wondering, is it possible that we would be able to meet with you at that time to go over your particular submission to us because I am afraid we are going to cut into the public meeting tonight. And that is the basic rationale for being here is to listen to the public of Baker Lake at this time. I am wondering if we could meet with you sometime on Monday, Tuesday or Wednesday of next week. You have made a submission of roughly 10 pages plus the addition that you have made plus Mr. Jaeb and

Mr. Owljoot have made comments. And there are a number of questions, I am sure that we would have and because we are going to be tied to a time problem tonight. Is it possible that we would be able to meet with you next week while we, as a committee, are in Yellowknife?

HON. GORDON WRAY: Unfortunately, Mr. Chairman, I had not planned on being back in Yellowknife until about the 28th. I wanted to spend some time at home before the session.

CHAIRMAN (Mr. McCallum): That raises a problem, Mr. Minister, because I take it from our last meeting with the board that the board wanted to make this presentation through you, to this committee, so that we could be aware of the concerns of the board. And I understand, correct me if I am wrong, what you have given us here tonight has been endorsed by the board. Whether it is you or the department and or the board or a combination is how you feel about this whole aspect of housing.

If we are to make a report to the Assembly in November, I think that what we would like to do, is to take a look at what you are saying or have said. Talk about it amongst ourselves and then get some opportunity to have a dialogue. If you are not going to be in Yellowknife until the week prior to the session, that represents a problem to us. If we are going to incorporate what you have said tonight because of the understanding we had when we met with your chairman two or three weeks ago. They asked at that time that we would put into our report some of the comments that you have here but in the 10, 11 or 12 pages that you presented tonight, there are certain fundamental questions that Mr. Ballantyne touched upon, that we would like to go over. And if we can't make a meeting, it is going to be very difficult without getting some kind of an understanding of what you have said on behalf of yourself and the corporation and the board, to incorporate those in an interim report unless we get some opportunity to dialogue about it.

HON. GORDON WRAY: I am just advised that there is a special FMB meeting on the 19th on housing. So I suppose I will have to go to Yellowknife for that one. So, I guess I am going to be in Yellowknife. So that is my answer to you. So why don't we leave it up to our respective staffs to work out our time on that week.

CHAIRMAN (Mr. McCallum): Again, I appreciate that. We will be back in Yellowknife late Sunday. We will be meeting as a committee on Monday, possibly Tuesday because of other meetings of which the board members are part of committees. I would not expect that any of us would get out of there, those of us who live outside of Yellowknife, would get out before Wednesday. I would hope that there would be an opportunity that we could sit down and discuss the comments and points that you raised. Mr. Ballantyne touched on it very briefly but he is the only one that has been able to and I am sure that other members would like to take a look at it and go into greater detail.

So if it is possible through your staff that we could meet or have the staff meet with our staff through Penny Aumond that we could set up some kind of a two or three hours plus or minus...

HON. GORDON WRAY: Lets shoot for the Wednesday, Mr. Chairman, because my flight does not get in until late Tuesday night. That is the first connection I can get in.

I should also point out that the brief was also endorsed by the Executive Council.

CHAIRMAN (Mr. McCallum): This brief is endorsed by the Executive Council of the government as well?

HON. GORDON WRAY: It was presented to them and I was given approval to make the presentation.

CHAIRMAN (Mr. McCallum): I thank you very much for that information. I just have one question as Chairman of this, that Mr. Ballantyne alluded to, I think. It said that a submission has been forwarded by the Government of the Northwest Territories, the federal treasury board, that would provide for natural resources to associations to provide an adequate maintenance program. Is it possible for this board to get that submission?

HON. GORDON WRAY: Yes, Mr. Chairman. I will provide you with a full copy of the submission. I have one here, but it is the only copy that I have but I will make sure that you get copies of it.

CHAIRMAN (Mr. McCallum): If you would make that submission available to Ms Aumond, I would appreciate that. I am not sure that other members but for myself, I thank you very kindly for your submission tonight. It is too bad that we are not going to get an opportunity to go through it now but it will give the members of the board an opportunity to digest it and look at particular questions that they would like to ask about it.

HON. GORDON WRAY: We are going to have some time in Rankin tomorrow, Mr. Chairman, too, if something can be worked out there. I know it is fast but I think there is some time in Rankin tomorrow as well.

CHAIRMAN (Mr. McCallum): I'll have to check with Ms Aumond about the time and if you and your people are going to be there, it may be worthwhile to go through.

Well, if we can get away here tonight. We don't leave until 3:00 in the afternoon so it is quite possible if you are going to be in Rankin, we could set up something at that time.

I thank you very kindly for those comments and I would just say that this part of it is over now and we will take a few minutes for a break and then we will go into the public meeting.

---ADJOURNMENT

MEETING WITH BAKER LAKE PUBLIC

CHAIRMAN (Mr. McCallum): I would like to begin this evening by saying how pleased we are to be in Baker Lake. Some of us have been here in the past. The last Assembly held a session here in Baker Lake, in fact in this hall we had quite a good dance, back a few years ago. I would like to begin by telling you who we are and why we are here in Baker Lake, where we have been and what we intend to do as a committee.

We are a committee of the Legislative Assembly. We are not part of the Government of the Northwest Territories, that is, we are not part of the Executive Council. We who sit here are not part of the Housing Corporation, the associations or the authorities or even the federation. We are all elected MLAs.

My name is Arnold McCallum and I represent the constituency of Slave River and I live in Fort Smith. To my left is Mr. Joe Arlooktoo, who represents the constituency of Baffin South and he lives in Lake Harbour. Next to him is Mr. Sam Gargan who represents the constituency of Deh Cho and lives in Fort Providence. Mr. Ludy Pudluk is from the High Arctic and lives in Resolute Bay. To my right is Mr. Michael Ballantyne, who represents the constituency of Yellowknife North and lives in Yellowknife. To my immediate right is Mr. Red Pedersen, who represents Kitikmeot West and he lives in Coppermine.

We are a committee of the Legislative Assembly that has been formed to look into all aspects of housing. We have visited approximately 35 to 37 communities in the NWT over the last six months. We intend to go to Rankin Inlet tomorrow, we will be going to Eskimo Point, Whale Cove and down to Sanikiluaq. We have visited every region of the Northwest Territories. We have come into communities to hear what people want to say about housing. They make comments and they may ask questions, but we do not have the answers as to what is wrong with housing, if in fact there is anything wrong with it. We are here to listen to your concerns, we would like perhaps to ask questions of you, who talk to us.

We as a committee have to make a report to the Legislative Assembly next month in November at the session of the Legislative Assembly.

We have instantaneous translation. We have people who have come with us and we also have Alexis who is here from Baker Lake and we also have Erica who has come with us.

We would like to be able to have as many of you, who want to say something about housing, come up and say something. I would ask you to come to the table where the microphone is, give your name and simply say what you want about housing. We record everything that has been said and we would like to be able to attribute everything that has been said to the proper individual. After you have made your presentation, if you would remain there because Members of the committee may want to ask questions about you concerning the statement that you made. I would hope that there would be a free and open discussion about concerns of housing in Baker Lake.

We have visited many communities. In some communities there has been a good dialogue back and forth, in others it has been less than good. Nevertheless, I hope that nobody would hesitate about coming forward and saying what they feel about housing in the NWT.

During the last tour that we had in Kitikmeot East, people told us that we were likely tired of hearing the same thing. And I am sure what you have to say, we have heard before, but I would hope that you would still tell us how you feel about housing. Even though we have heard it before, we want to hear it from you, who are residents from Baker Lake. So I hope there is no hesitation of coming forward to talk to us about it.

I understand the MLA from here, Mr. Gordon Wray, would like to make comments. And I am sure the mayor, Michael Amarook, would like to make comments as well. In addition to that I would hope that there would be individuals who would come up and talk about housing. If there are not further comments from Members of the committee, I would ask your MLA, Mr. Gordon Wray if he would like to make his presentation and then I would ask the mayor, Mr. Amarook to make comments.

Again I would like to thank you for the opportunity -- for inviting the committee here and with that I will throw the meeting open and we will hear from your MLA, Mr. Gordon Wray.



HON. GORDON WRAY: Thank you Mr. Chairman. First of all I would like to welcome the committee to my home community of Baker Lake and to the Keewatin. Over the next couple of days I will be visiting the other two communities in my constituency, Eskimo Point and Whale Cove. It is a little bit difficult for me, just having made a presentation as Minister, to sort of change hats and now make a presentation as M.L.A. I will try and do it anyway.

The problems that you are going to hear in Kivallivik and Iqaluit are undoubtedly the same as problems you have heard and will hear. We are no different, except in one respect and I think of all the regions, this region has suffered from neglect more than others in terms of housing. The housing that you see going on in Baker Lake right now appears to be a lot, however it is the first housing that has been built since 1980, basically because of a screw up when nobody filled in the needs survey, therefore it was determined that Baker Lake did not require any housing. Somewhat similar to what happened in Pond Inlet and Pangnirtung.

However, I will be very brief because I will have ample opportunity to talk to you again. I will let the public get their crack at you. But just to give you some facts and figures. At present, between the three communities that I represent, Baker Lake, Eskimo Point and Whale Cove, there is a housing deficiency of about 55 units which are needed right now to house people who have no houses. In addition to that we still have people living in match boxes and A-frames, we are trying to get rid of these but it is a very slow process.

The general condition of the houses in the three communities of Baker Lake, Eskimo Point and Whale Cove, are among the poorest of any in the NWT. As you know the Housing Corporation has a rating scale from one to 100, by which it rates the condition of each house. The average condition of a house in the community of Baker Lake is 48 per cent. In the community of Eskimo Point it is 46 per cent. And in the community of Whale Cove it is 44 per cent. So in other words, even the Corporation admits that these houses are not fit to live in. This is due to lack of maintenance funds. I understand that if the maintenance funds were doubled to the present, then that is what would be adequate to look after these houses.

At the same time, staffing levels are low, the housing association finds it very difficult to attract qualified people because of the very low salaries that are paid. Again the housing association salaries are much lower than those of government employees and therefore any good people that come on the market are quickly snapped up by government when there are jobs available.

The community of Eskimo Point has undergone a major population growth within the last eight years. It is now the second largest community in the Eastern Arctic, behind Frobisher Bay. The third largest community is Rankin Inlet and the fourth largest community is Baker Lake. So as you can see in the Keewatin we are sitting with the three largest communities in the Eastern Arctic outside of Frobisher Bay, yet our housing stats, our housing construction, has not kept pace with the increase in population.

The biggest deficiency appears to be in small bedroom units, one and two bedroom units. That is the biggest problem that we have right now because the population is so young and with the young people getting married, with only one kid, they don't need three and four bedroom houses. What they need is a two bedroom house to start out with. And that is where our major deficiency is. I think in the community of Baker Lake alone, at the present, we only have two, two bedroom houses. With the new housing going in this year we will have maybe eight. We need 57 and we only have eight.

In the community of Eskimo Point we are deficient in almost all areas except three bedrooms. The largest need in Eskimo Point is in four bedroom houses because of the very young population there and the large amount of children living in that community. In Whale Cove the big need is for one and two bedroom.

You won't hear anything different from me or anybody in this region, than you have heard anywhere else. Housing is generally in very poor condition and the housing associations have no money to maintain them. There is no incentive for the tenants to maintain their houses. The salary levels of the housing association employees are far too low. Just generally housing is in a very bad state. Unless more houses are built over the next five or six years -- when I say more houses, you are looking at a minimum of 10 to 15 houses every year in every community for the next five years, then we will never be able to get out of our housing problem. Other than that I do not have too much to say on Kivallivik, you have heard it all before.

CHAIRMAN (Mr. McCallum): Thank you very much, Mr. Wray. I indicated to you that the co-chairman along with myself is Mr. Ludy Pudluk and I would like to turn the meeting over to Mr. Pudluk to act as chairman for the evening. Mr. Wray if you do not mind, there may be questions of the committee, if you don't mind just sitting there. Mr. Pudluk.

CHAIRMAN (Mr. Pudluk): Mr. McCallum.

MR. McCALLUM: Mr. Wray, could you tell me what the population is of Baker Lake now?

HON. GORDON WRAY: It could be anywhere between 950 and 1120.

MR. McCALLUM: What book are you using?

HON. GORDON WRAY: We use the nursing station, we don't use any book. Our estimates are about 1060.

MR. McCALLUM: And there are 157 units, either public and/or northern rental in town. So you have 1080 and there are roughly 165 units.

HON. GORDON WRAY: Half of which are northern rental.

MR. McCALLUM: And you suggest that it would require, in just the three communities in your constituency, approximately 30 to 45 units a year, over the next 10 years...

HON. GORDON WRAY: The next five years, at least to keep us level with the increase in population.

MR. McCALLUM: And Baker Lake is the fourth largest community in the East. So you are talking approximately 50 to 75 units over the next five years.

HON. GORDON WRAY: I think it should be stated for the record that Baker Lake and Eskimo Point have the highest percentage of northern rental housing of any community in the NWT. By northern rental, we are talking buildings that were built before 1976.

MR. McCALLUM: What would be the possibility of home-ownership occurring in your constituency?

HON. GORDON WRAY: I would say in this community we have one home-ownership program this year and off the top of my head, in this community there is probably about 25 to 30 families who are eligible for home-ownership or who would have the income to support their own house. In the community of Eskimo Point I would suggest it would probably be the same. In the community of Whale Cove, probably no more than four or five.

One of the bigger problems here and in Eskimo Point, as well as in Rankin Inlet, is that the housing associations have been asked to not only accommodate low income families, they have been asked to accommodate government employees as well. As you know the government has not built any housing but there are many people working for the government who are also living in public housing. But if you took a look at the middle and higher income families in the communities, there would be definitely anywhere between 20 and 30 home-ownership clients here.

MR. McCALLUM: Do you have any idea how many Government of the Northwest Territories employees are living in public housing in Baker Lake?

HON. GORDON WRAY: I can't give you the figure for Baker Lake, but in the Eastern Arctic, which is Kitikmeot, Baffin and the Keewatin, there is 254.

MR. McCALLUM: How do you feel about that?

HON. GORDON WRAY: As MLA or as Minister?

MR. McCALLUM: As MLA.

HON. GORDON WRAY: As an MLA I think it is terrible. I don't think the housing association or Housing Corporation should be in the job of housing government employees.

MR. McCALLUM: Who's job is it?

HON. GORDON WRAY: I think it is the people's job themselves. I would like to see the private sector developed so that people can look after themselves. What has happened though, is that because there is no other alternative people have been forced to go to the housing associations for houses. In Baker Lake, Eskimo Point, or Rankin, or anywhere, you can't go and rent an apartment, there is just none to rent. Neither can you afford to build, nobody will give you a mortgage.

The banks won't give you a mortgage if you are from Baker Lake and you are trying to build a house. The won't give you a mortgage if you are from Rankin Inlet. I know of one government employee who had \$40,000 in the bank and he is in a job that is paying \$52,000 a year and he couldn't get the bank to give him a mortgage in the Keewatin.

MR. McCALLUM: I don't think Baker Lake is any different from most communities. The community that I live in, Fort Smith, the bank won't lend money for mortgages either.

HON. GORDON WRAY: I think that is the biggest problem, Mr. McCallum, because until there is an alternate method of housing for the middle and higher income families, the demand is always going to be on the public housing authorities. I don't think that public housing was ever intended for those people, it was intended for people who cannot provide their own shelter because their incomes were too low.

CHAIRMAN (Mr. Pudluk): Anybody else. Mike.

MR. BALLANTYNE: Gordon, I see you have 87 northern rentals here. Have those northern rentals been offered for sale to the people here? Has there been interest in purchasing the northern rentals?

HON. GORDON WRAY: I couldn't tell you if they were offered for sale. I know the program is there where they are available for sale, but if I was living in one of those, I wouldn't want to buy it. They are in very, very poor shape. They are not worth buying. The cost to maintain them is just not attainable to most families.

MR. BALLANTYNE: I think it is a problem that we found in most other communities. The cost to maintain them is so exorbitant and the houses are in such poor condition that the people are just not interested in buying them.

Do you find, as an MLA in your constituency, that problems with housing are the most serious problems that people are facing in your communities?

HON. GORDON WRAY: I would say that housing and employment probably are equal. But if you are to take housing as just more than the provision of housing, if you were to take housing as a form of economic development, as well as a social issue, then I would say that housing ranks as a greater problem because if there is no housing there is no employment. So I think the two go hand in hand, but I would say that generally yes, housing is the biggest problem.

I should just point out, in terms of the northern rentals, just to give you some idea of what it costs. In Baker Lake, the average cost of a three bedroom house, which I happen to own, for fuel and power alone, averages out to about \$800 a month over the course of a year. That is for just a fairly standard three bedroom house, fairly well insulated.

MR. BALLANTYNE: The aspect of economic development and housing is one that has been touched on in every community, I know that our government has decided that economic development ranked priority. Do you think the government has given enough emphasis about the potential for economic development in housing. It seems to me that there will always be houses that will need to be built and repaired and it seems to be that that potential throughout the North is one of the ongoing possibilities for employment and business opportunities for people. Do you think that that aspect of it has really been looked at enough?

HON. GORDON WRAY: No, I think that aspect of it has been ignored, because if it had been paid attention to, we would have had some form of private sector, as it stands, we have little or no private sector in the Baffin, we have the beginning of a private sector in the Keewatin and we have

the beginning of the private sector in Coppermine. But nobody has ever tied the two in together, housing has always been looked at as something separate. Nobody has ever said, here is something that we know we have and we know we will always have and continue to have, let's combine it with economic development and make a profitable business out of it and hopefully attract the private sector in, which would build houses for rent. It has never been looked at, not along those lines.

CHAIRMAN (Mr. Pudluk): Mr. Pedersen.

MR. PEDERSEN: Gordon, you mentioned employment. We have heard from many communities that we have gone to that the level of employment, both as employees or as contractors on housing projects, is not satisfactory. How is it within your constituency?

HON. GORDON WRAY: There have been a number of complaints in the community of Whale Cove, the contractor for the Housing Corporation brought in seven people from outside and hired one local person. In Eskimo Point and here in Baker Lake, there have been comments made about not enough local input. I have never, over the years, really accepted a contractors point of view that he has to bring in people to get the job done because he has to make money. I know through efforts within the government and other efforts that attempts at moral persuasion have been made to contractors to hire local people but I don't think it has been done. I don't think it has been done as well as it could be done and I don't think it has been done with any view to training a skilled work force.

That was always my point. One thing you know in most communities, every year you are going to have some form of housing and surely to God after 20 years we should have, in most communities, a trained or skilled work force that could work on those housing programs every year. But that has never developed. I don't think that the contractors have done a good job of hiring local people and unless after the government departments make their assessment this year of the payroll records and how much money has done, if in fact it doesn't look good, then I suggest that we as MLAs push for mandatory quotas. I think that is the only thing left open to us now. We have tried every other method and it hasn't worked. So the only thing left, as I see it, is mandatory quota systems.

MR. PEDERSEN: That quota system or incentive bonus based on percentage of local expenditure, I am glad to hear you say that. I would like to comment on some figures you gave us on number of houses, population. It was mentioned earlier how many communities we have travelled to and I think it has been a great privilege, at least I have considered it so, and a unique opportunity for most of us. Most of us on this committee are in fact new MLAs and we have been paying attention to figures that have been given to us. Baker Lake now holds the record of most people per unit, you have seven per unit and that is the highest average of any place we have been. You also said that you have the highest percentage of northern rentals.

I noticed today in our short gallop around that you still have a lot of matchbox houses, as we have. All I really want to say is that as MLAs it gives us a heck of a lot better idea of what exists in each community within other constituencies. It is sometimes hard for us to vote intelligently on somebody else's needs unless we really know them. If nothing else, for us individual MLAs, this committee has been extremely valuable to show us places we haven't seen and people we haven't met and to see first hand what the problems are. I am sure we will all be a little more sympathetic next time as an MLA, maybe not as a Minister, when you raise problems connected with your constituency concerning housing. Thank you.

CHAIRMAN (Mr. Pudluk): Anybody else?

MR. McCALLUM: I would want to get some kind of expression from you Mr. Wray as an MLA. We have talked to various people in communities about whether the housing association should sustain itself, that is to continue as it. Whether or not the housing association should be an arm of the local municipal government because housing, as we have heard, is a community problem, not just a tenant problem. Could I get an indication from you, as an MLA, how you feel about the hamlet controlling the housing in the community. Would you do away with the housing associations? Or would you continue the housing association and make it responsible to the hamlet council?

HON. GORDON WRAY: To answer your question in a broader sense, as an MLA I have always said and support the concept that we should do away with all the committees in the community except one and that is have one community government responsible for everything, education, housing, alcohol, recreation, the whole works. There are far too many committees in the communities now and if you look at the composition of those committees you will find the same people on nearly every committee, all you do is just go to different meetings on different nights. What happens in a small community, in this community I know we have something in excess of 20-odd committees and to try and attempt to bring them all together is next to impossible and to try and attempt to get any kind of consensus from a community is also next to impossible.

I have always favoured -- for want of a better word -- a super council, responsible for all problems. I guess in the short term I think that yes, the hamlet should take over housing. The hamlet should take over a hell of a lot more than housing, but I think housing is an ideal one to start with because it is basically the same people who are doing it.

MR. McCALLUM: You talked about the private housing market. As an MLA, could you give us some indication how you would see private housing stimulated in the community? How would you stimulate any kind of development by the private sector?

HON. GORDON WRAY: If we are to stimulate private housing I think there has to be some very hard and very tough political decisions made by the Legislature. One is, we have to make public housing unattractive for middle and high income families. We do that by a raise rent structure, by a user pay system on fuel and power, by several means. But I think that has to happen. Only when you start giving those signals out, will the private sector, and I speak as somebody who came from the private sector, recognize that in fact this government is serious about private housing.

Certainly however I think that given a private developer in Edmonton can build a house for far less money, and rent it out for just as much and therefore get a return on his investment a lot quicker, the government is going to have to move to some kind of form of guaranteed lease. For instance, we as a government know that in Rankin Inlet they need 40 houses, unquestionably, then the government goes to a private contractor and says "Why don't you build the houses and we will guarantee the lease on it" and then we will place people in those houses and attempt to recover the rent back. And the Housing Corporation place people in those units with the income sufficient to pay that rent.

Not too many people know about it, but in addition to the \$450 that you get as a government employee there is another \$300 a month which is called a household subsidy which is also available. So right off the bat the government employee will get \$750 a month toward a rent that he may be paying from a private sector developer. I see no reason why somebody shouldn't be paying \$300, \$400 or \$500 a month for rent if they have the income. But what it really needs is some very hard decisions made by us as a Legislature. If we are serious about it we are going to have to make the commitment to make things rough for these middle-high income families and we are going to have to give the government officials the political back-up to carry that out, as well as the housing associations because they are the ones that are going to be asked to do the work with the communities.

MR. McCALLUM: You are talking to six of your colleagues. If this particular committee came with that kind of a recommendation to the Assembly, then I take it -- a recommendation such as you made, that is guaranteed government usage or leases -- I take it then that you would support the committee on that.

---Laughter

HON. GORDON WRAY: As a MLA I would support it.

MR. McCALLUM: That is all I am asking you. You are talking as a MLA and that is all I want to know. Thank you very much, Mr. Chairman.

CHAIRMAN (Mr. Pudluk): Anybody else? (Translation) Does anybody else wish to say anything? Michael.

MAYOR AMAROOK: (Translation) Thank you very much, Mr. Chairman. As mayor I would like to welcome the committee to Baker Lake. We have been expecting you since June, the last time you wrote a letter to us. We are glad that you arrived today. The hamlet of Baker Lake, first I would like to say about housing. The hamlet has the responsibility for all the houses in Baker Lake, by servicing these various buildings, I do not have to tell you how many people are in Baker Lake because it has been mentioned. But as a hamlet council we find that the housing association is always short of funding for operations and maintenance. Our communities are short of housing and the hamlet council continues to support increased housing for the communities.

We are also aware that the federal government's staff occupy public housing and not from their own staff house, although they are working for a public service and their municipal services and utilities are being paid by the housing association and I think that the housing associations have to do something to the effect that they are just paying for their utilities. They should do something along the line that for a public servant to be a tenant of that public house because we support the housing association. I ask you as a committee that federal government employees, whether they be from MOT, nursing station or other public servants, not to take away the public houses but that they have to provide their own houses and not pay for the services for them. The hamlet has to be paid for the municipal services and we are aware of the number of people who are in this category who work for the government but because they are living in a public house it seems that they are being paid for by the housing association. This is a problem, finances are always a problem to the housing association.

I have spoken with the housing association concerning this matter when there are many people in need of houses. There are also employees of the Government of the Northwest Territories such as DPW or other departments who I am aware that these houses are public houses. But I am very concerned about what I am speaking about. When you are working with the federal government and you are a tenant of the public housing because he is not living in a staff house, he is subsidized to live in a public house. You should consider this during your hearings because the federal government is a lot richer than the housing associations and this has always been a concern of ours.

I would like to say now, not as mayor but as an individual who lives in a public house. I live in a housing association house. You cannot get out of it because there is nowhere else to go. I have travelled to other communities to work at other places, to leave my house, and when I come back to Baker Lake, I am a resident of Baker Lake, I no longer have a home to go to. Can we do something about a lease to say that this lease can be leased for 10 years, so that even if you go out of a community you can sublet the building while you are away. Like if I were in Ottawa for instance, I can rent a house and sublet it and then go back to renting it again. I have also brought this matter up with the housing association. So a person can be guaranteed a place to live again when he comes back. It seems like when one comes back to a community, you have never lived here before, there is no place to go. I have tried to find something better for this.

Our public houses of the housing association, how long can one public house last, maybe 20 years. Maybe once the 20 years have gone you can replace it with another because many of these public houses are in such deteriorated shape, I have considered that once a house has been built, maybe after 20 years it is just going to cost too much to continue to operate it and it would be better to build a new one.

I have also considered that the Housing Corporation can come up with a policy in regards to the community development. A plan for community development population that each year they should find out exactly what number of houses are going to be required for each community. Make a forecast and follow this and if one year something goes wrong where the houses that were supposed to come in for a certain year do not come in then they would have to try to catch up the following year. I know this is a heavy task but we are in the very same position to having a very difficult time.

We are living in a four bedroom house and there are 12 of us in the family and there are even more people in smaller houses. I am aware that if I tried to find accommodation down south with the number of people in my family, there are some houses that have 10 bedrooms but if I tried to go into a house with smaller number of bedrooms, through regulations that is not possible because there are policies set as to how many people can live in a certain house. But we have no policy in regards to this. There are no policies with the housing associations. This seems to be a problem on the onset when you just think about it but then it can rectify some other problems that the federal government can finally see that they are very behind in houses. We have to present them with the facts. You, as the Legislative Assembly Members have to try to rectify these problems. Thank you very much, Mr. Chairman.

CHAIRMAN (Mr. Pudluk): Joe.

MR. ARLOOKTOO: (Translation) Thank you, Mr. Chairman. I would like some clarification that there are quite a few numbers -- that the people that work at the nursing station and government employees that are living in public houses. I would like to know who they are. Are they from Baker Lake or are they from the south?

MAYOR MICHAEL AMAROOK: Yes, they are from Baker Lake. The reason I am saying that is even though they are from Baker Lake, I like them to have more opportunities to get their own staff houses that they can be able to live in.

CHAIRMAN (Mr. Pudluk): (Translation) I would also like to briefly comment. I know there is a problem with a lot of other communities. The federal government employees that are staying in public houses in the communities and in Baker Lake. There is 18 from the Housing Corporation that are being used by the staff of government employees and in the future -- this has always been mentioned in other communities we have approached earlier and we know that there is quite a problem in most cases in the communities. (Translation ends)

Anybody have any questions? Mike.

MR. BALLANTYNE: Thank you, Mr. Chairman. I wanted to ask a question but Mr. McCallum said don't steal his question as I recall I asked a few communities ago.

But what I was asking was Mr. Wray mentioned that it might be better if the hamlet council itself took over housing from the housing association. Do you think that that might be a good idea?

MAYOR MICHAEL AMAROOK: (Translation) I understand the question but the Housing Corporation in Baker Lake whether they improve or they have not really been assessed. I don't think I go for that idea without prior trials with the housing association -- how they would go about it. If they would not go for that before hand then I would not go for it but if they would look into it before hand then it would be a lot better.

CHAIRMAN (Mr. Pudluk): Anybody else have questions? Mike.

MR. BALLANTYNE: Thank you. The other question I have is that in many communities we have visited, we have been told that a lot of southern contractors are used to build homes or to repair homes in a community. Is that a problem here or are local contractors used in Baker Lake and are people employed from the community here?

MAYOR MICHAEL AMAROOK: (Translation) Yes. It has been going on like that for quite awhile now. Getting southern contractors to come up here and bring their own workers and there is only a few local people that they employ. And that has been going on for quite a few years. The people that come up here to do contract work, just so they would not use too much money and they don't stay here that long, they just start speeding up their work and when they are in a rush they do not do a very good job with the houses that they are building.

MR. BALLANTYNE: Thank you, Mayor Amarook.

CHAIRMAN (Mr. Pudluk): Thank you. Anybody else? Arnold.

MR. McCALLUM: Thank you, Mr. Chairman. Michael, if I may use your first name. You say that you live in a northern rental unit now. Have you ever tried to purchase it or would you want to buy it?

MAYOR MICHAEL AMAROOK: (Translation) I would consider the foundation first and then after that I would find out if I prefer that location or the site or foundation where it is.

MR. McCALLUM: I would like to ask another question on another topic. Would you give me some idea how you feel about the rental scale that is now being used. Do you have any comments to make about the rental scale?

MAYOR MICHAEL AMAROOK: (Translation) Yes, I can add to that about the rental scales. With respect to that, the person who has an income, they take 25 per cent off of the tenant who is making an income. If the head of the household has one other person in his house who is also making an income -- we also know about that. If only they can follow along with only the head of the household and take only 25 per cent off that person instead of other members working in his family too. This was raised before with the Housing Federation Keewatin Region.

MR. McCALLUM: I guess the question I am getting to Mr. Mayor and I do not want to put words in your mouth but in your mind, how should rent be assessed? By income of the family unit, that is the people in it or by the house itself taken into consideration? The condition, the age and everything. Which would you prefer? Which is more fair?

MAYOR MICHAEL AMAROOK: (Translation) Right now, everybody is following the income based on each household and just following the inflation with no limits. What I feel, using the \$500 as an example -- some of them with \$750 base rents have to end up paying \$800. I feel that they should have a limit which would make it better and easier since the housing association is mostly looking at the income that is being made by each household. Sometimes they do not get enough money to pay for their rent just because the housing association is following their income in each household.

CHAIRMAN (Mr. Pudluk): (Translation) I would also like to ask you, as the Mayor, a question. I am sure you are a part of the Keewatin Regional Council and that the houses that are going to be built in the Keewatin Region are decided upon as to which communities are going to be receive which number of houses. Do you feel that the Keewatin Regional Council decide that these number of houses will go to this community and this number of houses will to Rankin Inlet -- if the KRC were to decide upon these, how would you feel about this?

MAYOR MICHAEL AMAROOK: (Translation) Thank you, Mr. Chairman. As I mentioned earlier how houses are to be distributed once there has been possibilities that when they decide how many houses are going to be built each year, I feel that they should first of all make a study as to which communities will require how many houses for the next so many years.

At this present time, there is none. There concern right now is which communities have a priority and if they are always going to do that there is always going to be a priority. There needs to be a forecast list for each community and then once there is that plan, the federal government will know and say "Oh, okay, this is how much these communities require". And then they will know how much money to allocate.

CHAIRMAN (Mr. Pudluk): Anybody else have questions? Sam.

MR. GARGAN: Thank you, Mr. Chairman. I know in a lot of the communities we have been to, a lot of the wage earners that come from a particular community do not earn their wages in that particular community but they are renting. For example, in Inuvik, there are people working in Norman Wells. Okay, they have to pay rent where they are working and yet when they get back to their home community, that same wage that they earn, they are expected to pay the same type of rent on it. So you are looking at people that pay two types of rent. One for the company where you work and the other one when you go back because you are living in that house you have to pay rent on that house with moneys you made outside of the community. Do you think that is fair practice?



MAYOR MICHAEL AMAROOK: (Translation) To be paying two scales I have not really thought about it. I had a house in Baker Lake and I moved to Ottawa giving up my house in Baker Lake because otherwise I would have had to continue paying for it. I had to let it go and because of that I had no place to go to when I returned. This was very difficult for me. I could not afford to rent a house here and in Ottawa at the same time.

CHAIRMAN (Mr. Pudluk): Sam.

MR. GARGAN: Thank you, Mr. Chairman. Michael, there are also people that do things on a seasonal basis, hunters and trappers. Right now most of the people who do hunt or trap usually live in a residential area normally so they can send their kids to school. But these hunters and trappers -- I don't know if they do have a cottage type of program where maybe a hunter could get some kind of a grant to build himself a house, not in town but out somewhere where he could do his hunting and trapping. Do you think there should be this kind of a program in place?

MAYOR MICHAEL AMAROOK: (Translation) There is a person from the Hunters' and Trappers' here and I think he would be able to answer that much more clearer than I can.

CHAIRMAN (Mr. Pudluk): Anybody else? Thank you, Mr. Mayor. Are there any further presentations?

Nancy Tupik is going to make a presentation to us. She is alone right now and she doesn't want to read them and she doesn't want to answer any questions for being too alone from the ladies group at this time.

Are there any other presentations?

MS MARTHA NOAH: (Translation) I rent a four bedroom public house. I cannot speak into a mike. The houses that we occupy right now are okay and the ventilation is on the roof and in the winter when it becomes too cold, the furnace therefore heats up the upper areas but leaves the bottom area cool and this wastes energy. There has been some rehabilitation to try to fix this but they were in a very big rush and right at the beginning it was no use because the porch was no good. And one of the bedrooms was still so cold it was no good.

I feel that even space heaters are required to heat up the rest of the rooms. And when an electrical space heater is going to be used the ventilation should be built on the floor rather than higher up because heat has the natural tendency to go up. This is the biggest complaint about that.

CHAIRMAN (Mr. Pudluk): Qujannamiik. Are there any questions? Sam.

MR. GARGAN: Martha, I come from an area where we have a lot of trees and that and one thing I found that has not changed whether here in Baker Lake or in my own area is that all the houses that are being designed -- it doesn't matter if you are in the bush or else out in the open. The design of these buildings are all the same throughout the North.

I agree with you and I do not know where the engineers got the idea that heat could go down. I agree with you that there is that problem that where a lot of the houses that were built the ventilation was on top. And it is like you said that heat travels up and they should put the vents down.

CHAIRMAN (Mr. Pudluk): Mashi cho. Anybody else have questions? Qujannamiik, Martha.

MR. EMILE OKLAGA: (Translation): My name is Oklaga. I am from Baker Lake and I am one of the directors of the housing association. I would like to thank you, Mr. Chairman, now that you are in Baker Lake with the Special Committee on Housing. You are here to hear the concerns of the people.

The public houses -- we are trying to break them down but it is hard to. They are not even fit to be used anymore even though they were rehabed. We know that they will use a lot of money from the people that are tenants or even if they have to buy them. They cost too much. Though we have tried to rehab and rebuild these houses by ourselves, we continue to get drafts through the windows and we continue to get snow in -- you even see snow falling on people who are trying to sleep.

These are things that should have been rectified a long time ago but it seems like our words go in one ear and out the other.

And some of these houses were built very hurriedly and were built on very poor foundations and you can even see maggots building up in the summertime and this is very bad for health conditions, especially for people with children.

We have requested for the past two years for more houses but we finally received them this summer. Our coastal friends seem to be receiving their yearly quota of houses and then we are ignored for two years. And the houses that came in this summer are still not enough.

There are many people living in very over-crowded houses. Children are sleeping on the floor. There are older men and women who do not have a proper bedroom. We need support from you because these people are paying for this accommodation and the Housing Corporation asks for more money. What do they use it for? Then they go around saying they do not have any money to build these houses. They seem to be hiding around and really hard to contact so we can make the houses better that already exist.

Baker Lake being one of the largest communities -- the housing association maintenance staff are very understaffed. There are only three maintenance workers in the community. I think one of the big things to help would be to give more funding to the association to maintain the houses.

It seems like we may as well be living in the snow because some of the houses cannot really be called houses, they need to be replaced. Because it is summer, you must be thinking there is no problem because there is no snow. But you should come here in the middle of winter when the houses are completely covered under the snow. It is very difficult to try to live under these conditions when you are elected and have a responsibility for the tenants. What if a fire breaks out, you can't see it from the outside?

I would not want to pay for a house if that house was under the snow and I don't think you would either. Because you are a special committee, I am sure you will make recommendations which we will hopefully see an improvement in the future. I don't have anymore to say. Thank you very much, Mr. Chairman.

CHAIRMAN (Mr. Pudluk): Thank you. Any questions? Red.

MR. PEDERSEN: Thank you, Mr. Chairman. I just want to clarify -- did you say that you have a total maintenance staff of only three people here?

MR. EMILE OKLAGA: (Translation) Just the carpentry maintenance men, oil burner mechanics. Just two. And because of the lack of funding we cannot maintain all the houses. And because we are the housing association we are trying to maintain these with five staff members.

We have even been asked to cut their salaries and we cannot cut too much further.

CHAIRMAN (Mr. Pudluk): Red.

MR. PEDERSEN: I just wanted to get the figures. Thank you.

CHAIRMAN (Mr. Pudluk): Sam.

MR. GARGAN: Thank you, Mr. Chairman. I know that in just about all the communities that we have travelled to people have been short on staff and there is not that much money for the housing associations to carry out the job of maintaining the houses. But in a lot of the communities they do have resource people that probably could do just as good a job as the maintenance people if the maintenance people are overloaded.

I am just wondering if a person was to fix his door, windows or do some repairs on his house, do you think it would be a good idea to have some kind of a credit system so that if a person was to repair his own house that he be given less rent or something like that as a fair way of working things out if the housing association cannot do the job that is required?

MR. EMILE OKLAGA: (Translation) As a director I cannot really state but we can probably bring this up and after further deliberations we can let you know. But at this time I cannot say.

CHAIRMAN (Mr. Pudluk): Sam.

MR. GARGAN: Thank you, Mr. Chairman. Are you a tenant yourself?

MR. EMILE OKLAGA: (Translation) Yes, I rent a public house.

MR. GARGAN: I guess maybe just getting away from you being a director under the housing association and you, as a tenant. Could you let's say -- I don't know who the oil burner mechanic is here. But if you are one of them and your furnace breaks down in the middle of the night or something and you went ahead and were able to repair it. Maybe the association should bring down your rent because you have done some work on your house without getting paid for it. This is what I am trying to get at. Myself, I am not an electrician per se, but I have taken electronics so I know the pros and cons of electricity and I have done a lot of work in that area on my own house. I am not saying that I have not got any credit for it but I wish I did. This is the kind of thing I am trying to get at.

If people do work on their own house but because the maintenance people are too overloaded with work already, do you think they should be given credit and maybe put toward the rent sort of thing so your rent could be brought down a bit?

MR. EMILE OKLAGA: (Translation) Thank you, Mr. Chairman. Very definitely, I do work on my house. Like last night when we had problems with our furnace even though we have our own furnace man in Baker Lake, I use to phone him up but they are very busy so I fixed it up myself. So I definitely feel I will tell our secretary manager to decrease my rent.

---Laughter

CHAIRMAN (Mr. Pudluk): (Translation) Any further presentations?

MS VERA PUDNAK: (Translation) My name is Vera Pudnak and I am also one of the directors with the housing association.

I just want to say briefly that if the housing association got more support we would probably get more benefits. Even though we have meetings and we try to tell the Housing Corporation, it is always hard to get our requests filled. We always pay for our rents and we always pay for maintenance on the older public houses. And I think it would be better to maintain the northern rentals instead.

There are a lot of families with a lot of children and sometimes there is over 10 people in one house. We prefer to have their rent scales lowered.

There is another thing I would like to say. We always have problems with over-crowdedness and we try to get these people to move to a bigger house and there is only one bathroom and people that have to go to work and children that have to go to school so it takes awhile for everybody to have a bath or a shower and to get ready. I wonder if there could be a bathroom first and a little room for a washroom?

Another thing, in the North the people in the communities know what they would prefer since everybody is always given the same kind of building. I wonder if we could be given an option on what kind of design we would like in our houses up north.

I wonder if each chairman from each community could go to all the communities and get some input from the people before they go to the Housing Corporation annual meeting. Even though we are asked by other officials we just start agreeing and then they tell us this is what we agreed upon -- and also we would like the local people to work for us. I would also like this to be considered by the committee. Thank you.

CHAIRMAN (Mr. Pudluk): Are there any questions? (Translation) Thank you. Your comments will be quite a support for our recommendations. Thank you.

We would like you to know that we have to leave tonight. I think we will be able to go since the weather is getting bad in Rankin Inlet and we are supposed to be there tonight. Is there anybody else who would like to say something?

MR. MICHAEL HAQPI: (Translation) My name is Michael Haqpi. Since you are whites I will speak in English and since I am from Baker Lake, everybody will understand. (Translation ends)

I am going to sit down here with the housing association hat and with my own hat later on.

I am just going to give you a rough idea on the number of units that the housing association maintains. There are about 170 units which the housing association maintains. It hovers around 170 -- it changes all the time. Fifty per cent of those 170 units have something wrong with them. Maybe it is the design or the materials -- there are a lot of reasons.

With new units coming in and due to the shortage of housing we have now about 100 applicants for accommodation. Of those 100 applicants, about 60 per cent are people either living with parents or brothers or sisters. So that is just the general picture of the situation.

The next item is committee training. The people of Baker Lake elect directors from Baker Lake and we sometimes have people coming in elected to the board of directors of the housing association and one thing I found out working with the housing association is that the Housing Corporation needs to have some kind of training, at least once a year, for directors.

Since I started working there has been no training for housing directors. It is not only -- I will move on to something else.

The next item is staff salaries for the administrative and maintenance of the housing associations. At the present time, the staff, especially at the maintenance level, the salaries need reviewing by the Housing Corporation.

The salaries for the administrative staff are lower than most other office related jobs. The staff itself, we are presently understaffed at the housing association both at the office and the maintenance area. Right now we only have two people at the association office. The manager and the secretary manager. And with two people with about 170 units to look after -- that is just about 45 to 50 units for six maintenance men to look after. We need at least one more of each maintenance staff.

At present, I do not know the housing needs study frequency by the Housing Corporation. I know that since I started last August there has been just one housing need study done. I think that all the units have to be checked every month. Maybe a housing need study every month or at least there should be some kind of inventory every month or so.

I'll just move onto the last point. (Translation) Gordon had mentioned before and if I am correct I heard it before and I am in support of the housing association to be controlled by the hamlet council. (Translation ends)

For I feel that the people seeing me after working hours just on friendly conversations -- maybe they would have better control under the hamlet council.

This is all I have to present to you.

CHAIRMAN (Mr. Pudluk): Thank you. Arnold.

MR. McCALLUM: Thank you, Mr. Chairman. Michael, you talk about the benefits of the housing association employees. If they are to get better salaries, who do you think should pay those salaries?

MR. MICHAEL HAQPI: I think the housing association or wherever there is money to be found.

MR. McCALLUM: Then you say you think the hamlet should take over the housing association then you would be an employee of the hamlet. And then that would be a better situation for you or for members of the association.

MR. MICHAEL HAQPI: Yes, that is what I think.

MR. McCALLUM: You talked about the board directors on the association. Do you think that the local association's board should be made up, not just of tenants, but of anybody in the community?

MR. MICHAEL HAQPI: Yes, I think so.

MR. McCALLUM: Why do you say that?

MR. MICHAEL HAQPI: Because you get more of a variety of people to elect as directors of housing.

CHAIRMAN (Mr. Pudluk): Thank you. Is there anybody else with questions? Thank you, Michael, for your views.

Anybody else with concerns or a presentation?

MR. NORMAN ATTUNGALA: (Translation) Thank you, Mr. Chairman. My name is Norman Attungala. I am the chairman of the housing association in Baker Lake.

I do not want to take too much of your time and I prefer that my people speak about the problems but I wish to sit up here to tell you that it is to bad that you are in Baker Lake when there is no snow. If you had arrived when there was snow and seen houses under snow, I think you would see one of the biggest problems that hinders people. You probably would have seen the houses on gravel foundations. This is another problem in Baker Lake.

These public units are very old and some of these houses have lost a lot of gravel. Some of them are not even levelled off and the pipes around the outside are laying right on the ground and when it is covered under the snow it is very difficult to work on the houses. These are some of the many problems that we have to face.

You asked if the association should be affiliated with the hamlet. I have been with many different committees and I want you to be aware that some of these bodies do not exist or barely exist and some are very active and some not. This exists in all communities not only in Baker Lake. If it were to happen that the housing association become part of the hamlet council -- if you are to consider this, I am not opposed to one group or the other but we are looking for ways to solve the many problems.

Maybe when we look at these different bodies or groups or associations, you cannot say very much because they do not have much power and they cannot do very much for the people that elected them. And if they all came under the hamlet council then they could form all these subcommittees. And also you have to consider that maybe some of the other committees will be less active than others but if you consider housing becoming a part of the hamlet council, please consider possible consequences. I am not telling you it is the wrong way or the right way but please consider this that was mentioned to me by one of our staff that the houses -- wouldn't it be better if an individual builds his own house? There are people that build their own porches, why not build their own house? There are problems and some of them that we face in Baker Lake is that there are houses that are useless or some people just cannot build their own because they do not have the money or they do not have the avenues or facilities such as lumber, pipes and all. Everything is not possible.

As I mentioned earlier I think our people should be speaking more and as the chairman of the board of directors I would just rather sit back and listen to them. I just wanted to mention this and I do not have anything further to say.

Mr. Chairman if you have any questions, I will try to answer them.

CHAIRMAN (Mr. Pudluk): Mike.

MR. BALLANTYNE: Thank you, Mr. Chairman. I understand that the Baker Lake Housing Association belongs to a housing federation in this region? Is that correct? And I wonder how often does the federation meet?

MR. NORMAN ATTUNGALA: (Translation) They do not meet that often. I think they meet about twice a year. I have been a member of that group and I know they meet at least twice a year.

CHAIRMAN (Mr. Pudluk): Anybody else? Mike.

MR. BALLANTYNE: Do you think that the housing federation should be stronger and that a federation should make decisions about which communities get houses in a region?

MR. NORMAN ATTUNGALA: (Translation) We do have a member in the federation from Baker Lake and we do look to them for support and we can probably ask them. I do not know if they have discussed it lately but they do come back to the communities to meet with the local housing associations and express to them about what they have talked about at their regional meeting. I do not know if they would have to discuss this amongst themselves first or not.

CHAIRMAN (Mr. Pudluk): Any further questions? Arnold.

MR. McCALLUM: Norman, is it difficult for the housing association to collect rent in Baker Lake?

MR. NORMAN ATTUNGALA: (Translation) I cannot really answer that but the board of directors in Baker Lake understand that to try to receive money for rent is difficult sometimes. Even for our staff because the money they make has to be broken down -- for their own purposes. For instance, if our staff want to take their holidays or go away, we do not pay them those kind of benefits. And because we do not pay those kind of benefits they are in a very poor state.

I do not know if I really answered your question but that is the best I can do.

MR. McCALLUM: Could you tell me or do you know, what the average rent is or how high the rents are in Baker Lake?

MR. NORMAN ATTUNGALA: (Translation) I can try to answer but I would prefer our secretary to answer because he has all this knowledge.

MR. MICHAEL HAQPI: At the present time the lowest is \$32 and the highest is over \$180.

MR. McCALLUM: Would it be over \$200?

MR. MICHAEL HAQPI: The range is from \$32 to \$200. The biggest one would probably be about \$130.

MR. McCALLUM: Thank you.

CHAIRMAN (Mr. Pudluk): Anybody else have questions? Qujannamiik. Any further presentations?

MR. JOSEPH SCOTTIE: (Translation) My name is Joe Scottie and I am working with the Baker Lake firefighters. I have been the fire chief for eight years now.

The northern rentals that are being made these days have only one door and that is going to be a problem for sure. At the moment it is not a problem but it will be a big problem as soon as winter comes. If there was to be a fire right by the door, nobody would be able to get out of that house. This has to be considered by the firefighters.

I have seen houses in other communities where there is only one door. This has to be considered so I would like your support to get this considered.

The houses are too close together and if there is a fire in one house there is the danger of the others catching fire. The public housing that is being used by the Inuit, the walls in the bedrooms have no insulation in them. And if there is no insulation, the room would burn down faster. Looking at the panels, they look like wood but they are not made of real wood.

The houses that are being made are very expensive and I wish they would not make paper doors because if there was to be a fire, the door would really burn. Maybe if one of you were working with the firefighters, I bet you would know this.

The housing association houses that are being rented, the firefighters cannot investigate each building and inspect them whether they are fire hazards or not. I know we can look after them but this has to be set by the housing association as to whether they are to be inspected. They would have to use some funds in order to inspect all the houses.

Lastly, I would like to say that I am renting a four bedroom house that was built in 1974. It has a steel base and they are not set very well. It moves even though there is a steel base. I think these all have to be inspected and if you could get some funds for the housing association I think it would be a lot better. It has a steel base in the whole frame about 16 feet wide by 25 feet long and the centre of it is dented. I am just letting you know about the houses that have to be really fixed.

I am not against the houses at all. That is all I have to say.

CHAIRMAN (Mr. Pudluk): Anybody have questions or comments? Red.

MR. PEDERSEN: Thank you, Mr. Chairman. We have heard about problems in houses both health wise, overcrowding and how it affects education but we have not heard very much about fire safety. And I would like to say I appreciate getting these comments from Joe both on the fire spreading and on the paper type doors.

The comments will be very valuable to us when we make our recommendations. There is no question in this, just a comment and I thank Joe for bringing it up.

CHAIRMAN (Mr. Pudluk): Thank you. Are there any further presentations?

MR. SIMON TOOKOOMIE: (Translation) My name is Simon Tookoomie. I would also like to comment on the houses too. I am wondering if the space between the houses could be spaced out a bit more for having things or if there was to be a fire. The area around the houses are too close together. We would prefer it if the community would decide where the houses are to be built and which way they are to face.

We have a house facing north and everytime it gets windy the porch gets a lot of snow in it. So, I went to the housing association to see if I could make a porch myself and they told me only the Housing Corporation decides where the porch is to face so they could not do anything. So I just made another porch by myself. I think it would be better for the housing associations to consider where the porches should face and not only where the windows should be facing. I think if the houses were improved in this way it would be better. That is all I have to say.

CHAIRMAN (Mr. Pudluk): Any questions from the committee?

MS ELIZABETH OOVAYUK: (Translation) My name is Elizabeth Oovayuk. My husband works as a maintenance man with the housing association.

I know a lot of people are going to talk to me because during the wintertime the houses get a lot of snow in them. Even when we open the door we cannot see the outside, we can only see snow. I want this to be known.

Also our house smells a lot like a field inside. And our floor tiles have a lot of glue on them and it is very cold in our house. It should be fixed before it gets a lot of snow in it. It is not only our house but all the others around our house are going to get snow too.

Mr. Oklaga mentioned that the committee should come to town during the wintertime. Personally, I am going to start saying I feel like a sick, sick -- a grouse girl. I just want to say we have problems in the wintertime.

Our floor is taped up because there is a hole right through and we are paying \$150 per month for a house that is very cold and that gets covered in snow. Thank you very much.

CHAIRMAN (Mr. Pudluk): Anybody have questions? Qujannamiik.

MR. JOHN NARKYANERK: (Translation) I would also like to make a short talk. My name is John Narkyanerk. I work at the Sanavik Co-op.

On the subject of housing I would like to mention something that might be useful. In the North we are living in houses that use mostly electricity, hot water, furnaces and run by NCPC. Because we get a lot of snowdrifts and it gets very cold and sometimes we get power outages. Possibly, every single house in Baker Lake the heat goes down drastically and we cannot even heat water for tea. If the power was to be off for any length of time it can be very bad for the houses. We wonder if we can maybe get some kind of backup such as space heaters or whatever. Some kind of backup if the electrical system fails. This is just an idea because I know during the wintertime when the electricity goes out it can be very cold. It doesn't matter too much when it is not cold in the summer.

I am very concerned about this when the power goes off in the winter because the pipes can freeze and burst and then we cannot get any running water for drinking tea. I wonder if this can be considered for houses that will be built in the future.

Other things have been brought up to you that are problems to us and I will not bother to talk about them. But I am also in support of rectifying all these other problems such as cold porches and in the winter when the snow drifts into the houses through the doors and cracks.

Another thing is that there are too many heavy things on one side of the house which cause unlevelling. The furnace, the hot water heater, the sewage tank, is all on one side and this cause the building to shift because of the weight on one side. This is just another thing that should also be considered. Maybe we can spread out some of the heavy items.

Some of the furnaces are built near the doors and if the furnace happens to start burning -- what is the use of using the door. You can't get out through that door where the furnace is. I think some of these things should be considered. These are just some of the things I wanted to bring up to you.

CHAIRMAN (Mr. Pudluk): Anybody have questions? Qujannemik.

(Translation) We can probably take one or two more presentations.

MS SALLY IKUUTAQ: (Translation) I am Sally Ikuutaq. I am one of the board of directors and have been for the last 10 months.

We really do need more new houses in Baker Lake for many reasons which I will talk about. There are too many people living in crowded situations in Baker Lake. There are people sleeping on floors and their houses are so cold.

I do not know everything that goes on in housing because I am fairly new but the one thing that keeps coming up is that people need more houses. We did receive a few new units this summer but this is only a very small portion of what we really need.

CHAIRMAN (Mr. Pudluk): (Translation) We have been to many communities and I think by the majority of people it has been told to us that they need more houses.

The committee is here to hear your views and there are many, many items that are needed. We will try to work very hard to try to rectify all the problems.

MS SALLY IKUUTAQ: (Translation) I think it would be better for people if the houses were in better condition. I think the people would be better off physiologically and I think people in turn would be more willing to try to pay or keep up with their rent. Because who really wants to pay for a house that has flies and maggots in the cracks and in the insulation which is a fact in some of these houses, especially in the very old houses. And these old houses do not have running water.

I think there should be a fair system if they are going to pay rent for these houses. They should not have to be paying an exorbitant amount for very poor quality houses. You should consider what condition the house is in before you decide how much rent you are going to charge.

I do not have much to add to this but we definitely do need some new houses. Some of us are still living with our parents and relatives because there are no houses to go to. And there are going to be more and more applicants and only a handful will receive houses and the others will not because there are just no houses available.

That is all I wanted to speak on. Thank you.

CHAIRMAN (Mr. Pudluk): Any questions? (Translation) How many houses were there that just came?

MS SALLY IKUTAQ: (Translation) I do not know exactly. I do not recall how many but maybe our secretary does.

CHAIRMAN (Mr. Pudluk): (Translation) Do you know how many applicants have applied?

MS SALLY IKUTAQ: (Translation) I think he had mentioned before around 100 applicants. Some would like to get houses but they can't since they will never be approved. So some of them don't even bother to apply for a house anymore because there is never enough that come into town.

CHAIRMAN (Mr. Pudluk): Anybody else have questions? Qujannamiek. Michael.

MAYOR MICHAEL AMAROOK: (Translation) I think I will be the last speaker. I would like to say briefly that when they first put in the foundations the gravel was too small for the houses and every time in the spring when it is melting they get too small. The lots are leased by the Housing Corporation. The tenants have to pay from their own money since it was gravelled by the Housing



Corporation. They were supposed to remake the foundations but since they had to pay for the extra gravel -- I think the foundations should be set correctly for the houses because if it is not it is going to deteriorate.

The public houses have no running water in them and the tenants who live in these houses have to pay 25 per cent of their income and also the northern rentals have to pay 25 per cent of their income. So I feel that the people with no running water should be paying less because they have to use honeybuckets and they have no running water.

This is all I wanted to mention. Thank you.

CHAIRMAN (Mr. Pudluk): Any questions? (Translation) Qujannamiik, Michael.

Since we have to put away the equipment, I would like to say thank you to the residents of Baker Lake. This is one of the biggest turnouts we have had since we have been travelling. We would like you to be aware that your concerns with respect to housing will be helpful. We will not forget anything you have said because all the comments have been taped and later will be transcribed. And after they are transcribed we will send copies to your community.

After listening to the people's concerns, your needs are recognizable and we will support your needs since we are working for the people. Before we rectify all the problems we are not going to give up. It is going to be difficult for us when we are trying to come up with recommendations and solutions. We will be deliberating all the presentations and everything in Yellowknife this month.

I regret that we have to hurry out of your town but the weather is something that we cannot control. Because we do not have a dogteam we are trying to move to another community because we do not have rooms here to overnight.

If you do have further considerations that you would like to present to us, please write to us or to your MLA. We look forward to hearing more from you. The address is written on the back of these pamphlets.

I thank you all very much for coming out and giving us your thoughts concerning housing. Please leave your receivers on the chairs. Qujannamiik.

---ADJOURNMENT

SPECIAL COMMITTEE ON HOUSING

RANKIN INLET, OCTOBER 10, 1984

MEETING WITH NWT HOUSING CORPORATION

CHAIRMAN (Mr. McCallum): If the Minister would come to the table. What we are concerned about is the paper that you gave us last night and maybe to go through it a little more because we have not had an opportunity to look at it and or discuss it. My understanding from what you said, Mr. Minister, that in fact this was endorsed by the Executive Council and that's the corporation's position. I think there are some questions that arise from it in what is being said throughout it. I think what we want to do is to maybe talk a little more on it.

Is there anybody who would like to lead it off? Mike.

MR. BALLANTYNE: Thanks, Mr. Chairman. I guess first of all just some clarification from the Minister, of how do you see this process working? Now, we are going to be preparing an interim report. We are going to be asking for an extension because it is a very complex problem, as we all know, to do the research that is necessary before we make our final report. Now, what do you see the sort of co-operative aspect of this between us and you. And this doesn't do very much for me, this to me, you have outlined some very obvious things, I don't think it gets at a lot of the problems we have heard from the communities. Do you perceive this as a beginning of your input into this process then essentially you wait until we finish our job? I mean, do you see us having ongoing dialogue as we develop our final report? I was just wondering, how do you perceive it?

HON. GORDON WRAY: Mr. Chairman, basically what I have done is that I have instructed the Housing Corporation to make new structural or major changes within the operation until such time as the special committee report has come down. The reason for this statement I think is that it was a feeling that at least we have to let the special committee know on some of the basic general principles that we think should be addressed.

It was my feeling that it was no good waiting for a report from the Special Committee on Housing to come down and then us respond to it. I would much rather the whole process be developed jointly so that when we do arrive at a final position, it is a position that everybody can live with.

The statement was not meant to be definitive but it was meant to illustrate to you the general areas in which we see the problems and some type of generalization in possible solutions. But I have instructed and I am awaiting the final report of the Special Committee on Housing before we, as a corporation, proceed to make any changes. The one thing I want to avoid is to prejudice what your committee is going to report. I think I have a fairly good idea on some of the statements you are going to make in your final report because basically I think we are all in agreement what the problems are but I do not want to prejudge it and therefore I have deliberately avoided making any major changes or making any definitive statements which could in fact lead to a confrontation with the special committee. Because if you say one thing and we have got another position, then obviously we are never going to -- it is going to be a confrontational type of attitude which I want to avoid because I think the end result in this whole process has to be an improvement in housing conditions at the community level. What I am saying to you is that the corporation is open and willing for any change that we think is necessary.

So it was not meant to be a definitive statement. It was just meant to let you know generally what we feel has been happening and where we see some of the problem areas.

MR. BALLANTYNE: I guess from our point of view, we have heard from the communities and every community says the same things. Obviously there is either perception of a problem or a problem. And a perception of a problem is just as bad many times as the problem itself. And it is very consistent in what people are saying in the communities.

I think in fairness, what we want to do is some of the ideas that have been thrown about, I think in fairness to the corporation, to let them look at some of those. And if some of the ideas there is good, logical reasons why they won't work, we want to hear that. So, I think it is important to have some form of ongoing dialogue. It is like -- if there are certain questions that we have, we have an option now of hiring our own research staff, like the education committee, and you know really going for it. Some of these things, I think, the corporation could do themselves and some of the options could give us pros and cons from their point of view of structural changes, what have you.

Now, are you prepared to have the corporation deal with these things or do you perceive us being totally independent, which we can do. Hire our own expertise and come up totally independent, come up with an independent set of recommendations. I think we are prepared, to a certain extent, to -- we really want to hear from your point of view. Obviously, the corporation has done some good things, obviously, they have understanding of the problems and how do you see that? Do you see -- is the corporation prepared to do some of this stuff and answer some of our questions before we do our final report? Are they prepared to do some fairly extensive research or do you see us going and doing it totally independently? I just want to get that clarified.

HON. GORDON WRAY: I think in terms of the ongoing work of the committee, the corporation has been monitoring some of the things that have been said at the community hearings and we are looking at it and seeing if it is feasible to move on some items. Items that don't cost money. But it is not within this committee's power nor within my power to start implementing recommendations of a committee until that report has been accepted by the legislature. That report has to go to the legislature, has to be debated in the legislature and has to be agreed on in the legislature, this is the way we are going to go. I am not prepared at this time to start making major changes based on a report which is yet to be submitted to the legislature. I do not think that is our right. We have no right to do that. This committee report still has to go to the legislature and has to be debated in the legislature before any decisions are made.

MR. BALLANTYNE: I think that is quite obvious but what I am talking about now is the process to achieve the ends of this report and we are probably looking at, probably next May, is what we will be asking for before we have the final report. I wonder where do you see the corporation fitting into the process of arriving at the final report?

HON. GORDON WRAY: I think that when the committee has its report ready, if you want, but before it goes to the printers and before it is presented to the legislature, I would see the committee, hopefully, sitting down with the officials of the corporation and discussing the recommendations. Because there may be recommendations contained within that report that just cannot be done. There may be laws that prevent it or whatever but I see before the report being put into print and presented, I would hope that the committee would sit down with the corporation once more to look at it and we could say "this can be done, this can be done, but it is going to cost x number of dollars". I would hope that we, as a corporation, could at least provide you with dollar figures on some of the recommendations that you would like to do. But certainly, the corporation and myself, are more than willing to assist the committee in the preparation of their final report in terms of supplying with any information or any background information that they want.

I mean the corporation is keenly interested in the report being if you want to call it a successful one, as the committee is, because the corporation has for years stumbled along with no clear direction. So, I would hope that there is involvement. I certainly know from the corporation's standpoint that they would like to be very involved in the process. But that is determined by the committee, just to what extent you want us involved.

MR. BALLANTYNE: I am just getting an idea. I just wanted to get an idea where, you, personally are coming from this whole process. Something we will have to discuss exactly what the role of the corporation will be in the final report. I have lots of other questions but I think maybe lots of other people should get into this.

CHAIRMAN (Mr. McCallum): Red.

MR. PEDERSEN: Through these community hearings and you have read the transcript, we have had a lot of comments that have been very consistent. Obviously there are not enough houses, but in specific areas, the West in particular, there is a greater need for home-ownership. In fact the housing associations do not understand exactly what their mandate is, they want more power. The people want input into housing designs. The wages of the housing association employees are low. There is a whole bunch of them that are very consistent all the way through. You were just mentioning that the corporation has been going along for a long time without a clear mandate, but I am not so sure you have. I think you have had the mandate and you have had the instructions as a corporation, I do not mean as individuals, but they have not been followed.

What worries me a little bit is regardless of what the recommendations come out as, are we going to be following them? Because the 1972 report, which I have a copy of right here, they have four major recommendations, the third one of which that, "The incentive programs...be placed in effect to encourage and facilitate home-ownership." and the fourth that "The GNWT subsidize to a base rate, the cost of domestic utilities in areas of the NWT where these rates are excessive." These are the major recommendations and on the secondary recommendations, there are many that are strangely identical to what we hear 12 years after this report was presented as being a problem today. Such as "Government staff housing should neither in design, facilities or services provided, be basically different from the dwellings provided for the communities". You still hear the same complaint of how come we have luxury houses provided for the one group and not for the other.

"The corporation should adopt a participating role in developing housing in NWT communities, offices in consultation with and advice from community councils in how the association should work to resolve each of the communities housing problems, etc." In your paper to us you say you are doing this, yet as Mike says -- it is perceived not to be done, so this still is a problem. Number two under program recommendations, "When designing and developing housing programs, individual differences and preferences should be observed and encouraged as much as possible, so that families or persons are neither stigmatized nor discouraged from building or purchasing their own homes."

We have heard the construction time table being wrong. When people talk to us, wondering whether we should postpone from fall to spring the construction and yet 12 years ago the eighth recommendation of the minors said that "In isolated areas where resupply occurs late, it is recommended that a two year construction program be implemented, with delivery and foundation work taking place in one calendar year and the major structural work and the erection taking place in the spring or summer of the following year." These are things that people are wondering whether they can be done.

"Houses built under government programs should be constructed on site, making maximum use of local labour and materials." We have all been battling on that one, we are still not satisfied with what is going on there. There is a wonderful little picture that says "Stereotype housing in northern community points out the need for variety of design and siting", that happens to be 5 x 12's out of Apex I think. Certainly they are no different from the rehabs or even new construction we have been doing. If you know your years you can walk into a community and say "Ah, I see you got houses in 1973, you didn't do so good in 1974 and 1975 but you sure did good in 1976." They are all categorized by year.

"Recognizing the major role played by housing associations in the NWT at the community level, more explicit terms of reference should be developed for the guidance of such bodies." Which is again what they are complaining about now, is not and has not happened, although you say that it works well. Twenty, "Fair wages should be those wages generally accepted as current for workmen in the community for which the work is being performed." Obviously, we have not achieved that.

It goes on and really, everything we are hearing is contained in this 1972 report with not a hell of a lot new added, really. You said Mr. Minister, you are basically interested in this report being a good one that will work. I am wondering how we are going to make it work, if the last one which was done -- the corporation says it is interested in co-operating with the committee, I should damn well hope so! The corporation is a child of the Legislature! It was set up as a result of this report, but it does not seem to me that any of these major and some of the minor ones, we are still hearing them as problems. I am not pointing fingers as individuals because nobody has been around that long, but it is obviously a problem we have. In fact if we presented this report back again and implemented it, we would be a hell of a lot better off.

HON. GORDON WRAY: I guess when I say they have no mandate, maybe I use the wrong word. Maybe the mandate was there and they were just never given the tools to fulfil that mandate. Remember that until the year 1980, for one thing they had no political direction. It is only within the last four years that this government has moved into ministerial government. The co-chairman, I believe, was probably the first Minister responsible for Housing. So while the report was prepared in 1972 there was an eight year period there where there was no clear political direction being given, there was nobody there forcing them to fulfil their mandate.

You mentioned a number of things there in terms of the home-ownership programs, there must be five, six, seven, home-ownership programs in the corporation that are not being applied because they are not being funded. You can have all the programs you want but if there is no money in these programs they are words in a piece of paper. You say the two year construction cycle, I have already issued instructions that we are moving to that, starting next year, where land and materials are brought in in the fall and construction will start in the spring in those communities where winter comes early. And in the West in the road system, we will be able to come in in the spring and build in the summer, but in the Eastern Arctic communities we will not build until the following spring. That to me, does not need a committee, to me that is common sense, that should have been done a long time ago. You ask me why, I do not know. Maybe the people in there did not realize it was necessary or they did not see it was important.

So a number of things that you have mentioned, they have been done to the best of the corporation's ability, but again the corporation has been hamstrung by years because it has no money. I was given the mandate of Housing but if the money is not forthcoming to me as Minister of the Housing Corporation, the Housing Corporation is going to continue on the same path because unless you put money where the action is, nothing is going to happen. You can make all the cosmetic changes in this world, but unless you actually put your money where your mouth is, it is just not going to happen.

I say that for the last 10 years, while that special committee of 1972 made those recommendations, many of the recommendations that they made, the programs were never funded. And while you say the corporation is a child of the Legislature and is subject to the money that is given to us by the Legislature and by the government and if it is not given the money it cannot do the job and I don't think you can blame the corporation for that.

MR. PEDERSEN: It was not intended to blame the corporation, and I don't want to bring it up as there is no point in trying to revive a dead horse but I bring it up to illustrate the need for us to come up with a report that can be implemented, both funding wise and in every other respect. It is not to cast blame on anything, that does not serve any purpose. We did have something, if only we would have done it correctly, maybe with setting up -- the major recommendation that this probably lacked was an implementation committee or whatever to oversee that it did happen. It just points out to me the necessity of whatever report we come up with, making it something that will work. Because we had not a bad report in 1972 but we did not put any mechanisms in so we could function and it really could be implemented, so that is the one thing that I would like to ensure that we do this time. I appreciate the offer of assistance from the corporation and I am sure we will be using it.

HON. GORDON WRAY: I think the biggest offer of assistance that we can give you in terms of your recommendations is for us to put a dollar figure on those recommendations for you, so that you know exactly what you are talking about. Recommendations are fine but unless there are numbers there -- who knows. I know I did not know -- I will give you an example on just how horrendous the problem is. We have 930 Weber units, the cost to repair those units is \$23.5 million. We are not talking about making them fancy houses. We are talking about jacking the walls up and putting roofs on them and putting ceilings in them and fixing the furnace rooms. \$23.5 million on houses that are not six years old. Those are the kind of money figures that the corporation is facing. We all know the money that is available but what is the corporation supposed to do. I say it and the corporation officials say it, the housing committee can do us nothing but good. Good press or bad press, it is all press. It puts housing in the spotlight where perhaps it should have been five or six years ago. 1974 was the first year that the Webers were built. So we are looking at houses that are from 10 to five years old and now we are going to have to go back and spend \$23.5 million on a 133 of them.

CHAIRMAN (Mr. McCallum): Mr. Minister, this whole business of funding. One of the concerns that I think we will have, even if we make an interim report, how do we affect the present years budget. I do not mean to get you to specifically answer the question. Our concern is, if we put in an interim report, which we are going to have to do at the end of this month or next month, we are going to try to make some recommendations but we are going to have to be able to do something with you to bring about housing as a greater priority within the government. That is the intent that we have and that is not against what you would want to do. How would we accomplish that. Obviously the budget has been set up, you make comments in your paper on page five for example, talking about the 1985 capital budget that will allow you to build only 62 units, 82 HAP or Rural and Remote units. If we are going to do something, we have to have some kind of an input into this coming years budget, otherwise it will be a further year down the road. To make long range changes, that is why we are going to have to ask for further time. But we have to get some kind of change in this years budget.

One other question that my concern is, and I think we have talked about it in committee as well and that is the funding arrangements with CMHC. This may bring in the whole problem or the whole question that you touched on in the beginning of your paper about cosmetic changes to the corporation, whether it is a ministry or a corporation.

At the present time, the corporation works out the agreement with CMHC. You become a social service department by and large, the Housing Corporation is a social agency. Because the department who is responsible for providing the cost for social housing is not paying it. They are paying the minimum, the \$32. But you people, the corporation, are subsidizing the remainder and it should not be you. So my questions are two-fold here. You say to make cosmetic changes is no good. I wonder if we could get into a discussion on that? Would it not be better in point of fact that the Government of the Northwest Territories, not the Housing Corporation, gets into financial arrangements with the federal government? Not department, department, but the government as a whole and then indicates to the proper department in your government to pay the subsidy. That is what they should be doing. Social services should be paying that, not the Housing Corporation. Because if you are going to pay that subsidy, that money is lost for the primary purpose for which you are set up, that is to put more houses on the market.

I guess that is the question that I have and I think it goes along with what is being said by both Mike and Red. Maybe in around about way but we have to do something with that budget this year. We have to get you, the rest of the legislature, direction to the Executive Council to do something about having the funds properly addressed and make a change in the budget. Now, I would like to get some kind of a comment back and forth from you on those two aspects.

HON. GORDON WRAY: Mr. Chairman, I think on the first issue of the budget, you are right. It is totally useless to the corporation to wait until February to get any direction from the legislation in terms of its capital construction. We have to know no later than October or November of this year, just how many houses we are going to be building, if we are going to be able to do it. I think the capital budget can be dealt with fairly fast. We have already identified the need and we have identified the dollar figure. Now I guess what you are suggesting is that the legislature has to come into to play a role in this, particularly in the October session. And to make recommendations to the Executive that look you consider this a priority and you would like to see budget changes. As you know, the whole process is that the legislature recommends the Executive and then we sit down and look at it and that is something that you can do as MLAs.

In terms of the maintenance budget and I quite frankly regard the O and M budget to be the high priority because there is no point in us building more houses if we cannot maintain them. To me, the number one priority is to get the base deficiency of the housing associations increased. Now, we cannot do that this year because we are in the middle of a fiscal year and just the time required to put the positions in place, to work with the associations, to develop the budgets for them, it is going to take us between now and next April. And I would like to see any base adjustment in the operation in maintenance come into effect on April 1, 1985. Which again will have to be done now because the main estimates are being prepared. So you are right. If anything is going to happen it has to happen at the next session, in terms of money, because any earlier than that nothing can be done.

In terms of the true cost, I agree with you. I have maintained all along that part of the problem of the housing associations is that they depend on the rent that they collect to perform maintenance. Now so many of our houses where people are only paying \$32 a month, well, the housing association cannot maintain a house when it is only collecting \$32 a month. I agree with you that what we should have done is work out what the rent for that unit should be, if it is possible.

And have social services pick up the tab. But you always come right back to the bottom line, Mr. Chairman, and that is if we look at the government as having one part of money, the housing association might save \$2 million in maintenance but \$2 million is going to have to be added on to Department of Social Services' budget. So, it doesn't matter what happens, someday the Government of the Northwest Territories is going to have to find extra money. Now, we might be able to get some of it from National Health and Welfare because of the 50/50 arrangement but that approach has never been tried before. I am quite willing to try that approach because I think that there is another way of squeezing money out the system that we have never looked at before. But it means that we have to look at our whole rental policy now and see if we can come up with what you have suggested and that is a rate for a house as opposed to a rate for a person in that house. Now that is going to be very difficult for us to do because we have no house that is similar. I mean it is going to be very hard to justify charging the same rate for two same houses but one is in a lot worse shape than the other. I suppose it can be done if we look at it.

CHAIRMAN (Mr. McCallum): Private market would do it.

HON. GORDON WRAY: Oh yeah.

CHAIRMAN (Mr. McCallum): Why can't it be done with the government? I guess those are the kinds of things that we are saying. There is no question that the money comes from one pot but you people would be doing, fulfilling the mandate. The Housing Corporation fulfill the mandate that it is set up to do. Not to provide social assistance. That is another department's responsibility and they are shared dollars with the federal government as it is now. It comes out of the -- whether it comes out of the housing. Whether the social service department pays for it or not, whoever, you people shouldn't be. That is the corporation shouldn't be. You are using money that should be better used to supply more housing or more maintenance. And instead what you are doing is subsidizing. And if a house has a market rent or an economic rent, why isn't the Department of Social Services hooked to pay that market rent? You expect the individual to do it. You have arrangements with CMHC -- not to give the 25 per cent, you are allowed to deduct the territorial changes or the little bits that you are able to take off that is for \$75 here -- you know, for the spouse or the number of people in it. If those can be done with CMHC's blessing, there can be modifications made of that too.

So I think that our concern is that first, what do we do about the budget this coming year. Because if we do not make any influence on this time, we are going wait another year and who knows what will happen in another year. There may be a switch in personnel, there may be a switch within the Executive Council, they may rotate and we will have to go through the same process all over again. And our concern is to have some influence on that budget for the coming year in 1985. Not 1986, and this whole business of a corporation of a ministry, I think is something again I think that looks at this whole business. I am not sure. We have heard it said in the communities and on a number of occasions that the whole business of whether it should be an agent of the government, that is the corporation. Whether it should be set up that way or whether it should be a ministry. I am not sure whether we have come up with a consistent viewpoint being put to us but this whole business of the funding of the corporation has to be drastically looked at. And it may be that it could be better addressed. That is the funding, were it to be a ministry rather than a corporation. I think that is the reason for the concern of it. That is why the questions are being put there. But I think that we are concerned that the corporation is providing more and more social assistance and you are not supposed to be providing social assistance, you are supposed to be providing social housing. It is not your role to pay for it. You do not do it with senior citizens. You provide direction and give them direction as to how they can get the funding. You don't subsidize social services. And if the economic rent is \$850 and they are only paying the \$32, why the hell should you have to be paying the \$918? It doesn't make sense. I think that is one of the questions that we have. Are there other people who want to raise other things?

HON. GORDON WRAY: One comment on that, Mr. Chairman. What I can do and will begin immediately is we will undertake some research in that area in terms of that social services, federal government and that whole area. And we will take a look at it and see if we can come up with anything in terms of being able to assess rates based on housing as opposed to family income. So we will undertake that but that is a very complex job.

In terms of your influence on the budget. You are MLAs like me, the influence that you have is the same influence that I had when I was an MLA was recommendations in the House to the Executive. Some of which the Executive may accept, some of which they might not accept. And there were many times when I was MLA in the last House when we made recommendations to the Executive that were not

accepted. So you know, that course of action is open to you as MLAs and that is your decision to make.

CHAIRMAN (Mr. McCallum): Well, I guess the concern is that we are on the same level, which led to the question that I asked you yesterday. As long as we are on the same level working toward the same end. At least then you would have some kind of clout behind you when you go into Executive Council. That may have been different than what would have occurred in the past. Mr. Ballantyne.

MR. BALLANTYNE: I guess the one thing that we do not want to happen is essentially what happened to the report of the Education Committee is -- when in doubt make a submission to the treasury board. And you know, it just sits there forever. But if I could ask -- okay, I tell you some of the problems in that. I think I am aware of how the process works as far as this year's budget and maybe if we all get together we can have some impact in changing that and putting more power on housing. But there are some other realities that we have to deal with. Now, for instance, if we came up in November with opposed changes in the rental scale. For example -- let's say we are going to but for example. Okay, one of the implications of that, with your negotiations with CMHC -- those are the sort of things we have to be very careful of. I understand that there is a discrepancy between the CMHC format for rental scale and ours. As Arnold said, there are certain things that we do. There is a certain amount of flexibility. Now has that been agreed to? There seems to be that the shortfall every year is that shortfall paid every year? Or has that been agreed to by CMHC -- those little things that we do, those little economic zones and the...

HON. GORDON WRAY: We pay for that ourselves. CMHC do not agree with us on our territorial rent adjusting system and our economic zones. They just do not see it. CMHC are a global body and they look at it in terms of Canada and their bottom line is "What are you guys complaining about? You are paying the lowest rents in the country." So they will not accept any of those things that we have done. We have to pay for that ourselves.

MR. BALLANTYNE: Have we been paying it or is it sitting in the books and sort of adding?

HON. GORDON WRAY: It has been paid on a yearly basis so it is not something that sits there.

MR. BALLANTYNE: Another question that I have with the arrangement with CMHC. Any sort of cost sharing formula. Is there a cap on how much they will contribute? I mean if we say we will throw another \$10 million into programs, do automatically they go along or is there some limitations on what they will do?

HON. GORDON WRAY: Are you talking about capital or O and M?

MR. BALLANTYNE: Either.

HON. GORDON WRAY: Well so far, I can only tell you what has happened to date. And so far, we have never had any trouble with CMHC when we require extra funding. In fact the extra capital that we had wanted for this year, the extra \$5.8 million, which would have given us the 200 units, CMHC had already agreed to fund \$16.4 million of that. So, in other words, by us not coming up with that \$5 million, we left \$16.5 million on the table. We have never had a problem with CMHC.

Now that might change because there is a new government in power. I don't know. We have never dealt with this new government or the new Minister but up until now really on our cost sharing programs, if we have come up with our share of things they have always basically come through with theirs.

MR. BALLANTYNE: Okay, that's good. I think that illustrates a point just because of the fact this government for any number of reasons wouldn't come up with an extra \$5.5, we in fact lost over 20 in total programs. That is a good thing to know and that is the sort of thing that has to be made clear.

I guess another aspect that I am looking at is that in previous negotiations with CMHC, it seems to me, our government has had a lot of negotiating with the federal government on an ad hoc sort of basis. I mean when we have a problem, we send down the troupes and we negotiate for one program or another program. Has there been or are you intending a sort of comprehensive approach to CMHC? Now outlining the realities and differences in the North how we see it should go. Has that been done or has it just gone sort of piecemeal?



HON. GORDON WRAY: It's done. It is done almost on a daily basis. When we come up with a new program like our HAP program, which we think is a very good program and in fact saves this corporation a lot of money in the long term. CMHC will not accept that program. They regard it as a giveaway so we have had to fund that from within.

In terms of a global outlook. It has been very hard to negotiate on a global outlook because for one thing the corporation had no five year plan to work with. Now they have a five year plan so they can go and negotiate with CMHC over a longer period of time but basically the corporation has been hamstrung to the point that until they are given a budget by the territorial government, they do not know what to go and negotiate with. All they can work off is their targets.

The present budget that I am working off is one that was set in November 1983. The targets were set before I was even a Minister. And that was what I was given to work with.

Maybe I could ask if possible, Mr. Chairman, if Mr. Logsdon would like to maybe elaborate a little bit because he was a lot more involved in the negotiations than I have been.

CHAIRMAN (Mr. McCallum): Okay.

MR. HAL LOGSDON: Just a point on the CMHC financing, Mr. Chairman. When you are talking about O and M financing, CMHC deficit finances the O and M contributions to the Housing Corporation. In other words, we have a designation agreement on a project and we enter into an agreement that is a duration of the mortgage period to deficit finance that project. So we actually incur expenses on that project and under that agreement we then send an invoice to CMHC and they pay their respective share, be it 50 or 75 per cent. So in that respect we do not have any problem negotiating. It is not a negotiated thing. It is a designation agreement that is in place for the mortgage period.

So their share of the funding is not hard to come by in terms of O and M. It is in fact locked in at the time of the project -- completion of the project approval.

In capital, we negotiate with CMHC on a yearly basis or a two year basis, as far as we can see. To give you an example of the flexibility we have had with them and their willingness to contribute to the Northwest Territories. This year in 1984 as you know, the Executive Council found supplementary funds to give to the Housing Corporation to build an additional 144 single person units and 25 additional family units in the Baffin.

This money came very late in the game. In fact it was appropriated between Christmas and New Years, as I remember. Very late in the budget cycle for the federal government and yet we went to CMHC as soon as we -- practically as soon as we left the Executive Council meeting and they found the money. They found the money and they matched their 75 per cent that late in the budget year. We have indicated to them for 1985-86 that we are anticipating a 200 unit start and they have indicated to us that that is in their budget projections and they foresee no difficulty in funding to that level.

If we only end up with 62 units through the appropriations of the GNWT, we will leave a considerable amount of money on CMHC's table. Which is really the trend over the last -- well, since 1975. Since we started negotiating proceedings.

CHAIRMAN (Mr. McCallum): That is the influence that I was talking about in terms of this year. We have to do something together to change it.

I just want to go back to this business about the funding -- government or ministry. And get a feeling for how you feel about it. If the recommendation were to come in from this committee that in point of fact it is not the Housing Corporation who enters these agreements but in actual fact with the federal government under the formula financing that the government is going through. There are some concerns that we would have, as a committee, how this will affect the corporation's funding.

So I am wondering -- that is a hypothetical and it may be an unfair question to ask you. But we want to make sure that we are on the same wave length.

HON. GORDON WRAY: I am extremely concerned about the formula financing as it pertains to the Housing Corporation because what worries me is that if we lock ourselves into formula financing under the present financing that we are supplied by the federal government, then the Housing Corporation loses and it loses badly. Because there is a base deficiency. A base deficiency that we have identified and if I cannot -- and this is one of the reasons why we submitted this treasury board application because we recognize it as a base deficiency. If we cannot get that approved then under the formula financing, any extra money we need, the \$5 million that we need in maintenance or the capital money is going to have to come out of the pot. It is not going to be a base adjustment.

I am very concerned about it. I am very concerned that if we do not get that base adjustment, we lock ourselves into the formula financing, it means that the GNWT has to find from within \$6 million a year to provide to the Housing Corporation. I don't have to tell you how tight money is and \$6 million in O and M money is very difficult to find.

So the formula financing worries me in that respect. That there have been several -- not only in housing but in hamlets and some others some base deficiencies identified, which we have yet been unable to incorporate into the formula financing. But as I said the treasury board submission has been stopped or frozen and I do not know what the status this week is on it. The new government has just frozen all treasury board submissions and we had a discussion with the Minister of Indian Affairs and identified to him that we were concerned because not only is our submission stopped but several other submissions stopped. We just don't know. We are playing with new actors. It is a new game and we don't know what else there is going to be yet.

In terms of a ministry -- should housing be a ministry or a corporation? You know, I look at the rest of the country and they use the corporation motto because it works for them. I don't know why and I have just asked my staff to prepare a sort of synopsis on every corporation in the country and how it works and where our differences lie with it. You know, why does ours not seem to work as well. I do not have that information right now and I am not really in a position to judge what the best approach is.

I have heard two sides of the story and I have left myself open. I think that the corporation can work in its existing structure because whether you are a department or a corporation, the fact is if you have ministerial direction, it really should not matter.

And if we go to a department then we become a department of the government in housing. Does that mean therefore that we move into staff or housing does it mean that we will become a department of housing totally, or is a department of housing that only looks after non-government people? That decision has to be made as well. Is there only going to be one housing agency in the North or is there going to be two or three?

CHAIRMAN (Mr. McCallum): Well at the present time there just is one.

HON. GORDON WRAY: Also the GNWT built their own staff housing.

CHAIRMAN (Mr. McCallum): One more thing if I may, on page two you are talking about "...the housing authority may be a more representative vehicle to manage social housing" in one paragraph and then in the next paragraph you say "We think it makes sense to consolidate these organizations under the auspices of community councils" and you have begun discussions with CMHC and the Department of Local Government. Which route would you rather see? Authorities set up such as they are in three or four places or as you suggested last night, that because housing is a community problem that it should be an arm, whoever looks after the housing in the community should be under the auspices of the local community government. Which do you see?

HON. GORDON WRAY: Well I see actually not one model across the Territories, I see different models. In terms of housing authorities, in the larger communities you can establish housing authorities and the difference between the housing authority and the housing association is that the housing association is comprised solely of tenants of housing association houses, the housing authority is not, it is people at large from the community. In Inuvik or in Fort Smith or Yellowknife or Hay River or any of the larger communities that goal is attainable because if you look at any of the larger centres really a small proportion of housing is corporation housing, a vast majority of housing in those larger centres is private housing, government housing, but you have a very large non-Housing Corporation tenant body from which to select people to serve on a housing authority.

But if you come over to the small communities and you want to create a housing authority. What is the difference going to be? Well the housing authority is going to be more representative, the fact is in the community of Baker Lake, Resolute Bay, Pangnirtung, Rankin Inlet or Fort Franklin, 95 per cent of your population are living in housing association houses. You can call them a housing authority, but the faces don't change and in fact you are just taking an association and calling it an authority because there is no sector.

If I was going to create a housing authority in Baker Lake, and I will use Baker Lake for an example, the only people outside of housing association houses that I could appoint to that authority are civil servants, teachers or RCMP or an Anglican minister. Our indication from the communities is that small segment of the communities do not want to have anything to do with it. Civil servants do not want to be on what is perceived to be a political body, and that is why we have to look at two models. In the larger communities we can look at authorities but in the smaller communities we need some other form of control.

CHAIRMAN (Mr. McCallum): Well we have got an awful lot of feedback in every community that we have visited. The question has been posed as to which way. Authorities are obviously tripartite, that is where they originated. I had a situation where the local government, the territorial government and the federal government came into an agreement to provide housing, whether it is the land for it or whatever. The housing authorities were there because the towns or communities where they were -- for example, in Smith, they would provide the land and the federal government would provide some funding and the corporation would provide others.

We are not trying to say it should be one or the other either, but that is a concern that has been expressed. In some of the larger communities it has been suggested that they should be arms of the -- housing should come under the auspices of the local government, for example in Frobisher Bay. Some of the smaller communities have also said that they want housing to come under the local government, hamlet, whatever. I just want to get it clarified to what you were saying, because in one part you are saying one thing and then the opposite.

HON. GORDON WRAY: Basically what I am saying Mr. Chairman is that we should allow ourselves to be flexible. Different models will serve different communities. I don't think we can take one model of housing authority and apply it to 62 communities. I think every community is going to be different because the make-up of that community is different. The larger communities lean toward housing authorities and some form of community control in the smaller communities. Because basically my problem with the housing association is that we take a group of tenants who have the exact same problems as the other 90 per cent of the tenants in that community and ask them to represent us and it is an impossible job. To be a member of a housing association board is a no-win job and I have been on a housing association board. We are asking people to police themselves and at the same time represent the corporation but also represent the tenants. It does not work and it hasn't worked and that is probably the biggest drawback to the system. You can't get a housing association to represent a corporation because the tenants view it as a tenants group. We are asking that tenants group to be a management of a corporation, to be the corporation's arm in the community and it is a dichotomy, we have put housing associations in a no-win situation.

CHAIRMAN (Mr. McCallum): It may, if it were under the community, solve another problem that we have heard and that is with employees and their benefits because then it could be funded because the employees could then become employees of the hamlet and they are funded by the Department of Local Government. You say again on page two of your report that you are "currently defining in a very detailed manner the responsibilities of associations including maintenance tasks to be done on every unit." Could I get an idea of what that means?

HON. GORDON WRAY: I will let Hal answer that, but just to answer your other question in terms of the benefits. No, making housing association employees hamlet employees would not increase their salaries or benefits because there is also a major deficiency in hamlet council. You have heard it before in the Legislature, at the community level there are three groups that have been identified: the education body, the hamlet council and the housing association, whose employees salaries and benefits have not kept up with the Government of the NWT. A community becomes a hamlet and the GNWT identifies a certain number of positions which it turns over to a hamlet council.

Now in the case of Baker Lake the hamlet council has 30 employees but only five of those were turned over from the government. So the money that they got from the government for those five employees included benefits and salaries but for the other 25, it did not. So to make them hamlet council employees would not help them in the benefits whatsoever because there is a deficiency at that level as well.

CHAIRMAN (Mr. McCallum): But it would solve your problem if you gave it somebody else.

HON. GORDON WRAY: Well I don't think so because I think it is all of our problem. You might say it is another Minister's problem, but it is an Executive problem and the Legislature's problem,

CHAIRMAN (Mr. McCallum): Well again going back to Social Services, your function there, you agree that you should not be doing it, granted it becomes global looking at it all but to be concerned with what you are doing within your particular responsibilities. We would like to get some idea of what you are doing in a detailed manner, if you could give us something and make sure we get a copy.

MR. HAL LOGSDON: The major thrust in this area is the development of what we call a maintenance management system, this we are doing in conjunction with the Department of Public Works and highways. We have devised a system for each individual house in inventory, whether it be DPWs inventory or our own, details exactly what maintenance tasks have to be done to that house, at what frequency and the costs associated with it both at person hours or days or in dollars. We would like to roll this up into a maintenance manual for all housing associations as they manage our property and then in turn, provided we can get a proper level of funds to support this maintenance, we would like to formula finance them and simply direct them through the manual.

But the maintenance management system itself is a very detailed system which actually says you will do this task on this house at this frequency at this time of year and it should use this many person hours and cost this much money. It details entirely the maintenance program for the association.

Just further to that, we ought to talk about the disparity between government staff housing and public housing, especially when it comes to maintenance. This is an attempt to put the same system of management, especially in maintenance, in place for both those inventories, so that we can -- providing the funding comes available -- both DPW managed units and Housing Corporation managed units will get the same treatment.

CHAIRMAN (Mr. McCallum): You start off with the fruit but you compare apples and oranges out -- you don't have to put as much work into staff houses as you would have to into a Weber unit.

MR. HAL LOGSDON: No, of course, we would do that through capital, but this outlines the O and M portion of it.

CHAIRMAN (Mr. McCallum): Red.

MR. RED PEDERSEN: The difficulty of financing was mentioned and one of the reasons our chairman keeps coming back to -- the Housing Corporation funding that portion that rightfully belongs to social assistance. You gave us Mr. Minister, a figure yesterday of 254 GNWT employees in public housing in the Eastern Arctic, I presume you meant Keewatin, Baffin, Kitikmeot?

HON. GORDON WRAY: Yes.

MR. RED PEDERSEN: That is known as the Middle East. I don't think we should ignore that because the Housing Corporation has been asked and is providing here a very significant subsidy in the form of staff housing to GNWT employees. If these 254 people lived in private accommodation they would be eligible to receive the \$450 a month housing subsidy and the \$300 a month household -- whatever you call it -- which presumably would come out of the Department of Personnel's wages and benefits package. It does not come out of that now, it comes out of the corporation's budget.

I wonder, has there been any approach made or would there be any point in us hammering a little at that to get Personnel to pick up that portion, they will not pay it to the employee now if they live in public housing because they say they are already been subsidized which is fair but they are being subsidized by the wrong agency. If in fact that subsidy went to the Housing Corporation, where it seems to me it rightfully belongs, it would put some \$2.3 million into your coffers every year, just on those 254 units. That is a pretty significant amount when you are talking about a shortfall of \$5 million, you half of it sitting -- that you are providing in subsidies to GNWT staff housing.

HON. GORDON WRAY: The approach has never been made, it is an interesting approach and I am going to undertake it, given your suggestion. One of the reasons that I have difficulty in tackling this problem of government employees is that I have no alternate housing to offer them, if there was alternate housing out there then I would basically move toward evicting Housing Corporation employees out of housing association employees. I can't do that now. That approach can be made. We are not only housing GNWT employees, we are also housing federal, municipal, a whole spectrum of government employees that we never intended to. I don't know if we would be successful in tackling that front with the federal government, I know that they do subsidize people in private housing. If you are a federal employee and you are not in a federal house, there is also a subsidy that is available to you. So I will take your advice and pursue it, it is something I actually had not thought of.

CHAIRMAN (Mr. McCallum): You are being dinged by the digits of destiny here! Really we are the same as Social Services, people are being provided funding the territorial government, in a contribution that you get to operate, but you are doing the work of Personnel and Social Services and you are being funded to some degree for it but not totally because you have to take away to some degree money that should be used for the primary purpose of housing. That is what it comes down to, and in the case of Social Services you stand a good chance of 50/50 dollars with the feds.

Red just brings up another aspect of it, in the same way with the federal, it may be that you can't move these people out, but it gets pretty difficult to tell the people in Fort Franklin or Fort Norman who can't get housing because the government people -- they can't get the housing because there is government personnel living in the houses. "Why do they have to have the housing more than I have to have it?" is what we have been hearing. With the number of people that just our own government had the needs -- if they are in these houses than somebody should be paying and it should not be the Housing Corporation. That is the point we are trying to make. I hope we are on the same wave length. Somewhere along the line you are going to have to do it.

For example, you raised a concern, I recall, about providing RCMP with housing when in fact they shouldn't have been, somebody else has to get out, somebody else requires it. That is only one instance. Mike.

MR. BALLANTYNE: Yes, if I could just toss around a few ideas. We are talking about this perceived problem in the communities and again the aspect of more community control. I think right now the Housing Corporation is working in a very difficult political climate in the NWT when different organizing groups are evolving at different rates and it seems to me that we as a government have in the past been able to set up a new body for any problem. I added it all up one time and in the Northwest Territories with 45,000 people there is probably 2000 politicians, when you add them all up. A town with 45,000 in the South would have a mayor and six aldermen. Who actually has the mandate? Who is accountable to who? Is there any way as we look to the future to try to rationalize some of that? The role of the federation, is the federation the way to go? Is housing associations the way to go?

Now the criticisms are coming out and people are saying they want to do more on their own. Is it possible in each region to say, look you guys decide what regional organization you want to have mandate with this, we will give you the resources and you do it. We only have limited money, if we get more money fine, this works if we have more or less money. If you make mistakes it will be your mistakes it will be your mistakes. Allocation of houses in an region, we say we have 50 houses that we can build in that region, you decide where they are going, that sort of thing, I think that is what we have to aim toward and then evolving to a point where more and more programs can be delivered at that level. Do you see it worth-while or is the corporation looking ahead, looking at trying to rationalize this incredible amount of organizations and groups that they have to deal with?

Many times, quite honestly the corporation deals with the housing association in a community but they don't really speak for the community. But how does the corporation know? They say if you want to do this we will do it but as it turns out those eight people -- perhaps nobody in the community really cares about the housing association. Do you see what I am getting at? I think if you could do more of that that would alleviate more of the criticism.

HON. GORDON WRAY: It is something we have looked at. Last night when I addressed you as an M.L.A. I made the comment that I feel that we are now at the stage where we are overgoverned. It is very hard now to get consensus, there are just so many people involved in it. The corporation has no problem whatsoever in devolving responsibility and decentralizing right to the community level if we have to. If a community comes to us and is competent and capable of looking after their own housing needs and all they want from us is the funding, I am more than willing to move in that direction. The problem is, do I do it 62 different ways, or do I do it maybe five different ways on a regional basis. That is the problem.

We have tossed it around, but basically what I am saying to the corporation is let us wait and see what this special committee's recommendations are. I want to see what you guys come up with after speaking with 40-odd communities because you have been getting direction from those communities and once we see those and once we are able to assess communities and their capabilities and what they want to do, then we can move on it. But there is no hangups in terms of different structures in different areas from the corporation point of view. To us, the bottom line is the end result. If you have a totally independent body which is quite capable of looking after its own housing in a community, why interfere with it. Let it go and do its thing. The end result is to supply housing, and who cares how it is done. I don't care how it is done, as long as it is done.

CHAIRMAN (Mr. McCallum): A facetious remark, if there is too much government what is your stand on regional councils?

HON. GORDON WRAY: I was just going to say, I would think that was the mandate of the Special Committee on Housing.

CHAIRMAN (Mr. McCallum): On page four you talk about employees and their benefits. How do you intend to reconcile that question?

HON. GORDON WRAY: Under the maintenance management system, what we have done is to look at the level of expertise which is needed in the community and the level of expertise that the present housing association employees are at and through training programs which are in place, move them up to that level and we have actually now, at a regional basis, come up with pay levels, qualifications, the whole works, for housing association employees.

What I am saying is the housing association employee, if he is performing the same task as the GNWT employee, he should receive the same benefits, same salary, everything, they should be exactly the same, as long as the jobs are comparable.

CHAIRMAN (Mr. McCallum): How do you propose to pay them?

HON. GORDON WRAY: Through this \$12.7 million submission to the Treasury Board, that has incorporated that whole aspect.

CHAIRMAN (Mr. McCallum): That does not then take additional money away from the primary purpose, that is to provide social housing?

HON. GORDON WRAY: It just enhances it.

CHAIRMAN (Mr. McCallum): Because you have a dollar figure that you say is going to cost you \$12.7 million to provide the proper salaries and benefits to all association employees, if they are brought up to the proper number.

HON. GORDON WRAY: That's right, and if they are brought up to the proper qualification level. We have identified levels of skill and expertise that they must have to hold that job and their pay will rise accordingly. So we now pay section managers \$32,000 a year instead of \$21,000 which some of them are paid. We have section managers of housing associations who are paid less than clerk II's in the Government of the NWT. I think that situation is appalling, given their responsibility. So we have identified what their pay levels should be and what their benefits should be.

CHAIRMAN (Mr. McCallum): And you want to get that into a base. Okay, talking about the business of 62 units, that you looked according to your targeted figure and your present budget, that that is what you are going to be able to do -- 62 units, and as Mr. Logsdon said, that will leave a considerable amount of money that you are not going to be able to tap, that is with your funding partner.

HON. GORDON WRAY: \$16.4 million.

CHAIRMAN (Mr. McCallum): Okay, given that is not going to do very much, spread around 60 to 70 communities. What can we do to enhance that? Which gets us back to the same thing in terms of October or next month.

HON. GORDON WRAY: Far be it from me to advice you MLAs what action should be taken in the House.

CHAIRMAN (Mr. McCallum): Oh come on, you are not shy.

HON. GORDON WRAY: You know what options are available to you in the House. The one option is for you to recommend to the Executive Council for the government to proceed with 200 units per year. Let the Executive Council hammer it out.

CHAIRMAN (Mr. McCallum): We would have an ally on the Executive Council I take it.

HON. GORDON WRAY: You would have a couple of allies. The problem is, if we allocate an additional \$5 million in capital, it means that the \$5 million worth of capital projects that are in the existing budget, will have to be cut. We perceive the political problem. Are we going to get the support from the Legislature if we cut schools, if we cut community halls, because that is what we are talking about cutting, or cutting maintenance to existing buildings. That is the political side of things.

CHAIRMAN (Mr. McCallum): We have a good start here.

MR. BALLANTYNE: I don't think it is a matter of what the process is, but if we make the recommendation that the government finds that five million dollars, you can logistically construct 200 units. You geared up to do it. Yes. That helps us to know that.

HON. GORDON WRAY: We have to know in October or November, to build 200 units. We can't wait until December or January.

CHAIRMAN (Mr. McCallum): That is why I raised it in the first place, that is why we want to get in next month. I would just like to go on to page six, the second last paragraph. "Although legally empowered to do so, the corporation has not delivered programs designed to encourage the production of private market housing." Given that mortgage money is essentially throughout the Territories, difficult, and I dare say even in Yellowknife, the corporation used to have a second mortgage, limited though it was, what do you see -- how are you going to try to stimulate? How do you go about getting those funds?

HON. GORDON WRAY: Basically we have a number of programs that are in place right now: supplementary financing, second mortgage, interim financing, none of which are funded. What has happening right now, as you know there is a priorities exercise within the government and I am attempting to secure funds from within that priorities exercise, to put into those programs.

CHAIRMAN (Mr. McCallum): The corporation still has a second mortgage program?

HON. GORDON WRAY: We have it, we just never funded it.

CHAIRMAN (Mr. McCallum): I learn something new every day I guess. One of the things that concerns us as well is the business of second mortgages, at a great rate than first mortgages, in talking in terms of a recommendation to the government, not in terms of the corporation but certainly to the government, that there should be something done in terms of providing second mortgages to people because you know to put up a \$50,000 or \$60,000 home, or in most places more than that, it is very difficult for people to even get that kind of funding.

I guess what I am concerned about, is if you have the legal power to do so and you have a second mortgage program, rather than paying the subsidies for other departments, why not fund those? A reallocation of funding within your corporation.

HON. GORDON WRAY: I will read off to you what we are proposing for supplementary financing, it is merely a proposal at this time: To encourage CMHC to provide financing to new home-owners in communities by lowering the loan ratio, by assuming some of the risk, by providing supplementary financing in the form of a low interest loan. The loan will match the required down payment and will be increased on a dollar for dollar basis to a maximum of \$25,000, encouraging clients to use as much of their own equity as possible. The new home-owners will also be encouraged as the lower interest reduces the clients gross debt ratio on the financing provided through this program, this will reduce financing costs, giving more for operations.

We are proposing a funding level of 53 units at \$25,000 per unit for a total of \$1.3 million. Both programs are to be set up with principle and interest returning to the fund for reuse. This includes interest and money on deposit. Revenue from other home-ownership programs should be routed to the loan fund as well.

We are also currently proposing an interim financing scheme, recognizing that banks will not provide money up-front. We are proposing to provide up to 85 per cent of the mortgage amount to a maximum \$85,000 in all communities in the NWT. The clients may access total bridge financing over the maximum, however total exposure of the Housing Corporation will not exceed \$85,000 at any given time.

We are proposing a funding level of 15 units for a total of \$1.3 million. The program will be self funding as interest is charged at one per cent above existing NHA five year rates, allowing for a five per cent loss per year, the GNWT funding could be allocated to other NWT Housing Corporation programs.

So we have those two programs on the table, but no position has been made yet. This proposal is to the Government of the Northwest Territories in the priorities exercise.



CHAIRMAN (Mr. McCallum): You know we are in a public meeting -- are those proposals public?

HON. GORDON WRAY: They are public within government. They are merely proposals at this time.

CHAIRMAN (Mr. McCallum): Is it possible for us to get a copy of that?

HON. GORDON WRAY: Yes.

CHAIRMAN (Mr. McCallum): Any other concerns? Mr. Pudluk.

MR. PUDLUK: Mr. Chairman, Mr. Minister. I have a lot of concerns about the housing in the North, myself. I am not trying to go against the Housing Corporation but I have seen in the communities many concerns about the housing. That was the biggest mistake made in the first place, to build the houses when they are liveable. A lot of times it has been raised in the communities that they do not ask to live in the government houses, the government asks them. It seems now there are two governments involved with housing, federal and territorial. The Housing Corporation seems to be planning those other organizations like CMHC, they are involved in that too.

If they are going to keep doing that, I do not think we are going to resolve many problems or concerns people have in the communities. I agree that the government should be involved with the subsidy to people living in those houses. Where people are only paying \$32 a month, I know there is a lot of subsidy on that.

Another problem I have seen, those people are living in that house, there are a lot of changes like rental scales or maintenance, it was agreed to be two dollars and it went to \$67, without giving them any information that the changes are going to be made.

Around 1967 there were two people travelling around in the communities and explaining to the people before they built the houses. They said to them "We are not looking for the money we just want to give you a place to live in. Your rent will be from two dollars to \$67." That is the low rental housing, before public housing. And five or six years later they started building public housing and they did not tell them that there would be an increase. That is the biggest problem people are facing right now.

People who are working for the government right now, I do not care how much rent they pay. I am worried about hunters living on animals off the land. That was the biggest mistake the government made to build those houses in the first place. Maybe home-ownership would be better than public housing and low cost housing, but it is too late now. The houses there now have to be maintained and the price on everything is so high now. Maybe if we would have started today it would have been better. I have a question about the rental scale. How often does it have to be increased?

HON. GORDON WRAY: It could be increased six times a year, depending on the income level. If the income goes up then the rent goes up.

MR. PUDLUK: I mean for the whole North.

HON. GORDON WRAY: We haven't adjusted that territorial rent subsidy in two years.

MR. PUDLUK: Last April it was increased. I think it is going to be increased again on January 1st, is that correct? I got information from the district office.

HON. GORDON WRAY: We have no plans to increase the rents.

MR. PUDLUK: Okay, lack of communication between the settlement and district office and head office, that is a big problem too. The community concerns sometimes never make it to headquarters from the district offices. What is headquarters doing with the district office, like purchasing materials. The district sees the problem in the settlement but headquarters does not see the problem. Also the lack of money, district staff travels to the settlements to see their concerns without headquarters knows. I have seen people from the district office travelling to Resolute Bay on Nordair on Tuesday to meet with housing association. He had to go to headquarters and took the Nordair on Friday and went to Montreal, then Edmonton and Yellowknife. He could have taken a Saturday PWA flight from Resolute Bay to Yellowknife. Why are we spending money like that? We could have spent the money in the settlement doing maintenance. I am getting mad. I will change the subject before I get too mad.

That recommendation that we are going to make in the spring. I don't feel like bringing it up before the Legislature and I will not feel comfortable to be discussing this with this corporation first then bring it up to the House. That is how I feel right now. Because those communities have to come directly from the people not from us.

And if the Housing Corporation is not going to agree, I don't blame them. I am not blaming those mistakes made by the Housing Corporation. The Housing Corporation really never goes to the settlements or having public meetings to finding out the problems. I have never seen any public meetings in the settlements with the Housing Corporation. The housing associations usually hold an annual meeting once a year. That is all I have seen. Thank you, Mr. Chairman.

HON. GORDON WRAY: Mr. Pudluk touched on a number of subjects here. Some I can argue with and I agree with you that there has been a problem with communication. We have identified that several times. The corporation is working on cleaning up its image, if you want. Trying to get people into communities a lot more, trying to make their programs a lot more available to the communities.

In terms of the situation that you described about the staff member going to Resolute and then back to Montreal. On the surface I agree with you that it was not necessary. There might be circumstances which meant he went back to Frobisher Bay but all I can do is give you an undertaking to look into it and find out why. Because I agree with you, it is not necessary.

In terms of the perception of housing. The fact is that as an MLA, when I met with people and we talked about housing, I used to throw the question out as to, you know, "Why don't you want to pay for housing? Everybody else in the country pays for their own house. Why don't you want to pay for housing?" And I always get thrown back at me "Well, 20 years ago when we were on the land the government came and told us if we come into the communities they would give us a house for \$2 a month" or in some cases "They would give us a house for free, so we moved into the community." And now changes have taken place and they want us to pay \$400 and \$500 a month.

And I know in many of the older people's minds they are still trying to figure out what happened. And I have no answer for them. I don't think anybody has an answer for them other than to say that, you know, 20 years ago maybe that is what the government of the day thought was the best thing. But it is a whole new ball game now. We are living in 1984 and the unfortunate fact is that people are going to have to pay for housing if they want housing. And the government does not have the money to be able to pay for housing and all the costs associated with it because the government money comes from the taxpayer. And as money becomes tight all over, you are going to find more and more restraint coming from the federal government, coming from the territorial government and the taxpayer is going to start screaming about why he should subsidize complete housing.

So the reality is that we are going to have to move towards people paying for their houses. I know it is a hard one for us as politicians to sell in the communities because you always get this argument from the community that "We were told that you would provide housing for free". And I say to them that it was the federal government that told you that 20 years ago. And now 20 years later we cannot do it. We just cannot do it.

Mistakes were made in the past. I have to be honest with you and my biggest problem with this whole process has been is that I have a morale problem within the Housing Corporation right now because if you look at the transcripts, the Housing Corporation in many circumstances is being blamed for many things they had nothing to do with whatsoever. They are being blamed for houses that were built in 1973 and 1974 that are useless houses. The corporation never built those houses.

I would say that, you know, the corporation should and will take the blame for things it has done in the last four or five years that were wrong. But I don't think you can blame the historical problems with housing on the Housing Corporation, but that is the way it is coming out. You know, that the Housing Corporation is responsible for all the problems. And I don't think that is right and I don't think that the staff of the Housing Corporation are blamed for those things, because many of those things are totally out of their control. I know the committee hasn't been doing it but just the perception. The press has been partly to blame and people in the communities not knowing and this is where the communication problem comes in. The people in the communities not knowing who does what and who is responsible for what, have therefore tended to blame the Housing Corporation because it is the only one that they can see out there that is involved in housing.

Because they don't know who to blame anymore. And that is my only fear and I have told the staff of the corporation "Look, I realize you are being blamed for a lot of things that are not your fault but people are very frustrated and they are very angry and you happen to be the only target that they have right now". You cannot blame Indian Affairs because they are not here and you cannot blame GNWT because they will blame it on the Housing Corporation and you cannot blame it on the Legislature because they won't blame themselves. But I think that all those agencies contributed part and parcel to the problems we have with housing and I do not say that the Housing Corporation is blameless. They have made mistakes and they are still making mistakes and I agree with you that the communication problem is the biggest one that we have to overcome. Because I found it difficult when I moved in there knowing what I know from the community level.

And in talking to these gentlemen, maybe not these particular gentlemen, because they have lived in communities as well, but in terms of corporation staff not really understanding what the problem at the community level was. We are trying to change that and we are trying to bring more people into the corporation with a community base and I think that is the key. It is no good going south and hiring experts. I think you have to find the experts from within the North. Find people who have lived at the community level, find people who know what is happening there, then a change will start to happen.

I think if we do that at the district level and not at the headquarters level, then attitude is going to change. But it takes a long time to change attitude. You know, we could be talking one year, we could be talking two years, we could be talking four years. I don't know how long it is going to take to make those changes but I am determined to make them. And the only way I can see it is to get people with a community base. People who have lived in the communities and understand the problems.

I think the corporation now recognizes that and they have admitted that mistakes happened in the past but -- this Special Committee on Housing was long overdue. I think that what has happened now is people have been given an outlet to vent their frustrations. Because people in the communities would not take it out on the housing associations because they are taking it out on their own people. And they would not take it out on the district offices because they never saw the district office. They wouldn't take it out on headquarters because headquarters are never around. So the Special Committee on Housing has provided an outlet for people's frustrations. But I caution everybody and I caution the press in particular, it is not all to be blamed on the NWT Housing Corporation, there were many other agencies involved and the Housing Corporation was only one of them.

I thank you for comments because I agree with them, there is a communication problem and I am determined to adjust that problem. I don't know how long it is going to take. I can't say that one year from now there is going to be a better system, or two years from now. Part of my problem is that I say to the district managers that I want them to spend at least three or four or five trips to every community in your district. I get the answer that they have no money and they can't do it. We have enough money to go into a community about twice and that is it.

MR. PUDLUK: What about going by Montreal.

---Laughter

HON. GORDON WRAY: That I am going to find out about.

MR. PUDLUK: Mr. Minister, I agree with your comments one hundred per cent. I realize it will take a long time to resolve these problems in the communities. Before the territorial government moved to the North or was established as a government, the federal government started a lot of things and they don't know how to finish it. Now we are trying to resolve the problem and the federal government does not want to be involved any more. It seems the housing associations have the same problems in advising the Housing Corporation to resolve these problems, but cannot get anywhere. Like we are with the federal government.

I hundred per cent agree with you that we are the target now. Also the housing associations in the settlements are the target now too. I think we should have better communication between the settlement and district and headquarters. I think other Members agree with that too. We can start resolving the problems in the communities. Thank you.

CHAIRMAN (Mr. McCallum): Sam you had a comment.

MR. GARGAN: Thank you, Mr. Chairman. Mr. Minister, I guess you mentioned on page nine about home-ownership being the most desirable method of housing to NWT residents, it probably applies more to the West. As far as northern rental goes, the ones who were supposed to pay two dollars a month for a few years back, there is 110 of them that are going to be rehabed, the ones they do rehab are to become public houses and you never hope to ever buy them once it happens. In order for this government to get better, for these people that were misled at one time into believing that they were going to pay two dollars a month, were at one time young people, between 25 and 30 years of age and they were just starting a family. Now it is 1984 and these people are now 25 years older. So instead of rehabing these houses, I believe that these people should be able to buy the house for a small fee. Also get the young people to divert from oil burning to wood burning.

We have heard in all the communities that there is a lot of overcrowding and there is a lot of young people in communities who are quite capable of going out and getting the wood for fuel. It would also eliminate a lot of social problems that are existing in the communities. Because native people were brought into a new environment, everything was taken care of for them by social services, their fuel, their food, rent, etc. So there is that time that is not utilized and that once was utilized by native people.

So I thought that I would bring it up that these houses instead of being rehabed so that they are never rented, that these houses should be given to the original owners for a small fee and at the same time give them the sweat equity so that they could maybe make cost estimates, maybe not as much as it would cost the association to maybe repair them so that they would be liveable.

HON. GORDON WRAY: Thank you, Mr. Gargan. I will tell you right now that I would give away every northern rental house we have, tomorrow, for a dollar, if people ask me. The only problem is that those houses are in such poor shape that most people could never hope to run them because of the high cost of fuel and power, at least in the Eastern Arctic.

In the Western Arctic, if you have people in your area that live in northern rentals, who, rather than us rehabing them, which would then make it impossible for us to turn them over to you, if they come to me, if you give me a list of names, they can have the houses for one dollar. That program is there, they can have them. Give them to them for a dollar to make it legal and they can have them.

CHAIRMAN (Mr. McCallum): Mike.

MR. BALLANTYNE: I wonder if I could just follow that up. I think you hit the nail on the head when you said they are in such bad condition. It seems to me that there is not enough flexibility for whatever reasons, in our system, I think the average cost of a rehab is \$73,000 or something like that. Is there a way to piggyback the dollar, you know you give somebody a northern rental for a dollar, with that goes a \$15,000 grant or something, a piggyback deal, so that somewhere between nothing and the \$73,000?

HON. GORDON WRAY: There is a way to do it but it is fairly complicated. The rehab money that we have right now is CMHC money, we cannot use that money but there is other programs that I am advised we could use, through RAP, maybe I will get Hal to explain how we can do it.

CHAIRMAN (Mr. McCallum): I think the process is though by which it is being done is frustrating to the individual. We know that the northern rentals are not worth-while to anybody to purchase them. You rehab them but then the individual can't buy them because you are using CMHC money. We hear this. What we are talking about is some way to help people bring that house up to liveable conditions, there must be some way, if you have the funding to pay for the subsidies, there has to be some funding available to give the individual so that we can have this house. You are helping people to stay in public housing by subsidizing them, what we are concerned about is subsidizing an individual so that he can have a liveable home, not a shelter but a home.

Just to go back for a moment on the rental scale and Ludy alluded to it. You say you have no plans to change the present rental scale. Is there any means by which you can work with social assistance in using six categories -- change those categories, in relation with social assistance, or increasing the amounts? For example, now you start at \$200, of which you pay 16 per cent, which is where I think you get the 32 minimum. Is there any thought of increasing that? Say assessable income coming into a home has to be not \$200 but \$400 before you charge 16 per cent.

It is going to cost you money but it is already costing you all sorts of money in social housing. But an individual who pays 16 per cent minimum, I know most people in that case don't pay it, but say they have an assessable income of \$300 now, you are charging them approximately \$40 a month -- I forget what percentage -- \$300 of assessable income is \$3600 a year. That is well below the poverty line. Have you thought of changing that? I know the response is going to be that it is going to cost money. But who the hell cares, it is costing you money now to provide subsidies as is. Have you had any dealings with Social Services to do this?

HON. GORDON WRAY: I am advised that at one time in fact Social Services did pay the economic rent but then through negotiations it was decided that the Housing Corporation would do it. I do not know the process.

MR. HAL LOGSDON: In my early days with the corporation, the people on social assistance did pay the full economic rent of the unit and normally that came in the form of a cheque from the Department of Social Services to the housing association. That was changed, I am not quite sure where the direction came from, I suspect that probably looking at the government globally, the benefits in federal dollars in section 40 were probably more lucrative than under CAP, which is 50/50. I agree with you, I think that warrants some research to see whether or not that is still the case and I would probably volunteer on behalf of Gordon to take that if the committee so desires.

CHAIRMAN (Mr. McCallum): This whole business of the rental scale comes up every place we have been. You talk about it here, people are obviously human enough that they do not want to pay a lot for rent and in some cases you cannot blame them, looking at some of the houses. No running water, no sewage. A guy sitting working for the government, living in a beautiful home on the other side and he is getting subsidy from the other side.

We heard about the individual in Spence Bay, a local housing association employee, they gave him a five per cent raise, he now takes home less money than he did before he got the raise. His rent went up and he had to pay more income tax, so he is worse off. Talk about in here, renting to high income families, I couldn't agree with you more, you know you have to get them out of it. There are these instances, and I think you know, in the Orwellian year of 1984, big brother has to be looking after us or looking out or at us.

There has to be something done about the rental scale and that includes senior citizens. If you are a senior citizen living in a tax based municipality, the Government of the Northwest Territories, you don't have to pay any taxes they are forgiven. But a senior citizen who lives in public housing, outside of a tax based municipality, has to pay the rent, doesn't get the break. Or if he lives in his own home he doesn't get the same kind of break as in tax based municipalities, he is still assessed -- I guess it is still known as the education assessment, somewhere around 15 mills, or whatever it is with the new assessment, it maybe is not 15 mills. I think something has to be done. I would like some idea of at least somewhere along the line of finding out whether or not you are going to still adhere to the six categories given to you by social assistance that you use to determine rent, and whether or not you are going to do anything about that assessable amount of income.

HON. GORDON WRAY: I know the board of directors have been looking at it. My biggest problem, to be quite frank with it, is that I look at it the way things are in the communities right now and rather than us providing incentives for people to work, we are providing disincentives for people not to work. You know, time and time again, I have people come to me and say "Well, I have a job and I am paying \$200 a month in rent and my buddy next door, sits on his butt and pays nothing. What is the point of me going to work." Also, if I have a family that lives with me and they all happen to be industrious and they all go out and work -- that is my biggest problem and that is why I haven't tampered with the rental scale, because I have to resolve that basic philosophical question in my own mind as to how we are going to tackle that problem. I don't think we should be penalizing people for going out and working.

CHAIRMAN (Mr. McCallum): Well then you would be amendable to some kind of suggestion from this committee?

HON. GORDON WRAY: I am amendable to any suggestion from this committee Mr. McCallum.

CHAIRMAN (Mr. McCallum): If you are in the private market, I want to rent a house from you, you tell me how much the rent is. I know there is a situation with CMHC, I recognize that, but if I want to rent a house from you, you tell me what the rent is and I either pay it or I don't. It is none of your business how many people are living in it or how many people are working. I know the situation with public housing across Canada because of CMHC. I recognize that but there are, whether they appreciate it or recognize it and it is into consideration, the discrepancies that you have or the fluctuations in our own territorial rental. Surely some other things can be done along the same line.

The principle is there. We do it anyway and I think that is the difficulty because the situation you are talking about is, I have a family, I have a job and I instill in my family that there are no freebies in life, the work ethic still holds true. If it is an extended family situation, as it is in a great number of communities in the Northwest Territories, then they go to work and all of a sudden their rent goes up and up and up, and if you bring in \$2000 the house, you are paying 25 per cent of it. Now there is nothing wrong, you are getting \$2000, you have certain amounts taken off -- I am just saying that there must be something that can be done with either the categories and/or the amount of assessable rent. You suggest in here in page seven to apply your subsidy directly to the items of high cost. If food is expensive, subsidize food. So I have to ask you if that is what you would do. How are you getting along with Members of the Executive Council on that one?

HON. GORDON WRAY: Well they read the paper and gave me approval.

CHAIRMAN (Mr. McCallum): In essence you are saying then that the government is going to come out with an idea of subsidizing food?

HON. GORDON WRAY: I think what we are saying is -- no, no, do not subsidize the cost of all the other high cost items by lowering the cost of housing. You are never going to satisfy the problems of subsidizing food costs by tackling housing problems. That has to be tackled separately. But like I say, I am amenable to looking at the rent scale because I have some problems with it myself. You identified the problem on terms of CMHC because they have a national rental policy. To get acceptance for the NWT means changes to federal legislation. Maybe we can play with it in the House and come up with something, I don't know.

One thing that I do want to put on the record, while we hit government employees and people living in government housing, it should be remembered that very few people living in government housing are paying less than \$400 a month. The bulk of their rent is \$400 or \$500 a month. So government employees may have good housing but they are paying for it.

CHAIRMAN (Mr. McCallum): And the ones that are living in public housing are the ones the association would like to have in because if they get the dollars coming in, they can do more but I think it defeats the purpose for which you are in business, you are in business for social housing, not to be a Social Services agency but to provide that public housing or social housing. If you have the good pay, a government job, the association would much prefer somebody living in a house that is making \$30,000 or \$40,000 a year because they can see the big rent coming in, rather than somebody who is paying \$32 a month. Those guys are not getting any money, they are not getting subsidized from Social Services for it. Mike.

MR. BALLANTYNE: On the rent scale, I believe we did make recommendations, now the kick-off point is somewhere around 216.7 and if you go to the maximum it goes to the maximum of 25. But what are the implications with CMHC if we said, we made that up to 400 and then the incremental increases happened from between 400 to 800. What does that do in your agreement with CMHC? Can you do that?

MR. HAL LOGSDON: We would have to pay the difference.

MR. BALLANTYNE: Essentially that is what you are doing right now anyway.

MR. HAL LOGSDON: I might just add that, although all public housing in Canada, part of every designation agreement with every province for public housing, it stipulates that the national scale should be the basis for which rent is charged. Hardly any province uses that scale. I am not even sure that any of them do. Some of them charge more, some of them charge less. But without exception, those who charge less pay their way provincially. So the national scale is the basis on which the scale is settled at the end of the fiscal. That is really what it comes to.

Our claims are discounted, our revenues are increased, CMHC expects 140 per cent of the revenue that we actually collect. We have a 40 per cent differential between the national scale and the territorial scale. So we pay a 40 per cent penalty. And I think we can look at that as a territorial incentive. CMHC will look at it but you pay the price.

MR. BALLANTYNE: Right now is public housing assessed by the territorial assessors for tax purposes?

MR. HAL LOGSDON: Yes.

MR. BALLANTYNE: So somebody must assess the houses. Somebody must put a value to them. One of the major problems with the rental scale is that people think it is unfair to live in a northern rental and you pay the same rent, without sewer and water, as somebody who lives in a brand new public house. If you have that then, don't you have as a basis already for showing the difference between a value of a house, and can the rental scale be based on that? So if the work is already being done, you can look at it and say that this house is twice as valuable as this house, according to their criteria. Is there any way that can be used?

HON GORDON WRAY: We can look at it. It has never been looked at.

MR. BALLANTYNE: I was thinking, in the South, for instance the public housing in Toronto, is it done the same way, just on income or is it done according to the value of the house. For instance, they put you in an apartment some place and that apartment cost \$500 or \$600 a month, but Social Services will pick up the difference if you are a low income family. So in fact, I think in the south, there is a differential between units, whether it is the government doing it or individuals, paying less for a unit of less value, but here it is not being done. Am I right?

MR. HAL LOGSDON: Mr. Chairman. I think I am right in this, without exception, the provinces all charge based on principle of rent income. Where they differ and where you may be right Mike, is in those provinces, people who are on social assistance pay the full shot, the full economic rent. And more than often it is not based on a market value or a market rent, but in fact cost. So if a house cost \$500 a month, net to maintain, then if a person is on full social assistance, is a welfare recipient, then the department pays on this behalf, that, to the Housing Corporation. In fact, as I said before, that is the way it used to work in the Territories. Whether or not that is a benefit on a global basis to the territorial government, is something that I think we should look into. It may not be, in terms of federal dollars.

CHAIRMAN (Mr. McCallum): It must be, because Social Services can get deals with the federal government.

MR. HAL LOGSDON: Well remember we are getting a deal from the federal government also and it might be juicier.

CHAIRMAN (Mr. McCallum): I recognize that you are. Again it is a question of what you dup.

MR. HAL LOGSDON: I suppose, Mr. Chairman, it also depends on if you are looking just at the corporation's advantage or whether you are looking at the total territorial government advantage.

MR. BALLANTYNE: It seems to me that in many ways we are an anomaly up here, in the global picture nationally. But what we are doing is using sort of their criteria which really does not fit up here and I think that is where we get caught in this. I would suggest that half the problem of the rental scale is that perceived inequity, you know houses are better and you pay the same for a horrible house or a good house. That is half the problem. And people are saying, not so much that "We don't want to pay rent" but that they have to pay rent for this house with no sewer and no running water the same as this guy who moved into brand new public housing that was built last year.

I think if we are going to deal with this that that has to be taken into consideration somehow because in every community we heard that and I don't know if you are looking at that.

HON. GORDON WRAY: I think that is one of the problems but I think there is another problem and that is that people have so much disposable income and they have priorities and rental housing is never a priority with people in the communities because it was always presumed it was going to be provided for them. There is not a mentality which says unlike those of us who came from the south, where housing was the first essential need that we had. You had to find a house and you had to pay for that house. Up here that was not a priority, it was not mentally put into a budget and when people get X amount of dollars, they look at food they look at gas for the skidoo, they look at ammunition and clothes and on housing the payment for rent is low on their priority list. That goes back to what I was talking about 20 years ago when people were told that they would never have to pay for housing. That is a problem too.

Some of the individuals in the transcripts that have talked have said they pay too much for rent. I know how much money they are making, they are not paying too much rent. It is just that they want to spend their money on something else. That is part of the problem. Rental of housing to an individual with their family is never a priority and never has been a priority, because they had other priorities that were set and it was assumed that the government would look after them. The government told them they were going to look after them.

MR. BALLANTYNE: One of the problems -- this whole area is so complex but in your report we talked about that subsidized food rather than subsidies on housing. On the other hand now you have this territorial rent adjustment. You have already set a precedent. So it is going to come down eventually, say cut it right out or make it meaningful. Because it is not really meaningful, I mean to maximize it in 6, with 14 people, you get \$93 knocked off. It really is a token sort of thing and somewhere down the line we are going to say if that is valid, that perception of some areas areas are more expensive than others, lets make that something, something significant or if it isn't, lets get rid of it totally. Because what it does is raise expectations and we are always caught in this thing, well you have a precedent here but then in your paper you are saying, you are really against that principle and people get confused.

CHAIRMAN (Mr. McCALLUM): Which is a question I asked, you know what are you doing with Social Services to do something about that.

HON. GORDON WRAY: I think I will let Hal respond to that. I think he has a comment he would like to make.

MR. HAL LOGSDON: Well, I just would like to agree with Mike, that rent is probably one of the most complex subjects that we agonize over and we have changed the rent scale twice in a major way since the corporation came into existence. One of the things that makes it very complex, is that you are not just looking at acceptability and affordability but you also have to look at the incentives that are built into rent or the disincentives that are built into the rent structure and I would just like to warn the committee or put the committee on record as please pay attention to the incentives or disincentives that are in the rent system. For instance, you are talking about home-ownership as a major priority and I think we all want that to be a major priority of the Housing Corporation, recognizing that it is cheaper in cost to the Government and it is more desirable from almost every families point of view. But we have to be careful in how we look at the rental portfolio in terms of home-ownership because you can not disassociate the two. You have to make sure that in what you do to the rent scale is not completely destroying the incentives that you want to create in creating good viable home-ownership programs. So, you are right Mike, there are so many different variables that you have to look at but lets not lose track of that one because it is an extremely important one, if that priority of home-ownership were going to take realistically.

MR. VICTOR IRVING: The rent, as Hal has said, is very complex but it is probably one of the most disturbing things we have to deal with in the Corporation. We have looked at a number of things, I have a pet one that we can't use and that was that we don't charge rent at all as long as the tenant would pay part of the utility cost. Just very basically, the utilities are costing us over 20 million. The rent collected is less than four million and rent doesn't come to the Corporation, it goes right to the associations at the community level and it is plowed back into maintenance. It doesn't even pay for the maintenance. But you say that people don't want to live in houses



because there is no maintenance done, but that is where the rent is going. If they pay their rent, it helps to fix the house, you go back to the maintenance problem. But I think I would like to see this committee maybe come up with some advice as to how we can improve the rent. We have really had a lot of difficulty and the direction that we have taken in regards to the rent assessment has come from our board of directors, which has been changed twice since I have been the president in the last several years. But, there is no contemplation to change the rent in the near future and it has not been changed in the last year.

Maybe, while I have the mike, one last thing that I would like to comment in that the co-chairman and Mr. Ballantyne mentioned something about what could be done now to assist the Corporation. We are in the process of negotiating some funding, both in capital and in maintenance in the next month. I am aware that the FMB is looking at the possibility of trying to find some additional capital and also we have this treasury board submission for the added maintenance, and I will tell you that if we don't get that maintenance, if you think we have problems in maintenance now, they are not going to get better in 1985. I will say that it will get worst in 1985. What this committee could do in the forthcoming Legislative Assembly at the end of this month and into November, is to provide some support to the Territorial Government, that what kind of priority housing should have. I have been a little discouraged in the past month in listening to some of the things that have come out of a Deputy Ministers meeting and out of the FMB. I know that the Government is having a hard time in trying to assess priorities and one of the biggest things that this committee could do, in the short term and certainly with their Interim Report, is to put that emphasis on housing priority. Thank you.

CHAIRMAN (Mr. McCallum): I think that one of the things that the Minister has eluded to is certainly that if we have done one thing, we have made it page one, whatever comes. But I grant you -- rent is complex but rent in the private area is not complex. I rent a house to an individual, that is it, that is the rent. It is complex when it gets into government. So, what we would hope to do with it is to uncomplex it if there is such a term. Rent should not be a complex, we make it more complex as a government than it should be. That is the difficulty. It becomes complex because you people are into Social Services. That is what makes it complex. If you were not in the social services agency, it would not be complex to you. You have a unit, you assess it for what it is worth and you charge rent. Whether it is payed by a senior citizen, which brings another point that a lot of the people don't know because it is not being universally looked at, the business of the minimum rent for senior citizens, we have heard that. Some associations don't know they can't charge the minimum that they are able and they should be doing that. Being universal presents a problem, I know.

Nevertheless I think that this whole business of rent is something that we would like to see to take the complexity away from it. That it shouldn't be that difficult. It shouldn't be a concern of yours how it is payed because if I can't pay the rent, I get assistance from the Government through social assistance, I shouldn't be getting it from you. You have a unit, you build a unit, you provide the initiative for people to get their own homes and everything else. It should not be a problem of the Corporation.

I would just like to go on to another page very quickly, I know we have kept going fairly long. On page 8, on the last paragraph it talks about custom housing ownership, public housing. If we really want to promote home-ownership, we should not be attempting to push public housing past the modest house concept and you say that is not sub-standard but it is basic. What do you consider to be -- and I mean the Corporation, not you Mr. Minister. What do you consider to be a basic housing unit in terms of square footage or whatever, square metres, I guess?

HON. GORDON WRAY: Our idea of basic housing standards is the national residential standards. There is a national standard for residential housing, it is X amount of square foot per persons. I would say in the new housing that we are building now, what they call the Greenland Motto, that is probably a visible symbol of what we think as basic housing.

CHAIRMAN (Mr. McCallum): Okay, I just wanted to get it straightened. That is the A-frame situations.

HON. GORDON WRAY: Yes, but there are national standards that we follow.

CHAIRMAN (Mr. McCallum): We have heard different things about the design. We have heard it all from the women wanting a say in the design of it, because basically they are the ones that spend the most time in them. We can get into a lot of other things on it.

One other thing, you are talking about Rural and Remote and HAP programs. Is Rural and Remote available in Yellowknife right now?

HON. GORDON WRAY: No, it is not.

CHAIRMAN (Mr. McCallum): It seems to me about three or four years ago that CMHC were amenable to having Yellowknife included in Rural and Remote.

MR. HAL LOGSDON: We have made overtures, Mr. Chairman, to have Yellowknife included as an eligible community for Rural and Remote and CMHC to date has refused to acknowledge it. Their criteria is communities of 2500 population or under. They have exempted Hay River, Inuvik, Fort Smith and Frobisher Bay. But they don't want to seem to go much further than about 3500.

CHAIRMAN (Mr. McCallum): So you isolate one community. Is the HAP program available in Yellowknife?

MR. HAL LOGSDON: Yes, it is.

CHAIRMAN (Mr. McCallum): Okay.

MR. BALLANTYNE: Could I clarify that. My understanding is it is in Rainbow Valley. It is not available in the rest of Yellowknife. It is right in the policy.

MR. HAL LOGSDON: It is technically available in Yellowknife. There are some impediments to delivering in Yellowknife however. The major one being that the HAP program does not finance land and land is a very expensive commodity in Yellowknife.

MR. BALLANTYNE: In your policy Home-ownership Assistance Program, it says "the Home-ownership Assistance Program will provide on a one-time only basis assistance to approve applicants putting their own home in any community of the Northwest Territories except Yellowknife". That is right in the policy and I checked it with the local office and they said they will not do it, it is up in Rainbow Valley at all and it is right there.

HON. GORDON WRAY: There is one point. There is a program now available from CMHC called the Urban Native Housing Program and I understand that actual living units are being considered for Yellowknife through the Metis Association. That is a new program this year.

CHAIRMAN (Mr. McCallum): Federal program.

HON. GORDON WRAY: Yes.

MR. BALLANTYNE: What I want to know is, is it possible to and if it is not, you are saying it is available, your policy is saying it is not. Is it possible to delete then accept Yellowknife from your policy? Because it is right there and they are going along with that in Yellowknife, except for Rainbow Valley. Because I have somebody applying right now and I am getting all sorts of hassels because they won't do it outside of Rainbow Valley.

MR. HAL LOGSDON: Can I just endeavour to look into that for you, Mike?

MR. BALLANTYNE: Yes.

CHAIRMAN (Mr. McCallum): I just have one final thing and there might be others. In the last paragraph, page 10, you talk about a push to move people from pull toward ownership with new programs and push to move from public housing. You say that the push will come from the rent scale. Would you like to elaborate a little on that?

HON. GORDON WRAY: Basically, that is just a reiteration of what we said before. If you make the rent scale such that it is unattractive for people to continue living in public housing, when you can be taking the same dollars and put them into their own house, then you can sit down with this

family and say look, you are paying \$700 a month rent for this unit, you will pay it for the next 30 years and will never own this house. But if you own your own house you can take your \$700 a month and put it toward a mortgage and within 20 or 25 years you will own this house. I guess what we are saying, is that the rent scale has to be such as to make it just as attractive to own your own house as living in a public house and at this present time it isn't.

CHAIRMAN (Mr. McCallum): I agree with you. I think that you can enhance that, if you can get some better deal with the upset price for eligibility under the Rural and Remote because there are people who would like to get into the Rural and Remote, except that the upset price in it, they are making what is considered to be too much money. It is \$40,000 isn't it?

MR. HAL LOGSDON: No, Mr. Chairman, there are not any strict income ceilings on the Rural and Remote Program. We take it on a case by case basis. There is no set income ceiling.

CHAIRMAN (Mr. McCallum): People have been refused.

MR. HAL LOGSDON: Yes, people have been refused but not because they say \$40,000 is the ceiling. There is a limit to the assistance in the Rural and Remote Program and some families may in fact lose their subsidy or they may be able to obtain bank financing. The actual eligibility criteria is, you cannot be eligible for other financing such as bank financing or direct lending. That is the actual cut-off.

CHAIRMAN (Mr. McCallum): But, you have the problem that was indicated by the Minister in here. Bank financing is difficult to get. You can't get the bank financing in places. We had an individual in Tuktoyaktuk tell us. You can't get the mortgage money and they have been refused because they are making too much money. The woman at the public meeting, and it is in our transcripts, told us that in Tuktoyaktuk when we were there that night, she is making too much money and she and her husband are not eligible for Rural and Remote. They are making over the \$40,000. They still cannot get the financing from any bank in Tuk or Inuvik or wherever. So, you say you want them out of public housing, they don't have a choice. They live in public housing, they are making more money than they should be, they would be better off doing exactly as the Minister said, paying the \$500 or \$600 to own their own home. Instead of that you charge them \$600 to \$700 in public housing. You don't want them there in the first place but they are stuck, they want out and you say, OK, here is an avenue to get out and all of a sudden, no, you can't go that way. Well where do I get the money? Well you can't because you can't get mortgage money. You know yourself to get mortgage money from CMHC, you have to be refused by a bank. You must have a letter from the bank, saying that they will not mortgage give you mortgage money. Therefore then you are eligible for CMHC, you can't get it any other way. So we have a situation where we saw this person wanting to get into Rural and Remote, didn't want to live in public housing but they are making too much money. You say there is no upset, well I don't know. Somebody better get it straight somewhere.

MR. HAL LOGSDON: No, Mr. Chairman, if I can respond to that, I am not sure if it is the same potential client that I am familiar with but I know that the incomes in Tuk are such that many people on a mortgage payment to income basis because of their income would not be receiving any subsidy through the Rural and Native Program and the Rural and Remote Program, so there is no benefit of the program. Those people are normally referred and if they cannot obtain bank financing, should be able to obtain financing directly from Canada Mortgage and Housing Corporation, through their direct lending program. That is why Canada Mortgage and Housing has a direct lending program to go in where others fear to tread, sort of speak, mainly the banks. Now I will admit that CMHC also fears to tread in certain domains...

CHAIRMAN (Mr. McCallum): Like Tuk, like Smith, a lot of places in the Northwest Territories.

MR. HAL LOGSDON: ...well it is not Smith because they have done a considerable direct lending in Smith as they have in Yellowknife, as they have in Frobisher Bay. They did several mortgage loans in Frobisher Bay this year. I don't believe Tuk is one of those communities. I think a place like Repulse Bay would be one of those communities and there I will admit that we have a problem of availability from any source. Our supplementary financing program is aimed to share the risk with a lender, like CMHC and CMHC has indicated to us that if we will take up to a \$25,000 second mortgage or in fact if the Government were to institute a buy-back program, lets say 90 per cent of the appraised value, they would be much more willing to lend in places, even like Repulse Bay. So we know where that problem exists and we are trying to address it with a supplementary financing program, if we can get some money for it. But I don't believe Tuktoyaktuk is one of those situations.

CHAIRMAN (Mr. McCallum): Well, I think the buy-back -- personally I am not in favour of that but you have it with the Government now. If you have it for Government employees, I guess you are right, it should be made universal across the Territories. What is good for the goose, should be good for the gander, as well.

MR. BALLANTYNE: I wonder, what are the salary limitations for the HAP program? Are there any criteria there that if you make more than a certain amount, you are no longer eligible?

MR. HAL LOGSDON: Again, Mr. Chairman, we do not have a fixed ceiling. We look at each individual client. But we have developed a model, which is in our manual for the Rural and Remote and the HAP Program, which outlines some suggested maximums and minimums for both of those programs and by regions. Say in Frobisher Bay, we will give the program deliver or program assistant a guideline as to basically what envelope that family would fall in. Although again, we occasionally go under the minimum and quite frequently go over the maximum on an individual assess basis and that is on the recommendations of our field staff.

MR. BALLANTYNE: So, what you are saying is that there is a lot of leeway in the district offices to make sort of almost subjective decisions on a case by case, which is good and bad.

MR. HAL LOGSDON: Well, I think through the whole process of client counselling you have to go through and find out whether the family is really going to be able to afford it. Or whether or not the family should seek other means of financing. Especially on the lower end, we have had some very serious problems, that I certainly do not want to repeat in recommending home-ownership to clients who could not afford to pay the fuel and power and that is simply not good client counselling, you do not want to quide those people in that direction. I am sure you can appreciate that.

CHAIRMAN (Mr. McCallum): Are there further questions of the committee of the Minister and his officials? Well again, Mr. Minister and your officials, I want to thank you very much for this further discussion with you on paper. As you say, it is not definitive but there are certain things in here that we would want to look at in greater detail and I appreciate the opportunity to have an elaboration of it. I just want to reiterate to you as we have said to your people in the field, we are not on a witch hunt, we are not anti the Corporation. We are here to try and do something about the housing. We hope that we are going to be able to make some very pertinent recommendations on an Interim Report next month. We would hope that those things that we are able to put forth in concrete recommendations will be taken and will receive the support of the other Members of the Legislative Assembly and obviously of you, so that things can be done to bring about some kind of change if you like, or some kind of better understanding of what goes on as regards to housing.

There are other areas that we will be dealing with other than ones that you have heard here, but I would like to thank you very much for this opportunity to meet with you and I hope that through you and the Chairman of the Board, so that your board members know as well, we met with him and I think that we have been able to establish a very good rapport and will continue to do so. But we are here to look at the total business of housing and I think that we have the same goal or objective in mind. So with that, I would just like to say thank you very much.

HON. GORDON WRAY: Thank you, Mr. Chairman. I thank you for the opportunity to talk to you because I think there were things that we just wanted to clarify, in terms of our position and maybe get things off our chests at times because the Corporation had said just sit back and watch what was going on. Personally, I look forward very much to your final report with the major recommendations. Because as far as my job is concerned as a Minister, it will give me the political direction that the Assembly wants to take and I think that is something that has perhaps been lacking in the past in the political world and the political direction to go for something and that is what I am looking forward to. So, thank you very much and no doubt we will be talking to you again, many times over the next few months. As I said before, any assistance that the Corporation can give you in terms of figures, in terms of programs, in terms of information, the doors are open.

CHAIRMAN (Mr. McCallum): Thank you.

---ADJOURNMENT

MEETING WITH RANKIN INLET HOUSING CORPORATION DISTRICT OFFICE

CHAIRMAN (Mr. McCallum): We have with us here Mr. Pedersen who represents the Kitikmeot West constituency and lives in Coppermine; Sam Gargan who represents Deh Cho and lives in Fort Providence; Ludy Pudluk who is the co-chairman of the committee and lives in Resolute Bay; I am Arnold McCallum and I represent the constituency of Slave River and live in Fort Smith; Joe Arlooktoo who lives in Lake Harbour and represents Baffin South; and Mike Ballantyne who represents Yellowknife North and lives in Yellowknife.

We are a committee of the Legislature and have been moving around to various communities. When we finish this tour we will have been in some 40-odd communities. In each of the areas we have made it a point to sit down and talk to the district office, people involved with the office, to find out what is going on in that region. Things have been very open in those discussions, we are not holding you up on anything, in other words if you are open with us, we are not going to go back to the Corporation and say "Hey, you've got a bunch of characters in your district office who are causing problems." We are not into that. We have nothing to do with the Corporation, we have nothing to do with the government, we are not Executive Council Members.

What we have are six Members who want to get an idea of what you see or what you are finding is going on in this particular district. So with those few opening remarks, if you would like to give us an idea of what is going on in your district office, we would certainly appreciate it.

MR. RALPH CAIN: Maybe I can introduce our staff first. Vincent Jones, project officer; Marcel Vincent, project officer; Tommy Adams, technical officer, Brian Hebert, programs and Ian McCrea, our accountant. Maybe I can say that I only have five months with the Housing Corporation, so I think maybe you could open the questioning or whatever you want to do.

CHAIRMAN (Mr. McCallum): I guess we just want to get an idea from you in terms of programs you have going on here. What is going on with your rehab, retrofit, the concerns that have been voiced to you with people in the public housing, where you see some of the problems. If you want to indicate whether you have difficulty getting some of your things moving, some initiatives you have moving, we may be of some assistance in that. All aspects of it, not just the rent and public housing, but supply, ship and erect, if you like, the whole gambit.

I should indicate to you as well Ralph, that we have to be out of here in approximately 25 minutes. So that does not give you very much time, but if you would like to highlight some of the things, that is what we would like.

MR. RALPH CAIN: Maybe I could just give you what we have going on in the Keewatin this summer. In new roofs: in Baker Lake we have 17; in Coral Harbour we have 10; Eskimo Point, 10. Rehabs: Rankin, four; Chesterfield, seven; Whale Cove, five; Coral Harbour, five. Nine-plexes: we have one in Baker; two in Rankin. Four-plexes: we have two in Baker; three in Rankin Inlet. In Baker Lake we also have seven new units and 10 replacement units. In Rankin Inlet we also have six three-bedrooms and one replacement. In Coral Harbour we have three duplexes and in Eskimo Point, seven three-bedrooms. We have five HAP clients: three in Rankin; one in Baker; one in Eskimo Point.

I am sure the Housing Corporation is getting criticized throughout your meetings. Maybe just for your information, in the Keewatin we have approximately 701 units, 400 of those were built before the Housing Corporation was formed. So I feel we took over somebody else's mistakes there.

In maintenance in the communities, our maintenance staff works out to one person for every 25 houses.

CHAIRMAN (Mr. McCallum): How many maintenance men in total?

MR. RALPH CAIN: Twenty-eight maintenance men. Maybe we shouldn't get into hamlets but they average about six or seven units per maintenance man. I can't think of anything else. Maybe you could ask some questions.

MR. BALLANTYNE: In hamlets you are talking about staff housing? You say six or seven units per maintenance man, when you are dealing with staff housing?

MR. RALPH CAIN: That includes garages, warehouses. You did mention the rent scale there, since I have only been with the Corporation for five months, maybe I could make a suggestion. I think the rent if it is based on the square footage of the house, let us say a maximum of \$400, and our rating of that house is only 25 per cent, I think the rent on that house should be only \$100. I think the rent should be based on the condition of the house.

CHAIRMAN (Mr. McCallum): And the amenities that it has. If it has sewage facilities and running water.

MR. RALPH CAIN: Yes, well that is what the rating is based on, whether it has running water or not.

CHAIRMAN (Mr. McCallum): Perhaps I can start it off. Have you sold many northern rentals?

MR. BRIAN HEBERT: I am a program officer. Here in the Keewatin, we have right now, if memory serves me, seven NTRPPs. A lot of people seem interested in purchasing a northern rental. The way we basically do this in terms of assessing the price of the unit, is to take the cost of the unit when it was built, depreciate that by five per cent a year, also take into consideration any major improvements that would be added on and further depreciated. That gives us the basic price of the house, then we will do a condition rating on it, and depending on the condition of the unit, we will further depreciate the value of the house. That is how we arrive at our final sale price.

I think that the NTRPP program would be even more popular if there were programs in place, for instance RAP, CHIP, and some other programs that would provide funds for these home-owners to make major improvements on the unit, thus reducing the cost of the operation and maintenance. This is one thing that discourages people from purchasing these older northern rentals. The interest is there. One of our responsibilities to a client, based on their income, is their financial ability to afford the ongoing operation and maintenance costs of that unit. It would be very unfair of us to sell a unit to a client if they were going to get into financial difficulty with that purchase.

Last year some of these programs, like the RAP and the CHIP -- the RAP was not available for delivery here last year, I believe that is coming on stream this year, as well as a few other programs. The CHIP program was available but our clients would have to go through Edmonton I believe, in order to obtain that program. So if delivery for these programs was little bit easier, I think that would have some positive effects. Certainly the desire for people to own their own homes is here.

CHAIRMAN (Mr. McCallum): Is that here in Rankin Inlet or in the district?

MR. BRIAN HEBERT: In the district.

CHAIRMAN (Mr. McCallum): What is the average price that you have sold these units for?

MR. BRIAN HEBERT: I am not sure what they sold the units for last year, I was not here last year, but I believe they were somewhere in the area of between \$7000 and \$20,000. I would have to check some information before I gave you an accurate figure. What I have done this year is I have taken the price of the house in the year it was constructed, depreciated it by five per cent and then I have had our project officers go in and do a condition rating on it and depreciated the house accordingly. That would be the final sale price.

CHAIRMAN (Mr. McCallum): Then if the individual who was purchasing it, lived in it, deducting a certain amount for the amount of rent they paid for the years.

MR. BRIAN HEBERT: One-third of the total rental credits. Now in the situation where we cannot find tenant ledger cards beyond a certain year, what we will do is have the client make a sworn declaration that he has paid those moneys and we will make the appropriate deductions.

CHAIRMAN (Mr. McCallum): How much rent do you collect? What is an average rent that you collect here in Rankin Inlet?

MR. BRIAN HEBERT: I believe the rent assessment if it is done properly, the housing association would be collecting somewhere around \$18,000 a month. But as it stands right now with the rental assessments, the figure is around \$8000.

CHAIRMAN (Mr. McCallum): Any questions? Other people Mike?

MR. BALLANTYNE: First of all, what sort of difficulties do you have here with people in arrears? Are a lot people in arrears significantly?

MR. BRIAN HEBERT: No, I don't think so. I do not think we really have serious arrears problems anywhere in the Keewatin. Most people when they fall into arrears, they fall into arrears for a good reason and when they are approached about the problem they want to make up their deficiencies in that area. If somebody does fall into serious arrears usually it is perhaps because it has gone unnoticed at the administrative level of the housing association. But once it is caught and it is brought to the attention of the tenant, they are usually very good.

CHAIRMAN (Mr. McCallum): Maybe we should be asking those questions of the association, that's what they are in business for. Is there an association in each of the communities?

MR. BRIAN HEBERT: Yes.

CHAIRMAN (Mr. McCallum): How many communities?

MR. BRIAN HEBERT: Seven.

CHAIRMAN (Mr. McCallum): Other questions? Mike.

MR. BALLANTYNE: Yes. One thing is your feelings about federation. There is a federation of housing here. How often does it meet?

MR. RALPH CAIN: I think they probably meet about twice a year. They haven't met since I came here.

MR. BALLANTYNE: Is there any reason why they haven't met?

MR. RALPH CAIN: I guess they didn't organize a meeting.

MR. BRIAN HEBERT: The last meeting was in March of this year.

MR. BALLANTYNE: How do you see the role of the federation? What is your perception of the role of the federation?

MR. RALPH CAIN: I think the federation is a good thing, but it is getting to be the same thing as a lot of organizations, you have the housing committee, then you have a district office, then you have a federation and the board of directors and as far as I am concerned it is just fed down the line.

MR. BALLANTYNE: So what you are saying now -- does it perform a useful function as it is structured now? Does anything meaningful come out of it or is it just an opportunity for people to get together to talk about problems but nothing really comes out of it?

MR. RALPH CAIN: That is my feeling toward it, yes.

CHAIRMAN (Mr. McCallum): Red.

MR. PEDERSEN: You mentioned the Northern Rental Purchase Program, you thought there was quite an interest here. Your district, I think, has a higher number of northern rental houses than any other district. If there was a home improvement grant available for people interested in purchasing a northern rental house, an improvement grant that would allow a potential home-owner to upgrade their house to an acceptable standard without bringing it up to the public housing standards necessarily, but to improve the heating efficiency, etc. in it. Do you think that would accelerate the number of applications? Would more people take advantage of it?

MR. BRIAN HEBERT: Depending on their income, yes, I think they would. One of the things you would have to realize is that here in the Keewatin the level of income is fairly low for the majority of people and I suppose the operating factor here would be the ongoing operation and maintenance expenses. As it stands right now, we are looking at fuel and power bills in the area of \$1000 a

month. Now with the subsidies that the government has for fuel and power, in a unit that is up to coding as far as insulation and things like that, that would be reduced. But there is some insecurity as to whether or not those subsidies will continue. So the interest is there but there are other factors, mainly economic.

Also we are in a situation where a lot of people are paying the minimum rent which is \$32 a month and for that they have no operation and maintenance expenses on the unit and once they realize that the expenditures are going to be considerably more than what they are paying at present, that is a discouraging factor.

MR. PEDERSEN: I don't think any of us aims at the \$32 a month group in any home-ownership program.

MR. BRIAN HEBERT: That's right.

---Laughter

MR. PEDERSEN: You mentioned that there are presently subsidy programs available for fuel and electricity, I am aware of the one for electricity, can you explain what the fuel one is?

MR. BRIAN HEBERT: Basically I believe that is a subsidy up to 1500 litres per year.

MR. RALPH CAIN: The subsidy is the difference in the price of fuel here in Rankin and the price of fuel in Yellowknife.

MR. PEDERSEN: Do you know who subsidizes that program?

MR. RALPH CAIN: I think that is a federal government program.

CHAIRMAN (Mr. McCallum): Mr. Ballantyne.

MR. BALLANTYNE: One complaint we have heard in all communities and also with talking to the Minister and that is a problem of communication. We have heard in some communities, for the housing association to get a decision from the district office, the district office has to get it from the head office. First of all, in your opinion, are the complaints that people are not consulted, that people do not feel they are part of the process, that people do not feeling the Housing Corporation is really listening to you, are they valid? And if they are, what would you do to improve the problem or the perceived problem?

MR. RALPH CAIN: Well I think they are valid. I think that more responsibility should be given to the district office. Right now we are sort of stuck in the middle, we take it from Yellowknife and we also take it from the communities.

MR. BALLANTYNE: So now, as a thought, we are looking at sort of structural concepts, you could see more decentralization in the district office and have more authority to make decisions in their district instead of having to go back to headquarters all the time to get approval.

MR. RALPH CAIN: That's right.

MR. BALLANTYNE: Could you give me some examples of what areas of authority you would like to have in the communities?

MR. RALPH CAIN: Well I think mostly, in the programs that we are putting on, if it is a capital expenditure, why couldn't the district office be given the capital money and then we could give it out according to the settlements, in consultation with the settlements. We have to get more input from the settlements.

MR. BALLANTYNE: We have heard that many times. It is the perception in the communities that there is not enough times where Housing Corporation staff go into the communities. We have heard from the Housing Corporation side that they do not have the proper funding to do that. Is that a fair analysis? If you had more money for your staff to travel, would they be travelling in the communities more? Is that the only reason they are not in the communities more?



MR. RALPH CAIN: Well we have been doing quite a bit of travelling. Our budget this year was only \$45,000 for travel, where last year it was \$90,000. We got cut, so we told Yellowknife if we didn't get any more money, we wouldn't be doing any more travelling and they have come up with some more money so we can travel. We usually get to each settlement once every two months.

CHAIRMAN (Mr. McCallum): You say you have five HAP units, what is the response to the program? How many applications do you have?

MR. RALPH CAIN: Well last year we had five clients and they seem to be quite pleased with it. We were hoping to get 10 units this year but they only gave us five. How many applications do we have?

MR. BRIAN HEBERT: From Rankin we have four, we have a few from Baker Lake, I am not sure what we have yet from Eskimo Point, but I expect that the response this year would be just as good as we had last year where we had something like 18 applications here and similar amounts in Baker Lake and Eskimo Point. Those are the three largest communities in the district. We had a few applications last year from Coral Harbour, I think maybe two. What the response will be here this year, I am not sure.

CHAIRMAN (Mr. McCallum): How much money is available to people over here for that?

MR. BRIAN HEBERT: I had the figure, I think it is something like \$240,000.

MR. RALPH CAIN: Do you mean the total?

CHAIRMAN (Mr. McCallum): Doesn't matter.

MR. RALPH CAIN: \$254,000.

CHAIRMAN (Mr. McCallum): And you have five of them?

MR. RALPH CAIN: Well they just gave us a figure of \$254,000 and we thought we might be able to get five houses out of that.

CHAIRMAN (Mr. McCallum): Where do you see your greatest problem?

MR. RALPH CAIN: Well the only way it is going to work is from the settlements up and the settlements do not get funding enough to operate so, I think your main problem is right in the community.

CHAIRMAN (Mr. McCallum): You mean they don't get enough money to do their maintenance?

MR. RALPH CAIN: That is right.

CHAIRMAN (Mr. McCallum): Which means they are not collecting enough rent? Or should there be other moneys -- you get a top up on that anyway. Right?

MR. RALPH CAIN: Well the funding we get for the communities is insufficient to hire a number of people to work on the houses, as you can see from the figures I just gave you.

MR. BRIAN HEBERT: For instance in Coral Harbour we have two maintenance men and if we were to have one maintenance man for every 20 houses then we would require five maintenance men in Coral Harbour. As it stands right now, we only have two.

CHAIRMAN (Mr. McCallum): Any further questions? Mike.

MR. BALLANTYNE: Right now when you are looking at programs in your region, how is it decided right now, which communities will get what programs? Whether it is HAP or ERP or whatever. Do you make the decision at the district office?

MR. RALPH CAIN: That's right.

MR. BALLANTYNE: Are you happy with that process? Can the process be improved?

MR. RALPH CAIN: Well I think from my recollection, as you were mentioning awhile ago, this minimum-maximum, I do not think there should be any maximum as to who should qualify for a house. That is just my personal feelings toward that.

MR. BALLANTYNE: How do you quantify the needs in Baker Lake, as opposed to Rankin Inlet? How do you decide that Baker Lake should get 10 public houses, over Rankin Inlet, for an example? How would you make that evaluation?

MR. BRIAN HEBERT: In terms of new public housing, probably the main criteria for that would be the Housing Needs Study. The Housing Needs Study basically identifies where the need is, the number of houses and the type of units that should be built. That is just new housing. Another thing that does, is take in the condition of the existing buildings. For instance in Baker Lake, the condition rating of the majority of units in that association is far lower than the condition, let us say, in Rankin, or even some of the smaller communities. Some of the smaller communities are in much better shape as far as Baker Lake is concerned. Here in Rankin Inlet the average condition rating of the total number of units we have I think is around 55 per cent.

So those things, as well as the condition of the units, also determines what we are going to do in terms of rehab, in terms of roof retrofit, in terms of whether it is even economically viable to rehab a unit. One of the things that we hope to do this spring is to do an inspection on these older northern rentals just to see if they are even worth the price of a rehab, perhaps they should be replaced.

MR. BALLANTYNE: We have heard in some communities that somebody will come in and say "We are going to rehab this 10 houses", and the communities weren't even aware of it, weren't involved in the process. Is this a factor here?

MR. RALPH CAIN: No, like right now we have some rehabs going into Baker Lake and that is what I am going in for right now, to see which buildings they want rehabed. They will pick out the buildings they want rehabed and our construction boys will go in and do an evaluation of them and see if they are really worth rehabing. But they choose the ones they want rehabed and then we get it done.

CHAIRMAN (Mr. McCallum): You say "they".

MR. RALPH CAIN: The association.

MR. BRIAN HEBERT: In the past too, in the Keewatin, the input from the association has not been very good, basically because of the lack of administrative staff in district offices and also because of the lack of training on the part of the associations. What our experience is, since we have been here, is that the associations have told us that they want this input and we are 100 per cent in favour of it. This means that we are going to have to implement some training programs and stuff like that so they can better make the decisions that affect their members. But this is something that we are all very aware of and are all very supportive of.

MR. BALLANTYNE: Once you have consulted with the communities and you make your recommendations to head office about which programs go in which communities, how often are your recommendations changed at the head office? You won't lose your job really. I guarantee that.

---Laughter

MR. RALPH CAIN: No. I haven't been here that long, but I do know that they do get changed. What we are going to do with the rehabs is that the association picks 20 houses that they want to get rehabed and as far as I am concerned those are the ones that are going to get rehabed, there will be no change from Yellowknife.

CHAIRMAN (Mr. McCallum): Provided you get the funding. What is the average cost of a rehab?

MR. BRIAN HEBERT: \$75,000.

CHAIRMAN (Mr. McCallum): How do you feel about rehabing? You know, you are rehabing an old northern rental, you are putting in \$75,000 and you still have an old house. What the hell. \$75,000 may not build another house...

MR. RALPH CAIN: Well last year I think the rehabs were coming in at \$77,000 and the replacement units at Baker Lake came in at \$98,000, a new house. So I am in complete agreement, if the money is there for replacement then let's replace them rather than rehab a house that is already 20 years old.

CHAIRMAN (Mr. McCallum): You know we have heard it suggested that we should get out of the damn rehab at that kind of cost. Who does the rehab?

MR. RALPH CAIN: It goes out to tender, yes.

CHAIRMAN (Mr. McCallum): Any of the local companies get in on it?

MR. RALPH CAIN: Yes.

CHAIRMAN (Mr. McCallum): Red.

MR. PEDERSEN: These replacement houses that you talk about, what size are they, square footage?

MR. RALPH CAIN: Nine hundred square feet.

MR. PEDERSEN: And the houses we rehab are usually about 720 square feet?

MR. RALPH CAIN: Yes.

MR. PEDERSEN: So the square footage of replacement is actually no higher than the rehabing.

MR. RALPH CAIN: No. And also by rehabing you also cut down the square footage.

MR. PEDERSEN: Yes I know you lose four inches either from outside or inside, depending on heating.

CHAIRMAN (Mr. McCallum): Well there very well could be other comments but we are going to have to get out of this room, they need the room. I would like to thank you very much for coming over, I am sorry we didn't get together earlier on it, but we were dealing with the Minister and his people and he had made a presentation to us. So I would like to apologize for not getting to meet with you earlier. I want to thank you very much for coming out.

If in fact you have concerns that you think would be of benefit to us, we would appreciate getting them from you. As I indicated before, I hope if you do have them that you would get them to us. I am not holding you to ransom or anything like that, they are not making your position that precarious in terms of somebody getting restitution from you. But we would certainly appreciate it and if you have anything, if Penny you could get an address for them to send them to us. Also if you have any questions of us, you can write to us for clarification on something.

Again I apologize for such a short, hurried thing but we do try to meet with the district people for at least a short period of time. So with that, I would like to thank you again for coming over.

MR. RALPH CAIN: Thank you very much.

---ADJOURNMENT

MEETING WITH RANKIN INLET PUBLIC

MR. McCALLUM: Ladies and gentlemen, I would like to thank you very much for coming out this evening. It may or may not be the best of times to have a meeting, but I would like to indicate to you on behalf of the committee that we are very pleased to be back again in Rankin Inlet. We are here as a committee of the Legislative Assembly of the Northwest Territories. Perhaps I could start very briefly by indicating to you who we are, what we are doing, what we have done and what we have to do. As I indicated we are a committee of elected MLAs from the Legislative Assembly as a committee on housing. We came about because of a motion made by Mr. Ludy Pudluk of the High Arctic who lives in Resolute Bay. We are to look at all aspects of housing in the NWT.

I would like, at this time, to introduce all the Members of the committee. To my far right is Mr. Red Pedersen who is a Member for Kitikmeot West and lives in Coppermine; Mr. Sam Gargan who is the Member for Deh Cho and lives in Fort Providence; Mr. Ludy Pudluk from Resolute Bay; next to me is Mr. Joe Arlooktoo who is from Baffin South and lives in Lake Harbour; Mr. Mike Ballantyne who lives in Yellowknife and represents Yellowknife North. I am Arnold McCallum and I am the representative for the Slave River constituency and I live in Fort Smith.

We have visited approximately 40 communities in the Northwest Territories to talk and listen to people tell us what they feel is wrong, or just to talk to us about housing. We do not represent the Government of the Northwest Territories. The Government of the Northwest Territories is made up of an Executive Council of Ministers. We do not represent the Housing Corporation. We are here to listen to your views about housing in your community of Rankin Inlet. Last night we were in Baker Lake and tomorrow we go to Eskimo Point and Whale Cove, and we will be going to Sanikiluaq as well.

We have to make a report to the Legislative Assembly next month, in November, about what we have heard and what kind of recommendations we can make about housing and how to change housing in the Northwest Territories, if indeed it requires changing.

I would like to ask those of you who would like to come and speak to us or make any kind of presentation, to come to the table on my left, if you would identify yourself, simply by indicating your name. We have instantaneous translation with Alexis at the back, it is not necessary to stop in the middle of it, he does it instantaneous. I think Laverne may be doing some, Erica is there too. If you want to make a statement, if you will come here and give us your name. After you have made the statement, if you will sit there, we may have questions as a committee of what you want to present. We would like to be able to carry on a dialogue back and forth with you.

The chairman for this evenings meeting will be the co-chairman of the committee, my colleague for the last nine to 10 years, Mr. Ludy Pudluk. I would like to call on Mr. Pudluk to say a few words about how the meeting will go this evening.

CHAIRMAN (Mr. Pudluk): Qujannamiik. (Translation) We are very happy that we are able to make it here and sit and listen to your views concerning housing. Though we have heard many similar concerns on the subject, we do not mind. It is imperative now that something be done concerning houses that you are occupying. There are many problems and it is obvious because we have learned a lot by going to various communities. So we were asked to go to these communities to hear first hand from the people. We need your assistance now, for you to tell us any concerns that you have concerning housing.

At the beginning of next month we are sitting in Yellowknife and we will be making a preliminary report then and we will be making recommendations after the visitations. We hope to compile a report in the spring. It is not an easy task but it has to be done. I do not want to take up your time because I want to hear from you about your views on housing. Our delegate here, representing the Baffin South would like to speak to you. Joe.

MR. ARLOOKTOO: (Translation) Thank you, Mr. Chairman. I am not going to make a long speech. It became known at the Legislative Assembly that we the MLAs, more the Eastern Arctic, that we seem to be talking every which way about housing and we felt that since we had so many different points of view that there is something that needs to be done with housing in the NWT. So because of the problems that were presented to us, we had to do something about it.

So we are here to listen to you. We would welcome anybody to come up and speak. And you may feel that what you want to present to us has already been dealt with by other communities but do not be worried about that, speak whatever comes into your mind because we learn new things all the time. If you talk about things that we are already aware about, it will only enhance the complaints presented to us.

The night is going to be very short again, so I will not speak too much more. So please feel comfortable and I hope you do come up to speak.

CHAIRMAN (Mr. Pudluk): (Translation) Thank you, Joe. As mentioned, we are not from the government and we are not working for the Housing Corporation, we are working for you, we are your servants. So we will begin if anybody wishes to come up. You can use these little receivers while you are here. Please be reminded, before you go, to leave them on your chairs once we are through this evening. The first speaker, whoever wishes to come up first please come to the table and don't forget to say your name at the beginning. All the conversations are being recorded and these recordings will be transcribed and copies will be sent to you once they have been transcribed.

DEPUTY MAYOR KABLALIK: (Translation) Maybe if I can ask Jim Cameron to help me out.

CHAIRMAN (Mr. Pudluk): (Translation) Yes, please come up.

DEPUTY MAYOR KABLALIK: (Translation) Thank you for allowing me to speak. I am sorry I was not able to meet you at the airport but welcome. I am the deputy mayor for the hamlet council. I am not going to talk about all the problems concerning the poor conditions of the houses because you will hear directly from the people themselves, who are here to give you some presentations.

Right now, as Rankin Inlet is developing, I would like you to be aware that there is not enough houses. Rankin Inlet is getting a regional high school, and a possible influx of people who will be moving here to be associated with the building of the high school. Right now in Rankin Inlet, our people have to be prepared for this, considering once it is completed, all the other consequences that will come with it. Thank you very much on behalf of the hamlet council of Rankin Inlet and the public who will present to you the hamlets concerns.

I will read a letter to the Minister of Housing from myself, Henry Kablalik, as Deputy Mayor of the Hamlet Council of Rankin Inlet:

"Honourable Minister, the hamlet of Rankin Inlet is the administrative centre for the Keewatin and is experiencing rapid growth in population. As the population increases, the demand for government services also increases. If these demands for increased housing units, land development and municipal services are not addressed, major social, economic and environmental problems will occur. The hamlet council of Rankin Inlet is deeply aware of the demands placed upon them and we would like to voice our concerns to the Special Committee on Housing.

"Firstly the letter from the NWT Housing Corporation clearly states in the Housing Needs Study, the required housing units for Rankin Inlet. This information is in Yellowknife and council asks that you avail yourself of this material as soon as possible.

"The present housing construction in Rankin Inlet will help alleviate the overcrowded conditions found in the housing associations unit but it will by no means solve the chronic need for additional housing here.

"At present Rankin Inlet does not have any developed land for future construction as all available lots are leased, which means that the demand from the public and private sector cannot be met. Enclosed is a Capital Budget Suggested Change which has been prepared by Local Government, Rankin Inlet, and presented to the Deputy Minister of Local Government in Yellowknife. Council asks the special committee to support this Capital Budget Suggested Change. If the Government of the Northwest Territories does not address these future demands which will be placed on the hamlet of Rankin Inlet, the quality of life here shall deteriorate.

"Please accept this letter and its support letters, as council request for additional capital expenditures in Rankin Inlet, not only for increased housing but in all governmental services."

I have here Capital Budget Suggested Changes. If you have any questions, Jim Cameron will be able to answer some of those questions you have.

CHAIRMAN (Mr. Pudluk): (Translation) Any questions or comments?

MR. McCALLUM: Henry, if I may use your first name, in your letter or comments to us, you talked about a letter from the Housing Corporation, talking about the required housing units for Rankin Inlet. Is it possible that we may have a copy of that letter, as to what it says, who wrote the letter and to whom was the letter addressed?

DEPUTY MAYOR KABLALIK: (Translation) This letter from Brian Hebert, it is written here.

MR. McCALLUM: The three page letter from Brian Hebert, the program officer. He is a program officer for whom?

DEPUTY MAYOR KABLALIK: (Translation) The Housing Corporation in Rankin Inlet.

MR. McCALLUM: On page two of your letter, it says that "Rankin Inlet does not have any developed land for future construction", can you tell me what you and your hamlet council are doing to try and get new land developed?

DEPUTY MAYOR KABLALIK: (Translation) In the Capital Budget Suggested Changes, the local government prepared -- are written in that report by the local government which has been supported by our hamlet. It states clearly how much funding is required for Area 4, just north of Williamson Lake, to develop that area.

MR. McCALLUM: Is that in the Capital Budget Suggested Changes comments?

DEPUTY MAYOR KABLALIK: (Translation) Yes it is in the report. Jim Cameron will elaborate on that. At this time we do not have enough developed land.

MR. McCALLUM: Mr. Chairman I wonder if I could ask Mr. Cameron then -- I take it you are referring to the addenda that are attached to your proposal or your comments here, I wonder then if I could have Mr. Cameron or somebody go through and elaborate a little on what is the problem and elaborate on what the status is now and what you see happening.

MR. JIM CAMERON: I am the municipal planning engineer with the Department of Local Government in Rankin Inlet. What you have is the Capital Budget Suggested Changes for the region, local government region office.

MR. McCALLUM: Whose proposal is this?

MR. JIM CAMERON: Local Government regional office in Rankin Inlet. These happen to include all of the suggested changes, not just related to site development, they include everything. But within it, one of the projects listed in here, identified in here, is Rankin Inlet Area 4 development, it is just north of town. It only gives total costs here. There are a couple of options given. One we are proposing is to extend the pipe system which would amount to \$3.4 million, which would be the chunk of money required to expand Rankin Inlet. That would extend to start Area 4 development, which would be a total of 115 lots in all of Area 4, but we would initially look at developing 44 lots and that would cost \$3.4 million.

The fastest this could be done is over two years. So we are looking at \$1.64 million for next year and \$1.8 the year after that. So it still means that it would be two years away before we would have any new lots available for Rankin. But even that is pushing things, that is the best we could come up with.

MR. McCALLUM: That is done through Local Government?

MR. JIM CAMERON: Yes. We are proposing to Financial Management Board to get the funding so that Local Government could do the land development there. This is new money because it has never been developed in the Local Government five year capital plan.

MR. McCALLUM: It hasn't?

MR. JIM CAMERON: No, it has never been identified before. So this would be completely new funding.

MR. McCALLUM: I guess that basic question -- how do you propose to get it into a five year plan?

MR. JIM CAMERON: Well I should point out that I am only here for four months, I have only been here a couple, I understand we would put a submission together outlining the demand along with the cost estimates, scheduling, justification and go to the Financial Management Board. Since it is so much it might have to go directly to Treasury Board with a submission for additional funding for this much money.

MR. McCALLUM: You know that there is a new government in that other place to the East and that Treasury Board submissions have been frozen for awhile.

MR. JIM CAMERON: How it comes about wasn't my initial responsibility, these are the costs of how to do it. The demand and how to go about the territorial government, as a total, getting that funding, as opposed to regional office Local Government, is a separate item.

MR. McCALLUM: You are not really concerned about how it happens, you just want it to happen.

MR. JIM CAMERON: Well I am saying how much it costs if you want it to happen.

MR. McCALLUM: Could you tell me the reception that you have had with the Department of Local Government in Yellowknife on this? Has it met with any kind of difficulty or opposition?

MR. JIM CAMERON: This has been very recent, only a few weeks -- this isn't something that has been ongoing. But certainly the initial was gasping and looking for other alternatives, which is reasonable. But this is very new and also very pressing because of the fact that there are not available lots, there are a couple of empty lots right now, but they are spoken for.

There are a couple of reasons why it is such a larger expenditure. One is because this is a whole new area, we have to take a leap over top to the north end of town, so there is a fairly significant cost of \$1.5 million almost, before you can even service the first lot. Then of course because it is piped services, it is a very significant expenditure.

CHAIRMAN (Mr. Pudluk): Anybody else? Mike.

MR. BALLANTYNE: I understand that you are looking at piped services. Have you looked at the option of water delivery and sewage pumpout? What were the reasons you decided to go with piped services rather than sewage pumpout and water delivery?

MR. JIM CAMERON: We did present two options, trucked and piped. We are asking for the piped simply because the rest of the town is piped and it seems reasonable to continue that. If you looked at straight economics, without doing a complete analysis, but I have done at various times just about every community in the Territories a number of times. It is usually cheaper to truck it especially if it is going to be single family housing. You could truck as an interim measure but it would restrict it to only single family houses. I don't think the fire marshal would be very happy at all about trucking to multi-family housing in a new area development. So it could be trucked initially and then piped as the money becomes available but then you have your initial expenditures for the tanks in the housing would be lost, so it is more logical to start off with the piped, if you are going to go that route eventually.

In terms of the overall, whether it is cheaper to truck or pipe Rankin Inlet, I don't believe that has ever been formally studied because it was always assumed that the piped system was here and would be continued.

MR. BALLANTYNE: If in fact there are no lots available now, if you went the water delivery and sewer pumpout system, it seems to me you could probably bring the lots on line a lot quicker.

MR. JIM CAMERON: Probably about one year earlier. That could be done for the first few and that. But the total is still the same if you are going to spend that \$3.4 million. You might be able to gain one years growth and truck it for one year and then switch it back to piped. The only expense would be maybe about \$4000 or \$5000 per house, lost, which would be a lost cost. It is not large compared to \$3.4 million.

CHAIRMAN (Mr. Pudluk): Sam.

MR. GARGAN: Mr. Chairman. In the letter it talks about a rapid growth in the population and it also increases the government services. When you are talking about that land site development, is that for government accommodations?

DEPUTY MAYOR KABLALIK: (Translation) It is not only for the government, the houses come to the hamlet, the sites are always questioned, even the Housing Corporation or DPW people or the individual or private sector people, if they want any lots - these are for anybody.

MR. GARGAN: I guess my other question is, this morning I had the opportunity to go around some of the houses that are being built and some of the old rental units that are still in existence. One particular lot where there are two government houses about two houses apart from each other and in between you have these northern rental houses or public houses, they did put in piped services there but I guess the houses that are occupied by local residents are not being serviced by water or sewer system. Why is that?

DEPUTY MAYOR KABLALIK: (Translation) I can't really answer this question, it can be answered by the people that rent by no piping system and have water delivered by trucks. I am sure somebody else can answer it, since there is a lot of government employees here.

MR. GARGAN: Mr. Chairman, I am having some problems with that because I believe governments do go to locations to provide a service and a lot of times we see in the communities that government provides a service for themselves and very little benefit for the communities. This is what we have experienced in a lot of the communities and it is quite disturbing, so I just thought I would bring it to your attention.

MR. JIM CAMERON: Just in relation to Rankin, the little I know, there is a fund in Local Government to assist home-owners in making connection to piped water and sewer if they are presently on trucked system. That can be applied for.

CHAIRMAN (Mr. Pudluk): Arnold.

MR. McCALLUM: Thank you, Mr. Chairman. Henry or Mr. Deputy Mayor, if I may, can I get an indication from you as to how you feel about how the local housing association works? Do you feel that it would be better to have the housing association continue as it is now, or do you feel it would be better to have the housing association being a committee apart from the hamlet council? Should the hamlet council have the authority over the association or should the association continue as it is, since housing by and large is a community problem? How does the local council or hamlet feel about that?

DEPUTY MAYOR KABLALIK: (Translation) I cannot speak for the housing association. What you are talking about, we have never discussed with the housing association. Since you brought this up we can consider it and get a feeling from the hamlet council as to how they feel about it and how the housing association feel about it. I am sure there is someone here from the housing association board of directors, they can probably make a comment on that.

MR. McCALLUM: I recognize that, I know that the housing association would have their own viewpoint. What I am asking is how you and your hamlet council feel about it. Do you agree that housing in Rankin Inlet is a community problem, or is it only a problem of the people who live in public housing?

DEPUTY MAYOR KABLALIK: (Translation) I can't really answer it, not having considered it before. The board of directors have not discussed this with the housing association. I can probably answer this after having discussions with the housing association, as to whether or not the hamlet council can take on the responsibility. I think we would need to discuss it or look into it further to see how they really feel about it.

MR. PEDERSEN: I would just like to clarify the figures here on this proposed land development. A total cost of \$3.44 million for 44 lots?

MR. JIM CAMERON: Yes, it is actually 44 lots, about four multi-family units, just the way the arrangement is. So it is about 50 units.



MR. PEDERSEN: Lots for 50 units?

MR. JIM CAMERON: Well this \$3.44 million would service 44 lots, plus at the ends of the rows it is multi-family, so you would have an area for multi-family dwelling, somewhere about 50 units. The actual layout could be modified as we put it in, for cost estimating it is 44 single family lots plus four multi-family lots.

CHAIRMAN (Mr. McCallum): Mr. Pedersen.

MR. PEDERSEN: So with the multi-family lots, it doesn't show here, it comes out to about \$70,000 per lot to develop a lot in Rankin Inlet.

MR. JIM CAMERON: Yes, it is actually about \$50,000 per lot. That is the marginal lot, that was the cost of the last one. The first one costs you about \$1.6 million, then after that -- because there is a certain cost to get there, but the average cost is around \$55,000 to \$60,000. The first group are around \$70,000 but as you develop the whole area, the price will drop down as low as about \$50,000. So the average will be somewhere around \$55,000 to \$60,000 per lot, including water, sewer, land development, power.

CHAIRMAN (Mr. McCallum): If you say it quickly it doesn't mean very much.

MR. JIM CAMERON: It does to me. It is a fair bit of money.

--Laughter

CHAIRMAN (Mr. McCallum): It does to a lot of us, I'll tell you now dad. That's a lot of shekles for a lot.

MR. PEDERSEN: Particularly when it is talked about "being down as low as \$50,000".

MR. JIM CAMERON: But that is the cost that it is going to be to develop it, no matter how you cut it, that is the way it is going to be.

CHAIRMAN (Mr. McCallum): Mr. Ballantyne.

MR. BALLANTYNE: Could you explain to me, you are talking about what are the costs that will be incurred if you have a water delivery and sewage pumpout system for 44 lots, you are saying it is almost an equivalent cost of putting in a piped system? I am finding that -- what do you need, do you have to buy a truck or two and what else do you need?

MR. JIM CAMERON: Well if you were comparing trucked and piped, you should really compare -- what we do in all the pre-design studies is, we compare the whole community. In Rankin it would be kind of redundant to do a study of the whole community here and see whether it should be all trucked or all piped. I think we can start with that. So we could do a cost comparison on just that new area, that could be done, to see what the difference in cost is. But since the major infrastructure is in place here, if you are just talking about the incremental costs of those units, my guess is that it is probably cheaper to pipe it in over a 20 year period. Certainly trucking is much cheaper in the short run because there is very little capital outlay, you do have large operating costs. But because the major infrastructure is already in place here in town, if you looked at it over a 20 year period it would be probably cheaper to continue the piped system.

MR. BALLANTYNE: I guess my point is, obviously the up-front money required, and you said it would only be a year difference -- how long does it take, I mean you only have to buy two trucks, how long does it take? You only have to buy two trucks. Why would there only be a year difference? It seems to me you could have those lots in line very quickly.

MR. JIM CAMERON: Yes next year actually, if we had the initial development -- you know the land development costs is \$1.6 million and the water and sewer is \$1.8 million. So certainly you could have lots available much more quickly if you were going to truck it. But it could only be single family lots, you should keep that in mind.

MR. BALLANTYNE: Okay, well how big multi-family units are you talking about?

MR. JIM CAMERON: Well at present it is just a plan, we do not have the map here, but that can be adjusted to whatever is the demand. The price to service the area would be the same. If you put in all multi-family, the cost per unit would be considerably less, we are talking \$50,000 per single family house. If you double the density with multi-family, of course it would be much, much cheaper. But on the present plan that we have, that is what the costs are based on.

MR. BALLANTYNE: Would you necessarily have to have piped for multi-family? Why couldn't you put in tanks in multi-family?

MR. JIM CAMERON: You could, I don't think there is any place in the Territories that does it. I can't think of any, except for like some senior citizen's homes or something like that. But if you had large areas with multi-family's close to each other, it might be difficult to get it through the fire marshall.

MR. BALLANTYNE: I know we did it in Yellowknife because of the problems that we had with the sewer and water system there. And for new construction until we got somebody from the territorial government, we forced large buildings to put in holding tanks. So it worked. It is possible to do it, so it meets the requirements of the fire marshall. So what I am saying is that it meets the requirements of the fire marshall.

MR. JIM CAMERON: You know when this came up, I did not go through the complete economics to see whether it would be cheaper to truck or pipe, so I am just telling you what the relationship in other communities is, generally. It would be very close there because the major infrastructure is in place, it's probably economical to pipe it, normally it wouldn't be. In a community of this size it would be much cheaper to truck it, but that would be the whole community. But the overall analysis has never been done because the pipe system is in place here. I have never done it and I don't think it has ever been done here. But it could be trucked over there. It would be cheaper in the long run. In order to compare them, you should look over a 20 year period.

MR. BALLANTYNE: When you are asking us now, you are asking us to approve or support that portion of the capital plan as it relates directly to housing because we have a copy of the whole regional and capital plan here. You are not asking us to support the whole regional capital plan, you could get in problems in other regions.

--Laughter

MR. JIM CAMERON: No.

MR. BALLANTYNE: I just wanted to clarify that.

CHAIRMAN (Mr. McCallum): Mr. Pedersen.

MR. PEDERSEN: He mentions that the overall infrastructure on the piped system is already in place, the pumping facilities, everything that you have in place now has an additional capability from what it is already doing, to handle these proposed 44 more lots in that location?

MR. JIM CAMERON: There are improvements to the water system, that are planned. It is at the planning stage and it will be determined whether it is necessary. I have only been over here a couple of months and this thing came up rather fast. I had assumed that the major infrastructure was okay. Now DPW would have to confirm that. I did not anticipate costs in the order of a million dollars or anything like that that would throw these estimates out, but the major infrastructure is in place here.

CHAIRMAN (Mr. McCallum): Do you have a guesstimate, Mr. Deputy Mayor or Mr. Cameron, when you are talking about looking down the road 20 years, of what the population would be in Rankin Inlet? If you are planning 20 years, you must take into consideration those kinds of figures too. How has the place grown in the last 10 years? What do you guesstimate it will be with that kind of an outlay of money?

DEPUTY MAYOR KABLALIK: (Translation) After 10 years we do not have the figures right now but after the Keewatin Regional High School is here there will probably be about 500 or 600 people. You mentioned before, I just wanted to answer -- the 44 lots whether they would be serviced with the

water truck but I do not think a lot of people would be satisfied with 44 lots. It would be quite a concern for us if the hamlet is going to look after it. During the wintertime here when there is a blizzard, probably every day we would be phoned by the people who would have to be delivered with water. We are in support of the piped system in Rankin, probably 95 per cent of Rankin Inlet has running water. Jim mentioned that these are all planned out, that is why we are in support of this

CHAIRMAN (Mr. McCallum): What is the population of Rankin Inlet right now?

DEPUTY MAYOR KABLALIK: Probably 1300.

CHAIRMAN (Mr. McCallum): Any further questions? Mr. Gargan.

MR. GARGAN: Thank you, Mr. Chairman. Jim or Henry, in looking at the proposal, in order to support something like that, I guess it would probably jeopardize other programs in other communities. Since the spring I have been also doing some studies into the area of water and sanitation versus the delivery system type of program. I have looked at everything including the population base to justify water and sewage system, which a population over 1000 could have underground water and sewage system. In my community we have a population of about 780 and looking at every angle that I could, including the cost factor, I just could not justify it in my area. I am sorry I do not have the figures with me but I guess it is slightly a lot higher than what you are asking for here, basically because we are starting right from scratch.

I just thought I would let you know, if we were to support you getting this land site development for 40 lots, are you going to ask us to support 40 houses too, afterwards or what?

---Laughter

MR. JIM CAMERON: I will just make one comment on what you said. When you do the analysis on piped water versus trucked, it is not so much -- the total population is a factor because of the economy of scale for things like the intake, water treatment, pump house, things like that. But the real difference is, that when communities get larger, they tend to have more multi-family housing and they tend to be more compact and then piping tends to be more economical. As long as you have single family houses, it is almost always cheaper to truck it, the only exceptions would be some odd places in the Territories, maybe Fort Smith, where the piped is relatively cheap. But it is the density that is important.

CHAIRMAN (Mr. McCallum): It isn't cheaper Jim.

MR. JIM CAMERON: Well Fort Smith is much cheaper relative to Inuvik or Rankin. So the relative cost of piping is much different in Fort Smith. The total community population is one factor but the density is much more important. Whereas with truck service, the density is irrelevant, whether it is single family, multi-family, whatever. The main factor is how much water you use, whether you have flush toilets is the key factor. So in terms of deciding whether you want trucked or piped the factors are: Do you have a flush toilet, if you do you have piped, if you don't you have trucked. If you have multi-family then you can reduce the per unit cost of piping to where it becomes economical.

So the two key factors are: Housing density, multi-family versus single family; How much water you use and specifically what type of a toilet you have in your house. Those are the key factors.

CHAIRMAN (Mr. McCallum): Mr. Deputy Mayor.

DEPUTY MAYOR KABLALIK: You are not going to be the only people we are asking for support from, but we are also asking other government agencies to support us. But in Rankin, only the private sector, the housing association and the hamlet. The time when we go to the KRC meeting in Chesterfield Inlet, we will be -- I did not really want to bring -- I just saw Gordon Wray, I am glad he is able to listen here because we will be asking for his support in respect to this matter. Since Tagak is not here I am not going to mention him.

CHAIRMAN (Mr. McCallum): He might be more interested in Baker Lake, Eskimo Point and Whale Cove.

---Laughter

MR. BALLANTYNE: If I could just give an example of the difficulty that we are facing in this whole housing problem. Out of that same capital budget that you want \$3.5 million to develop 44 lots, out of that same budget, we can get the Minister \$5.5 million, he can access another \$16 million federal money and we can build another 140 houses for \$2 million more. I mean that is a reality that he has to look at and we have to look at. So when you are looking at it from this point of view, we are sympathetic, but we have a problem all through the North and we have to say "Where can we get some of the best bank for a buck". And as I said, it is a reality that we have to look at. So I wanted you to be aware of that.

MR. JIM CAMERON: Well if the committee and other people within senior government can use this information modified in various ways, then it can easily be adjusted. Not adjusting the numbers but presenting the types of information that you need to make a decision. If you have your questions available, they can be answered easily, like what are the costs of the trucking alternatives, as long as we know how you want the information presented, what types of information you want. It is very easy to come up with it.

CHAIRMAN (Mr. McCallum): Are there further questions of Mr. Deputy Mayor and Mr. Cameron? If not, I would like to thank you both and if you have further to add to it, you are more than welcome to come up again. Mr. Todd. Do we have Inuit translation in Gaelic?

MR. JOHN TODD: I guess my comments are very brief but primarily they relate to the commercial aspects I suppose of the Housing Corporation's activities and in particular the construction program it has done over the last 10 years.

From our point of view housing, particularly in the Housing Corporation, is just more than just providing housing. From the private sectors point of view, you know the Housing Corporation's activities has an overall impact on some of the small Arctic communities and the economy. I think it is important to thoroughly understand that. The kind of impact that it has on local employment, utilization of your friendly hotels, occasional heavy equipment from high routing enterprises.

I think over the years, if you look at it, it is actually, the dollar that has been spent in developing Housing Corporation houses has had a far greater impact on the economic well being of the communities than say DPW money. Because perhaps they have been, at least up until recently, less sympathetic to the small private contractor. I guess in addressing that issue, we are somewhat concerned. I suppose, with the kind of boom and bust type of mentality that looks like it is going to happen. I do not know all of the ramifications of the financing, etc., I am not party to that yet.

This year, for example in the Keewatin and to some extent the Arctic Coast and Baffin, we have had a substantial housing program, I think from my point of view and the people in the organization that I am involved with, the chamber of commerce, we feel that the dollars being spent have had a tremendous impact on getting your rents paid, keeping the economy flowing. And I think if you really analysed the dollars, how much have stayed in the North, and you and I have discussed this many times, Mr. Chairman, I think overall you would find, with the emphasis that is now being done by the Housing Corporation, that the dollar value is substantial that has stayed in the Arctic.

Now the concern that we have is that all indicators are that of course, this year has been a good year for the Keewatin, and I am talking about our distinct interests here, and the indications are of course that the financing is not going to be available for a substantial housing program next year.

I think it is important, that this committee, when looking at the housing, can look just beyond the supply of housing. That is what I am trying to say. Am I making sense? If we are in a situation where I think we are this year, where we have full employment or a good deal of it, you have a good reasonable growth in the business community, if the thing just drops off, you know, we are going to be in a situation where we were a couple of years ago, where we are all scrambling, everybody is in real trouble, and you gentlemen, in terms of the Legislative Assembly, have to look just beyond the supply of housing. You have to look at what is the overall economic impact if there is a substantial decline in the building of housing, from the Housing Corporation standpoint.

We are grateful by the way, at least in the Keewatin and Kitikmeot. I understand, we are going to go supply, ship, separate erect contracts, which will provide the opportunity for a number of the small contractors -- cut it our Ernie -- to be able to bid on these jobs. However we do have a problem and we have indicated that to the Minister, that while we appreciate his efforts and the previous Minister's efforts, by the way, in meeting this goal, we are now in a situation where we are now going to demand bonding. And basically that is going to eliminate some of the small contractors. So we are in a situation where politically we have a satisfactory decision, administratively we are going to get shafted. I don't know if that is your mandate to address that issue but I think it should be addressed.

We were reading in the papers my good friend Red Pedersen's comments and Kanes and some of the guys I have known for a number of years, and with all due respect to my friend Red Pedersen, I think I have to make a comment. We are somewhat concerned about some of the comments that are being made across the comment, that every individual community or every individual region -- again remember that I am talking from a commerce standpoint -- should put into design, etc., etc. From a strictly commerce point of view, that would frankly be a nightmare. You would not know how you are bidding, you would not know what you are bidding on from one year to the next.

It has taken us up until now, with some reasonable continuity and design, it may not be perfect but it is a hell of a lot better than it was when I walked into the Arctic in 1965. From a dollars and cents standpoint, and you guy are always talking dollars and cents, you know with continuity and reasonable simple design, costs stay fairly firm. With new and innovated and individualized ideas, it is going to cost you more. It is really that simple and I think it is important to stress that.

I am not taking away from the fact that there should be input from the communities into the design of some of the houses, but I am saying to you, from a dollars and cents point, it is going to cost you more money.

The other thing we would like to address and we are currently addressing it with DPW and with the Minister in terms of this privatization policy he is trying to put forward, is, has the Housing Corporation ever given any consideration -- I don't think it has -- into the private sector building and providing and leasing houses? We think that given satisfactory guarantees, some kind of agreements in terms of non-competitive agreements, etc., that maybe that is an idea you should take a look at. It is being done by DPW. Why couldn't it be done for public housing? You know, it is a possibility.

I think there is enough interest and nowadays particularly here in the Eastern Arctic where the business community is developing its skill and developing its ability to finance, etc., that perhaps is something you might want to take a look at. I know from our discussions with our membership that there is some interest there. There will have to be some kind of guarantees, etc. to finance, but there is some interest there. And I guess with that, we are saying the same thing with maintenance.

I realize in talking to Gordon that there isn't satisfactory financing etc., in place, but maybe if there was satisfactory financing for your maintenance programs, etc., that maybe the private sector could, in fact, perform that task. We are trying to encourage DPW, through the privatization policy, to put some of this work out to tender to the maintenance contractors in some of the communities. Maybe given the right kind of budgets, the right kinds of costs, you should give that some kind of consideration. That maybe five years down the road, or whatever, but I think that it is important to mention.

We have another concern, I don't know whether I will be particularly popular on this one, but from a private entrepreneur's standpoint, we wonder what the position is of the task force and the Housing Corporation or the fact that, if somebody is in business, living in, one form or another, some sort of subsidized accommodation, is that fair? That is the question. We have often addressed that question with DPW houses if a civil servant was in business or moonlighting on the side. It was always easy to get a response. But we get the same question within the corporation houses.

We feel, and I think I talk for the membership, that that is an unfair advantage. You can stop a guy plugging in his truck but he is still living in a house -- is he paying the full economic rent? I don't know. I know I have to. I know that Peter Tatty is building his own house. I know that Ray Mercer is and a bunch of other guys. That has to be looked at. Maybe it sounds a little harsh but we feel it has to be looked at.

Last but not least. We are definitely encouraged by the home-ownership program. I know I am encouraged by it after being in the North as long as I have been. I really feel it is the direction to take. I recognize that there are certain limitations to it. In discussing present home-ownership program, for example here in Rankin, under the HAP program, there is some concerns about the limitations of design. Now we recognize that that HAP program is set up for a specific income bracket, you know \$50,000 maximum to build a house, or whatever the guys salary is, so he can afford the \$20,000 input.

However there are a number of other people around who would like to build their own houses and who may want to build a \$100,000 house. We wonder if any kind of consideration could be given to what I call "incentive financing". Can the Housing Corporation or the task force address that question? Let's get out of some of the social housing if we can. There certainly seems to be a move, when I was in Frobisher Bay, there is a large expansion of private people building their own houses. I am really encouraged by what has taken place here in Rankin, we have four or five of the HAP programs going this year and predominantly Inuit people are building them. That is a significant change.

I think what we are saying is that there may be some people who want to build a better home, you have part of the capabilities of financing it and would the Housing Corporation give consideration to some kind of innovative incentive financing?

I think I would be remiss if I did not say that there was nobody more of an anti Housing Corporation person than John Todd, particularly in the construction division. I think over the last couple of years if you ask Bob Lennard and a few of the other guys who have been in the construction division, and I am not just saying this to be kind because Gordon Wray happens to be the Minister, but I am saying this because I believe it. There has been a significant change within the construction division. There is some kind of empathy out there with us guys who construct the houses and I would like to extend on behalf of the small construction division here in the Keewatin, our compliments to the present people working within the construction division. Thanks.

CHAIRMAN (Mr. McCallum): Thank you very much, Mr. Todd. You bring up a number of very good points. I just would like to pre-empt other Members and ask you about three of the issues that you raised. I recognize, as do Members here, that this whole question of bonding, in terms of construction, is a problem. Would you give us some of your views on how that could be resolved?

MR. JOHN TODD: Well Mr. Chairman, I am on that NWT Business Council and we were discussing that last weekend. The bonding issue is not as large as it seems to be. We are really dealing with a very small, distinct group of people. We are dealing with the small contractor, the guy who does the \$200,000 or \$300,000 job. We are not talking about the major contractors. One idea that we were talking about today is the possibility of the Small Business Loan Fund maybe guaranteeing to the Housing Corporation, what they call that 10 per cent cash payment you have to put up, that kind of idea.

The other idea we talked about, and I don't know if the legislation is under that kind of financing with CMHC but perhaps maybe like for example in DPW, \$100,000 and below, they waive the bonding. We would like to see perhaps that increased. We know there is some opposition to that in Yellowknife, maybe that could be increased to \$250,000. Now whether that could be enacted into the Housing Corporation or not because it has a different financing structure, I don't know. But clearly, like I said earlier, we are in a position that we got a political decision that we are very content with, we have an administrative problem and Economic Development is working in an effort to resolve it, but it looks like that could be very cumbersome. Basically I really haven't got the solution, that is what I am really saying.

CHAIRMAN (Mr. McCallum): The second aspect I would like your comments on is, you talk about the private sector providing houses on long term leases. Could you give me some examples of what you would do there?

MR. JOHN TODD: Well I think in terms of costing, I don't know what you guys budget in terms of running a house or whatever, we could work it out. But if we were looking at multi-dwelling, for example, you know where you put these nine-plexes or whatever, I think that is an area where maybe a consortium or a group of people, as is being done elsewhere, could put together the package, maintain the whole thing and lease it back to the Housing Corporation. But you would have to get some sort of guarantees, etc., etc., long term leasing, you would have to get some sort of guarantees in terms of a non-competitive type of thing, where all of a sudden you would be competing with each other.

I think that type of thing is something that is being looked at. It would still be the housing association who decides who the tenants are going to be. The public housing is for everybody. In the old days when it was Inuit housing, it was Inuit housing, and it was very limited. Now we are in a situation where we can build those multi-dwelling houses, particularly because in Rankin -- I hate to say this word -- piped utilidor. But you are in a situation where you can service it, you are in a situation where you can build it and you know I think somebody should take a hard look at it.

CHAIRMAN (Mr. McCallum): What kind of long term leasing would you suggest? How many years?

MR. JOHN TODD: I think you are looking at, to finance something like that, about 10 years. If you can get five and you have a sympathetic banker, you might get away with it. Ten would certainly -- you would have no problem financing it. Now the problem is going to be, what is the chargeback going to be? I think, we are arguing right now on this privatization policy, let's identify what the true costs are first. We have been asking the government until we are blue in the face -- you tell me what it costs for a civil servant. I think they are afraid to tell us one way or another. So I think you have to identify what the true costs are of running your housing and then look at a reasonable return from an investment standpoint. It is not something you can play around with like punching a computer and the numbers come out.

CHAIRMAN (Mr. McCallum): I have one final thing before I ask others and that is to deal with the idea -- I am glad to hear that you agree with the idea that home-ownership seems to be the way to go, it depends upon the definition one gives to home-ownership. You talk about incentive financing, would you give us some ideas of what you mean by incentive financing?

MR. JOHN TODD: Well it is really just a flashy name for free money.

--Laughter

CHAIRMAN (Mr. McCallum): Money is not free, you know that as well as I do. All you have to do is come in here and stay here, I know money is not free. I know it is a term that is bandied about, give us an idea of what you mean by incentive financing.

MR. JOHN TODD: I am taking Rankin Inlet for an example because that is the place that I really know well. There are reasonably wealthy people here, certainly above the poverty line, there is no question of that, who want to stay in Rankin Inlet. You know I have been here since 1970, off and on and the thing is the turnover with a lot of people is just intense, it is just incredible. Outsiders as well as residents, whether it is a Peter Tatty or a John Todd or whatever, may want to build a home, own their own home. It is becoming a fashionable thing right now and in my opinion you have to latch onto it so that we can keep the thing going. But not everybody has the ability to finance a \$100,000 home. A \$100,000 home is nothing up here, you know what your average costs are. Most of the three bedroom houses, these dog kennels you are building -- oh I mean these nice houses that you are building...

---Laughter

CHAIRMAN (Mr. McCallum): Whoa. We are not building anything. That is some other guy who is sitting around here, he's doing it. Seriously though, what kind of incentives are you talking about?

MR. JOHN TODD: Well perhaps maybe subsidizing the mortgage, providing some money in there to give them a better mortgage. Perhaps you take a bigger risk, you know it is a high risk type of financing, maybe that is what I am saying. You know you go to CMHC, when I financed my home, there is a lot of kind of prejudices, not from a racial standpoint but from a geographical one, so maybe you have to provide some quarantees, maybe you set up a limited fund to provide -- free money is not the term, that was just a joke, but I do not believe in free money, unless I am getting it.

---Laughter

CHAIRMAN (Mr. McCallum): I know that.

MR. JOHN TODD: No, we discussed the issue in the business council and it was a major issue from right across the Territories, about the whole concept of giving away money and I want to make it clear, I am not suggesting that for one bit, but I am suggesting that there may be people in this room who would like to build their own home but the banks or the lending institutions won't lend them the money. Maybe you could provide them that sort of money. I don't know, maybe set up a program of some sort. But I tell you I think people would take advantage of it, I really think they would.

CHAIRMAN (Mr. McCallum): I couldn't agree with you more and I don't mean to be facetious about this either. I think it is time where the private sector will not put forward the money to enable people to build their own home. I think government has a responsibility to do that. I am trying to get you to say something that we will agree on I guess. I look at the idea of second mortgages at a rate that is less than the first mortgage money.

MR. JOHN TODD: Yes it would be an encouragement for people to go for it. There is a risk -- and I want to make it clear to the people in the room -- there is a real risk in building your own home in a place like Rankin Inlet. Unless you build it well and unless you are energy efficient, the operation costs are horrendous.

CHAIRMAN (Mr. McCallum): But for those kinds of things there are programs available, federal or territorial, to look after that. It is the initial cost of it.

MR. JOHN TODD: You have to get -- what I call -- the branch financing to start with, you know where a guy needs at least \$50,000 up front to buy the package, or whatever. Those kinds of incentives. Maybe you should give some consideration to that because you know for the first time really, in all the years that all of us have been around this country, we are seeing a significant shift in home-ownership outside of the Western Arctic. There was no such thing as home-ownership in the Eastern Arctic, except for one or two odd people, and now we are seeing a shift. I think it is great and we are encouraging and I would like to see more of it.

CHAIRMAN (Mr. McCallum): Would you include in that, any kind of a guarantee of a buy-back situation?

MR. JOHN TODD: Sure, that is what has been talked about. I haven't got all the details on it. Why couldn't you go to a developer? Provide him with some up front money.

CHAIRMAN (Mr. McCallum): Well I think the government, with its own employees, has a buy back policy now. I do not mean to monopolize this...

MR. BALLANTYNE: But you are doing it anyhow.

CHAIRMAN (Mr. McCallum): I know ! Jo, but what the hell. Any other comments? Sam.

MR. GARGAN: Thank you, Mr. Chairman. I believe in Rankin, well anyways in Baker Lake they are having nine units rehabed and it is costing the government in the neighbourhood of \$98,000 and it would cost maybe the difference of \$20,000 to build a whole new unit. Do you think that these rehabs are economical or should we build a whole new building and have two buildings rather than one?



MR. JOHN TODD: The ones you are talking about in Baker Lake, they are actually nine replacement units they have put in there. They came in at \$98,000 a piece. I am building one here in Rankin at about \$116,000 because I am just building the one and it has a utilidor at \$8700. I worked on the rehab program on our construction company since it started, the first one that came into Rankin Inlet and we are still working on them. We worked in Sanikiluaq this year, we worked in Pangnirtung and Cape Dorset last year.

Personally, if I look from beyond the contractors standpoint, I don't think the rehab programs are all that bad. If you look at the conditions of some of these houses and what we have done to them and the fact that most of the houses that we have rehabed, you have taken them from a non-running water, honeybucket system, and you have put in a proper heating system, a human house to live in. You have put in running water and sewage tanks, these kinds of things. You know unless there was some guarantee that you could find \$100,000 to replace these units, because you know it is not really \$100,000 because then you have to build a pad and you have to drag away the house and before you know it, you are up to \$120,000.

I am not totally convinced that the Housing Corporation can build replacement units for these prices. I think the rehab program has been a good one, over the last four or five or six years. At least from an Eastern Arctic standpoint. Not everybody agrees with me.

CHAIRMAN (Mr. McCallum): Mr. Gargan.

MR. GARGAN: I guess in the North right now there is about 110 of those houses that are being rehabed and we are encouraging home-ownership. Now out of the 110 units that are being rehabed, once they are rehabed then they are no longer, you cannot own them anymore, they become public houses. So this is one area and another suggestion is would it be better if the person would buy this house and get their own sweat equity, their own guesstimates on how much it would cost to improve the house so that it is liveable. Use what they call a grant-in-aid system, where an individual would get a grant once he decides how much it is going to actually cost to repair the house to make it liveable. That is my suggestion.

MR. JOHN TODD: Yes. I think there is some merit in that, again remember from a commerce standpoint, I certainly would encourage the rehab program because I get contracts every year. But aside from that, you have to look at where the houses were and where they are now. I don't really know what the total cost of a rehab program is, but I know there is an argument that we can replace the house for the same price as a rehab. I just can't buy it personally. A house is going to cost you in this country, a minimum of \$100 a square foot, for supply, ship and erect, no matter how you look at it and that is cheap.

CHAIRMAN (Mr. McCallum): Mr. Pedersen.

MR. PEDERSEN: Just a figure back to John. We were given some figures this afternoon by the district office of the Housing Corporation and it came out to \$108 a square foot for rehab housing within this district and \$105 per square foot for replacement units.

MR. JOHN TODD: Like I say Red, that is news to me, I didn't know that.

CHAIRMAN (Mr. McCallum): That is roughly in the same ball park. Just a comment. I am glad that you agreed with the splitting up of the supply, ship and erect. I think it is a proper deal.

MR. JOHN TODD: Thank you Arnie.

---Laughter

CHAIRMAN (Mr. McCallum): Are there any further questions of Mr. Todd? Mr. Ballantyne.

MR. BALLANTYNE: I think John, your first statement about the implications in the field of economic development with housing programs is very important. I think it is something that we all have to recognize, that there is more to housing than just providing shelter and there is more than just economic development. It has tremendous social implications, education, health, the total package. I think in the smaller communities there will always be a need to build and repair houses. I think Gordon's colleagues on the Executive have to be convinced that there is more to economic development than oil and gas and mines. So I think it is a very valid point you made.

MR. JOHN TODD: Mike, if I can just address that. My point is for example in the rehab. If you look beyond just the house itself. Where the rehab is policed properly by the construction division, you look around, I will give you an example. I am working in Sanikiluaq, I have two outsiders in there and 10 local guys on the job. That is fact, not fiction. Last year I worked in Cape Dorset, I had two outsiders and nine guys on the job. I worked in Pangnirtung with the same ratio. My interpretation is that the Housing Corporation has a different mandate than DPW does, just to build houses. The overall impact on the community and the ability for Inuit workers to work on this job is significant, because philosophically and practically the Housing Corporation -- I was going to say "Accepts a separate standard", but that is not really what I mean. It is prepared to work with you in terms of a growth situation and improving the skill level of people at the settlement level.

I can detail to you now, for example in Sanikiluaq, I am going to put \$48,000 into the local hotel. I bought the local truck there. I am going to put probably somewhere in the region of \$80,000 to \$90,000 in local labour and the rest in my pocket. That is fair enough, that is legitimate. That is why I am in business.

But what I am saying is if you look beyond just the house itself, the rehab program has been good for employment. Not in all cases, as the Minister is aware of and as I am sure you were before Mr. Chairman. But in a great number of cases, has provided beyond just housing.

CHAIRMAN (Mr. McCallum): Well Mr. Todd, I would like to thank you very much for your very pertinent comments, as usual, they are very well taken and to the point. We may banter back and forth but that is because of our long term relationship over the years. Thank you. Michael.

MR. MICHAEL KUSUGAK: I am just representing myself at this meeting. The comments that I would like to make are from the point of view of the potential home-owner in the community of Rankin Inlet. I have been here from about 1959-60. We have moved from house to house just like everybody else and it gets very tiring. So back about 1975-76 we decided that we were going to build a house. Of course when you don't have all the financial resources you go to the people who are supposed to be helping you and in this case it was the Housing Corporation and Canada Mortgage and Housing Corporation.

At that time they did not have any programs in the region. We had pretty well committed ourselves that we were not going to move from house to house anymore and we were going to go ahead and build a house. So we started putting money into a home-ownership program with the bank. And every year since then we started approaching the Housing Corporation and whoever else might be around who was supposed to help you in acquiring your own home. We never found anybody who had money until last year when the Home-Ownership Assistance Program came into being.

So we went to our friendly neighbourhood Housing Corporation and we said we were interested in applying under this program. The guy up there said not to bother because our application would not go through anyway, and this was on the basis that I make too much money now. So anyway, since we were not getting anywhere and by now we have something in the neighbourhood of about \$24,000 saved up through the home-ownership plan at the bank. A lot of it was interest accumulated over the years.

We decided to go ahead because we had already designed two or three different houses that would be adequate for our needs and we had had at least one of those drawn by an architect to make sure it was all right according to CMHC standards. So the Housing Corporation did tell us that the place to go to, for a guy that made as much money as I did, and they said the place to go to was the bank. So I went to the bank here and they said they don't do mortgages up here. This is because of the problem of inspecting the houses during the construction phase or whenever they need to inspect them.

I got in touch with the Canada Mortgage and Housing Corporation and they said to check other banks. Well there is only one bank here. I did check with the bank in Churchill and they said they wouldn't do a mortgage in the Northwest Territories. CMHC said they would mortgage my house if I got a letter of refusal from the bank. So I got that and went to CMHC. I had also contacted the National Research Council. They have a building research division and I wanted to find out because after I move into my own house I am going to be paying for all the utilities and I wanted to make sure I could afford all the utilities.

So I check with NRC and they referred me to a guy in Saskatoon from their building research division and I got in touch with him. He gave me a list of companies that build very energy efficient homes. We settled on a company based in Saskatoon and they sent us all kinds of brochures and we took one of their houses and we redesigned it to suit our needs. It is 1600 square feet, it has a double stud wall which is two 2 x 4 walls separated by another four inch space which is filled with insulation and it is supposed to be super energy efficient. It also has an air to air heat exchanger which is supposed to heat up the air that is coming in with the air that is going out. I really don't plan to pay much for heat.

After having done this I went back to CMHC and they said they would mortgage the house. I passed through Saskatoon this summer and went to see the company and made a deal with them. They gave me a price of \$82,000 in Rankin Inlet. What they would do for \$82,000 is supply all the materials including the wiring, the heating and the plumbing for this house. I would pay them \$82,000 and they would bring up two guys -- I found out very quickly that when you decide you are going to build your own house you just say to hell with all this economic development business up here. I checked with them to find out what it would cost to have a comfortable house built in Rankin Inlet and for one thing they said they would not do this kind of thing because the walls in this house are 12 inches thick and nobody builds a 12 inch wall. But for a six inch wall they quoted me a price of \$124 a square foot. That would have made my house about \$200,000. I checked with another company just to make sure and it came out to about \$150,000 for a six inch wall house.

So we decided to go with this house. But then one of the conditions that CMHC put on the mortgage is that I would have to get interim financing. I went to the Housing Corporation and they said they had an interim financing program but it just wasn't funded. So I could not get interim financing. But at this point I had done so much to get this house. I already have a lot, I have a pad on the lot, the pipe for the utilidor hook-up is here now and it is just going in sometime this week. So I am completely ready to build and I made the deal with D and D Construction in Saskatoon.

I came back to Rankin to the bank here and I said it is guaranteed that I will get this mortgage, the only thing I need is interim financing. So finally the bank said that as long as I have a guarantee that this mortgage is coming through they will finance it for me. I finally got that but then after I got all that I was talking to the banker here and he said "You know, we actually do give mortgages in Rankin Inlet."

It seems to me that the home-ownership program for an ordinary person in the region anyway is a simple matter of going to CMHC and going to the bank, but we have not received any assistance from anybody. The thing that really bothers us is not really the cost of the house because now the mortgage has gone through and I am going to be paying about \$750 a month for the next 23 years which is not bad. I don't know how many people can afford to do that. I don't know how long I can afford to do that.

CHAIRMAN (Mr. McCallum): Excuse me Michael. Do you have a five or three year mortgage deal?

MR. MICHAEL KUSUGAK: Three years, at 14-1/2 per cent. I would really like to have got it from the bank because they say the banks give a better rate but with CMHC I can pay it off at anytime with no penalty.

The thing that really bothers us is that the house is not that expensive but to get it from Churchill to here is going to cost us something like \$30,000. Just the freight. I think that it would help a lot toward home-ownership if some of the freight at least was subsidized. Incidentally this company builds all of their houses in their yard in Saskatoon and then they put them on trailers and ship them wherever they are going. But they couldn't ship it to Churchill because the highway system does not go as far as Churchill, it only goes to Thompson.

So we looked at the possibility of chopping it up into three sections and they said they would do that for a little more money -- not all that much. In Saskatoon the house was something like \$37 a square foot. If it was built in three sections it would bring the price up to \$40 a square foot. So it really is not that bad. But NTCL quoted us a price from Churchill to Rankin for three sections at \$18,000 a section which would have brought the freighting costs, just from Churchill to here, to \$54,000. So we decided to have the company just crate the materials and ship them up and

we will build them here. So the company is sending up two people, just as part of the contract, to help me put up the shell. I will do everything else. The only reason I wanted them to come up to help me put it up is because they have been doing it for a long time and they know how to put in the vapour barrier properly and put in a very energy efficient shell and that is what I am really interested in. My wife has something to say here.

CHAIRMAN (Mr. McCallum): I am sure. Just before she does, I wonder if I could ask one question. You talk about some kind of assistance. Could I ask you what you think should be done and who do you think should assist you?

MR. MICHAEL KUSUGAK: I am not sure. I think the NWT Housing Corporation have been talking about home-ownership assistance for a long, long time. This year they actually have three home-ownership assisted houses in Rankin Inlet. We were interested in that because it saves us a lot of money. I don't know if it would save us a lot in the long run because the houses that they are building, I don't think they are as energy efficient as the house that we are getting.

CHAIRMAN (Mr. McCallum): You wouldn't want one of those.

MR. MICHAEL KUSUGAK: No. Because we wanted a house that is our own design that was suited to our needs. The other thing is, I really don't see why anybody would insist that you pick a house out of a catalogue and that is all you get. I don't see why a house would not be acceptable to the NWT Housing Corporation if it is acceptable to CMHC. As long as you design the house and it is designed according to CMHC specifications, it should be acceptable to the Housing Corporation under their HAP program.

CHAIRMAN (Mr. McCallum): I didn't mean to interrupt. Go ahead.

MRS. SANDRA KUSUGAK: We realize it is a long story but at the same time it is a story with a lot of frustrations. Waiting for the mail constantly for something that has been sent four weeks ago from here and four weeks ago from there, and wondering. Right now the material has now just hit Churchill. It is really not any particular person's fault. I sort of just spend my life on the phone tracking people down in various offices and trying to co-ordinate with CMHC. Like CMHC said we will give you the money if you have got the guarantee of financing from the bank. The bank says we will give you that once CMHC guarantees the mortgage. So if you had the two people at the table you could have got them to sign papers at the same moment.

But it is a very long frustrating thing and I don't really see why we shouldn't be eligible for some kind of assistance, whether it is a break in the freight rate to bring materials up or whatever. Because obviously we know that the house we are living in now is costing the Housing Corporation a pile to run anyhow. We really don't see what they are going to lose in helping us out a bit. Also we think we have done a part and saved a lot of money. Maybe a break in the freight rate or a lower mortgage rate or some kind of thing like this just to recognize the fact that these costs are so high in the North.

As much as I know it is difficult for the rest of people in the rest of Canada also to own homes, here the problems are compounded by the prices of everything being so high. You do have to show some people that it can work, that people can build their own houses.

I agree with Mike that only having this one design to choose from, the Housing Corporation sort of providing this one design, in a way it is still their house and it is not as though -- it is a very generous program but I am not sure it is the best way to do it. Here you have \$30,000 worth of housing, basically for nothing, once you have provided these things. It seems to me that either a way of giving people, by subsidizing it by a percentage in some way, percentage of the freight rate or percentage of the cost or something.

This house that we are getting is 1600 square feet but it is not excessively large because you have to consider that in the North we do not have basements so the storage space has to be incorporated in that size of house. It is a very modest sort of three bedroom house, other than the fact that it is very well insulated, triple insulated, steel doors, and this type of thing.

Mike wrote to these people with the ener-demo, energy demonstration project, but we haven't even heard from them. Everyone keeps running up and say that is a great idea, that is the end. And it is a very frustrating way to go on.

CHAIRMAN (Mr. McCallum): You said in the beginning Michael that you approached the local office about getting involved with the home assistance program. Do you think that people should be able to avail themselves of that program and not be tied to the design of the house they have? In other words, to assist home-ownership here and in other places in the North, that you should be eligible for that particular kind of program to enhance something you would want to put up yourself? For example if you had \$50,000 of your own, either saved or by mortgage, and if that could be topped up by a home assistance grant. Is that the kind of thing you would like to see happen?

MR. MICHAEL KUSUGAK: Yes. That is exactly the kind of thing that I would like to see. And as far as being tied to their designs, I don't think we need a catalogue, well perhaps we need a catalogue for some people that will take any house. Once you decide you are going to build your very own house, you want it to be your own design. I don't see any problem with that as long as the house meets with CMHC specifications. I don't think you should be tied down to the designs in the catalogue.

CHAIRMAN (Mr. McCallum): Are there other questions of Michael and his wife? Mike.

MR. BALLANTYNE: Just a comment. I would like to thank you for speaking to us. I think you articulated very well some of the frustrations that people are finding in building their own home in the North. I guess we see the different institutions that have stated policy to encourage home-ownership to assist you in building a home, the banks, the Housing Corporation, the government, CMHC. By the time you go through this tremendous, this elaborate -- somebody with a lot more determination than you would have quit a long time ago.

I think the people who work in these institutions have to realize, that although they may be familiar with the ins and outs of these programs, ordinary people out there are not. They may be able to say very easily that they have all these programs and people don't just seem to come to us. They don't realize how difficult it is for people. Like you say, if you can get all three of them at the table and ask them what their programs are and ask them to talk. So I think these points are very well taken and again I thank you very much. This is the first time it has been articulated this well.

CHAIRMAN (Mr. McCallum): You said you went to the housing office here and they told you not to bother, did they tell you Michael that it was because you were making too much money?

MR. MICHAEL KUSUGAK: Yes, too much for the program.

MRS. SANDRA KUSUGAK: This is the previous Housing Corporation.

CHAIRMAN (Mr. McCallum): Yes but it is still a district office.

MRS. SANDRA KUSUGAK: What we were told in truth was that there was no point in us applying because the HAP program people were chosen directly from the office in Rankin Inlet and that our application would just go in the waste basket.

CHAIRMAN (Mr. McCallum): I just want to get that on record because that was one of the questions that we asked this afternoon because we tape this. I knew what the answer was and I just wanted to make sure because we got into a discussion with people this afternoon on that.

MRS. SANDRA KUSUGAK: There were originally maybe 25 or 30 people who went to the meeting last fall, with regard to the HAP program. So the conditions were set out at that time and most of them were turned away for very similar reasons.

CHAIRMAN (Mr. McCallum): Mr. Gargan.

MR. GARGAN: Thank you, Mr. Chairman. Before you came up Mr. Todd was over here and mentioned something about, if the district office or the individuals were allowed to choose their own design and choose their own people to build the houses you would be created a lot of headaches. I believe that most of the headaches that you had was just in financing the building. Did you have much difficulty in the design and things like that?

MR. MICHAEL KUSUGAK: It took us a long time to design the house. After so many drawings and I don't know how many different houses we drew, some were one storey and some were two storeys. This particular house we are getting is only one storey because the company that we are getting it from generally only makes one storey houses. Designing a house is really not that difficult. What we did was we just made a drawing of the layout that we would like in a house, so that things like, the bathroom doesn't open right into the front doorway where the water system would be. It has to be close to the kitchen, bathrooms, things like that. You know some of the accepted limitations of housing up here. Just to make sure that we did our designs properly we had them drawn professionally. In the last drawing that we did, it was a requirement of CMHC, because we were mortgaging the house through them, it was a requirement of them that we have it designed professionally, according to their specifications.

MR. GARGAN: Thank you, Michael. The only reason why I asked was because in most of the communities that we travelled to this was the same type of concerns that the people who do want to own their own home are saying, that they are limited to certain designs and they would like to put some of their own sweat equity, if you want to call it, into the design. So thank you very much.

CHAIRMAN (Mr. McCallum): I would like to thank both of you, as Michael said, for being very open about it and I appreciate the concern and the suggestions that you have made, and I hope we can help some people, maybe not you but others who will be in the same position. Somebody has to lead the way.

MR. MICHAEL KUSUGAK: That's what they always say to us.

--Laughter

CHAIRMAN (Mr. McCallum): Now look we are only here to try to help, we have no answers for it.

MR. MICHAEL KUSUGAK: Thank you very much.

CHAIRMAN (Mr. McCallum): Go ahead.

MR. TIM RAMEY: I am the local fire chief. I also hold the position of regional director for the NWT Fire Chiefs and Firefighters Association, so some of my views and some of the comments that I might have on some of the things I have heard tonight are basically here in Rankin but some will be regional.

Maybe I will address the first thing I heard tonight -- Mike used to be my boss. I was a firefighter in Yellowknife -- was on the differences between fire-fighting here and in Yellowknife and the hydrant system versus a non-hydrant system. Right now you have two areas which are not serviced by hydrants, one being the airport and the other being down by the DPW area. As to having the water truck for fire drill, as far as I am concerned it is nil. I have no way of knowing that that water truck will be full at any time or whether it will be empty, so as regarding that water truck for a fire-fighting vehicle, I would say no for that.

Building a new area for 44 houses and not putting a hydrant system in these -- now these are only my own views, they are not the views of the fire marshall, I am a local assistant of him, these are my own personal views, if you want his views you will have to go to him -- without upgrading the water capacity of the fire department and the pumping capacity of the fire department, I would be against putting in a system over there that did not have a utilidor. For the reason that this community is growing too fast, it has got up and moved. It is leaving essential services, whether it be fire, ambulance, medical, far behind and right now is the time we have to catch up. The view I have on that is, I know you are talking money, and it always comes down that safety is one of the things that goes first and I have yet to find anybody who can put a dollar value on a persons life. So I am just going to talk about my views about it.

Other areas that I am concerned about is that the new influxes of houses this year were all built with only one exit. This to me is not a very good thing. Just recently about three or four weeks ago we had a fire chiefs conference here and this is one of the things for our region that came up that there were houses being built in the region with only one exit. Maybe in other regions where it is not so cold and the permafrost does not shift so much, it may be alright. But here we have limited fire protection and we have to have time for the people to get out. They have to have two doors.

In our programs in school and our programs in education, we teach two ways out. I am finding it hard to teach two ways out when some of my housing only has one exit. In the past it has been built with two but it is just this year. It is not a building code that you need two exits but it is something that is being looked into that is going to go into the Chiefs and Firefighters Association to go to the fire marshalls office and we are going to recommend to the Legislative Assembly that special legislation be put into place that all houses in the North have houses that have at least two exits.

With the triple glazed glass that goes into these houses, it is almost impossible to break a window these days. Up at the school and in other places I have actually broken axes and had axes bounce back off the windows into my firefighters faces and it is just moderate construction but again it goes back to the fire-fighting aspect of it. It is becoming a hazard and that is why I would like to see the two exits. You can comment on these now or you can comment after I am finished.

Another aspect is the lot sizes. John Todd calls them dog houses but I call them bird houses. It seems that the people who are building these lots and the people who are designing these lots are forcing people to build small. The units that went in this year are actually about 10 feet below the standard, the standard is six metres from the lot line and because they have added their porches on, this has brought it down.

In Yellowknife this is acceptable because you have a very good fire department, they have the equipment. You have Peter Pagonis with the water truck, three or four water trucks. Up here we only have one, it is a totally different situation. I can't compare the two. So that is one thing we are also going to recommend, that the size of the lots be made bigger so that people can have the proper distances between their houses as well as have the option of not just having one size of a house.

That is basically the things I want to say. Now I have one more on defence of the people's claim that they do not have enough housing. Right now I am doing inspections in the house and I can't quote the amount of people that are allowed in a house and the square footage, but right now from my inspections and I will have a better idea when I am finished, on the average we have a lot more people in a two or three bedroom house than should be in these houses.

Some of the houses have up to 10 or 12 people because there just aren't places to stay. When you get more people, more people smoking in bed, more people in the house, it creates more of a hazard, more of health hazard as well as a mess, because there are more people in one house. That is one of the reasons that I would support the idea of more housing in our community because it is just getting more crowded and I am seeing this when I go around to the houses. There are some that are not crowded but the majority of them are far too crowded. That is all I have to say.

CHAIRMAN (Mr. McCallum): Maybe I can lead it off. One of the things that we have been concerned with, is of course this one exit in housing. We have seen some rehab housing in various communities where not only is there one exit but the windows are about five, six, seven feet high, so that the drop down to the building pad is of course very far. You could break a neck getting out. That of course is one of the concerns. The business of small lots. What is the average size of a lot?

MR. TIM RAMEY: I do not have the exact dimensions. Maybe one of the guys from Local Government would know.

CHAIRMAN (Mr. McCallum): Okay, what would you suggest should be the average size?

MR. TIM RAMEY: We are talking about a figure of around 30 x 50 metres. I don't know what that comes out to in feet.

A SPEAKER (Male): 100 x 150 feet.

MR. TIM RAMEY: Now, that may be a little excessive. What we are saying is that we are looking at it being at least another 20 feet wider than it is and maybe another 10 feet long.

CHAIRMAN (Mr. McCallum): If the lot is another 40 or 50 and you want to make it 60 or 65, then I guess it seems to be okay. But if you are talking about 100 x 150, then that is a lot of land.

MR. TIM RAMEY: I agree with you there.

CHAIRMAN (Mr. McCallum): The other comment that you make, you talk about the number of people in a home. Would you not agree that extended family situations is to some extent a way of life in the area?

MR. TIM RAMEY: Well by talking to the people, which I do, in some cases yes that is true, but in a lot of other cases people in any kind of race do not think alike. There are a lot of people who do not like to be in that situation. There are young people just starting out in their lives and have one or two babies and they have a job and they have to stay with their parents. Some of these people would like to have their own homes and try to make it on their own instead of being under the wings of their parents.

CHAIRMAN (Mr. McCallum): Well I don't mean to be facetious but I am from an era where big families were the big thing. Maybe it was my religion and everything else. But it seems to me that extended families are a way of life in certain parts of the Territories.

MR. TIM RAMEY: I would go along with you if an extended family were in a five bedroom house but not a two bedroom house.

CHAIRMAN (Mr. McCallum): I agree. The only other thing I would like to say, don't take it the wrong way but if you are going to fight fires, don't break glass, all you do is feed them. Any other comments. Mike.

MR. BALLANTYNE: If Arnold doesn't run again I think he better join your fire department.

---Laughter

I think your comments are very well taken. We also had a good presentation last night in Baker Lake by the fire chief there and I think it is reality that the Housing Corporation has to look at these safety factors. You are right, it is a very difficult trade off when you are trying to put a dollar value on a human life. There are certain constraints in finances that are realities that we have to face. It is a matter of maximizing and getting the most for our money and keeping as safe as we can. We take note of your comments and be aware of the implications of unsafe houses.

MR. TIM RAMEY: Fire safety and safety does have to be looked at. Not just keeping up to code but you have to look at the community and see what resources are there. What is there for the future and what is coming in. This is one thing that hadn't been looked at here in the past and now it is being looked at. I have been here two years as the fire chief and it is coming along. It is progressing but it is so far behind that it is hard to catch up. The rate of growth is just going too fast.

CHAIRMAN (Mr. McCallum): Just one further comment. I think it is great that you and/or the territorial association are making recommendations regarding the national building codes. I think that is a step in the right direction.

May I ask you one further question? Have you talked with the local hamlet body about the size of lots?



MR. TIM RAMEY: Yes, we have. And I have also talked to local government and as soon as things slow down from the summertime here, we are going to be talking about it a little more and getting in for the planning of the next year.

CHAIRMAN (Mr. McCallum): Thank you very much. Are there further questions of the Fire Chief? Thank you very kindly for your remarks.

MR. BILL GAWOR: My name is Bill Gawor and I am the Administrator Facilitator for the Sappujjijit Friendship Centre here in Rankin Inlet.

For those of you who are unfamiliar with the friendship movement, it first started in Winnipeg about 20 years ago. There are now over 70 such centres across Canada, seven in the NWT, all in the Western Arctic, except for us here in Rankin Inlet. The purpose of the Friendship Centre is to help native people adjust to urban life.

Now prior to coming to this meeting I had a meeting with my board of directors. We have gone over each item in this report and they have supported it fully 100 per cent.

The examples that I am about to relate to you have been brought up to me by concerned people who are hesitant to make their views known because of possible reprisals.

1. Overcrowding. There are numerous examples of overcrowding. I personally know of a small two bedroom house which has 11 people living in it and another four bedroom house is shared by nine people and a second four bedroom house that has 15 people living in it. This is an example of overcrowding. I believe that this is a way over the limit that is permitted by the building code that requires x number of space be available per person.

2. Purpose of Low Cost Housing. It is my belief that low cost housing is meant for low income families and they are not meant for businessmen who can afford their own houses. There are presently a few well-to-do businessmen who enjoy the luxury of low cost housing at the expense of other needy families.

3. Home-ownership. In the past the housing association has offered tenants a chance to purchase their own homes. The deal was that a portion of their past rent would go as a down payment toward the purchase price of the house. This sounded good but what happened was the government employees and people who never lived in association houses got to buy the houses.

In one case a government employee sat in on the meeting while the housing association made their decision as to who would get the houses, putting pressure on the board in his favour. I personally got involved in that situation and asked one of the Housing Corporation staff "That if the GNWT was to encourage home-ownership of it's employees, would the non-government people be eligible to bid on the houses?" The answer was "He didn't think so".

Against this kind of a situation the average person is discouraged from further applying because they know that the government employees and others have more money and resources than the average tenants to obtain the houses that are actually available to the low income families.

4. The next item is concerning vacant houses. There are some territorial and federal units that are being heated and fully serviced while vacant in some instances for years. These houses are liveable and away above standards that some low income families are forced to live in. There are a lot of families living here with water delivery and honeybucket services.

5. The next item is misuse of government subsidized units. There is one case where a government employee is charging a non-government employee rent of about \$400 a month, while receiving a housing subsidy from the government. What is happening here is that the government employee is actually getting his housing for nothing because he is making a profit from more or less providing housing for this other person who doesn't have any. In order for this person to work in this town he more or less has to put up with this deal.

6. The next section is on the homeless. There are at least three case that I personally know of that persons have been forced to break and enter into businesses and other building such as the Bell telephone exchange shed, KIA office building, Siniktarvik office complex, etc., because they have no shelter. They have been forced from their houses mainly because of stress due to overcrowding.

As a result of having to break and enter, they have ended up with criminal records and leading up to events that eventually end up in the correctional institute where they finally end up with getting shelter.

7. Here is a good one here. Nepotism among housing association board of directors. There is a waiting list of up to four years of long-term residents of Rankin Inlet. Yet time and time again, board members' relatives from outside of Rankin Inlet have received housing immediately upon arrival or prior to arrival. Board members and their relatives also tend to look after themselves and keep moving themselves into better and more modern houses as they become available..

8. Here is another touchy issue. Non-enforcement of the rent scale. There are many instances of multi-income families who can well afford to pay maximum rent but instead pay the minimal welfare rent of \$32 per month. It is questioned if they even pay this.

This causes resentment among regular paying tenants of the people who can well afford to pay and don't.

The rent scale should not be assessed on household income but rather on the size, quality and type of the building. Regardless of the tenant's income, a set rent should come up with each type of unit. The bottom line is that everybody should pay their fair share.

Finally, the conclusion of the group that I met with this morning they figured that instead of a housing association they should have a community needs assessment and review board.

Because of the above examples of the incompetence of the housing association, the board should be dissolved and a committee appointed by the hamlet council. The committee structure could be made up of the following type of representatives. For example, one from the Hamlet Council, Fire Chief, Social Services, Housing Corporation, Nursing Station and Members at Large -- persons who do not have any conflict of interest. People who would not benefit from living in these types of houses.

This committee's mandate would be to recommend to the government the type of homes needed, who needs them, what improvements need to be made on existing homes and the allotment of houses in a fair and meaningful way.

The maintenance staff and operation should come under the direction and responsibility of the Housing Corporation. Thank you.

CHAIRMAN (Mr. McCallum): What reprisal are you talking about?

MR. BILL GAWOR: This is a very small community and eventually if people get a chance -- people do not get mad here, they get even.

CHAIRMAN (Mr. McCallum): And the purpose of your centre is to help native people adjust to an urban life?

MR. BILL GAWOR: Well, these people came to me with these concerns and I am acting as a facilitator in communicating with the board here.

CHAIRMAN (Mr. McCallum): How long have you been here, Bill?

MR. BILL GAWOR: Eight, nine years.

CHAIRMAN (Mr. McCallum): And the essence of it all is that you think the housing association should go and in its place you get what you term as a community needs assessment and review board.

MR. BILL GAWOR: I think it should be a people who can assess the situation from a health point of view, from a fire point of view and from a needs assessment of the families who really need the housing. And that can make a real fair judgment as to who the really needy families are for houses.

CHAIRMAN (Mr. McCallum): Do you think that this should be a committee of the hamlet council?

MR. BILL GAWOR: That is right.

CHAIRMAN (Mr. McCallum): That is something that we have heard said in different places.

Are there questions to be asked of Mr. Gawor?

Bill, have you made this pitch to the hamlet?

MR. BILL GAWOR: No. The way this happened is that somebody jogged my memory that you were coming to town today and they came in the office this morning and asked if I could start firing all these situations to you and here it is.

CHAIRMAN (Mr. McCallum): Thank you very much for your very open presentation, Bill. Some of the things that you have indicated here are things that we have heard in other places. Not the least of which is your suggestion that the housing association should be a part of the local hamlet. That is because housing is a concern of the whole community and the whole community should be involved. Not just the people who are tenants in good standing.

Any questions? Thank you very much, Bill. I appreciate it and certainly we will take it. Don't let the idea that nobody is asking questions on it mean that we take it lightly.

MR. BILL GAWOR: I know it is a very touchy issue that has been going on for years and I think you people might be able to do something about it.

CHAIRMAN (Mr. McCallum): We certainly hope so. Thank you.

Are there any further presentations?

MRS NICOLE ANAWAK: My name is Nicole Anawak. I am a vice person for the housing association of Rankin Inlet.

I am not quite prepared with what I am coming up here for. What Bill is saying is what has happened in the past with board members. Not entirely all the board members of the past, that is not true at the present time. Because the board members now consist of entirely a different set of people. We have -- because of the past, we have come up with a lot of motions in the housing association. We have come up with our own bylaws because the bylaw ordinance of the housing association is literally not existing because it has never been renewed by the whole Keewatin. The housing federation is trying to deal with that.

At the present time, the situation with the housing association is that there are over 60 people waiting for houses -- waiting period of two years. As Tim said, there are families living in fairly small houses -- two sets of families because their sons and daughters are marrying and having kids. And that is because we just do not have any houses.

Myself, I have been in a temporary house for two years and I would like to say that I am on the board.

The housing association budget does not cover the water delivery, sewage pumpout for the whole year that the hamlet does. What they charge us we just do not have the budget to cover it. So what was brought up for the 44 houses that we would like to see come into should -- come into being. Mainly because we do not get the budget for water delivery -- the cost of water delivery. Plus the fact the Inuit or northerners for that matter, do not live like in the past. They are now getting accustomed to pressure systems, regular running water from the pipes, toilets instead of honeybuckets.

I feel that the hamlet and the housing association should work together to improve the housing situation problems to the existing housing and as well as housing that should come in especially to Rankin Inlet. In the past 15 years, Rankin has grown three times the size of what it was 15 years ago. I don't know what else to say right now.

CHAIRMAN (Mr. McCallum): Thank you very much Nicole. You say you have 60 applications for housing. When was the last time you had new housing in?

MRS. NICOLE ANAWAK: Last year. I really can't say. I think the last set that were done was December 1982.

CHAIRMAN (Mr. McCallum): Do you have any idea of what percentage of rent is collected for the public housing?

MRS. NICOLE ANAWAK: Like I said I did not come here prepared.

CHAIRMAN (Mr. McCallum): Are there a lot of arrears?

MRS. NICOLE ANAWAK: Yes.

CHAIRMAN (Mr. McCallum): Is the hamlet office charging the association more money now for water delivery and pump out than they have in the past?

MRS. NICOLE ANAWAK: Yes.

CHAIRMAN (Mr. McCallum): How did that come about?

MRS. NICOLE ANAWAK: I can't speak for the hamlet.

CHAIRMAN (Mr. McCallum): No, but why do you think they are charging you, the association, more money?

MRS. NICOLE ANAWAK: I guess they assume we have the money, so they put the money up for each delivery and garbage pick-up.

CHAIRMAN (Mr. McCallum): What is the average charge for water delivery to a house?

MRS. NICOLE ANAWAK: I go through that every meeting and yet I can't remember.

CHAIRMAN (Mr. McCallum): And you believe that the association and the hamlet should work closer together. Do you think that the hamlet should take over housing?

MRS. NICOLE ANAWAK: No, not take over but they should work with us. The housing association is for the settlement and so is the hamlet. A lot of hamlet people live in housing association housing. The thing we have quite a few people from government applying for housing, their positions do not cover housing with the government.

CHAIRMAN (Mr. McCallum): Does not the territorial government supply housing for local housing?

MRS. NICOLE ANAWAK: No, not for local hire. A lot of the jobs don't cover housing.

CHAIRMAN (Mr. McCallum): That is something we should take a look at. Any further questions as well of Nicole? Thank you very much Nicole.

MRS. NICOLE ANAWAK: Thank you for listening.

CHAIRMAN (Mr. McCallum): Is there anybody else who would like to make further comments. I know it has been a long evening and some of us have missed the ball game. Since the Cubs got knocked out I am not really all that hepped up about it.

I want to thank those of you who are still here and those who have been here before and made presentations. Not that we are looking for sympathy or empathy, but ours is not a very easy task, going around and listening to people. I sometimes feel -- and I guess you have to be a dogan to appreciate this, dogans are Catholics for those of you who don't use the vernacular. Sometimes I feel we are like a priest in confession, we keep hearing all kinds of things. But I know that we have heard the same thing from a lot of communities. It seems like a regurgitation -- sorry about that Alexis -- it seems like you keep repeating things over and over and we keep hearing things back and forth.

But nevertheless it is good to come into a community and hear things first hand from people who have been involved and who know about housing in the community. Maybe we give that impression that we don't seemingly want to respond. It is not because of that, we are interested in hearing what people have to say.

So I want to thank those of you who have stayed for the evening, those of you who have made presentations. We are not going to bat 1000, if we can about 250 or 300 that would be good. We hope the report we make next month on an interim basis will satisfy some of the concerns that have been raised here and that have been raised in other communities.

We are truly concerned about housing. We have no conflict of interest as MLAs. After this tour we will have visited approximately 43 communities all over the Territories and what people here may think to be peculiar or particular to this area are indeed told to us in other communities. Maybe not to the same degree but certainly the same kind of concerns.

I want to thank you very much on behalf of all my people. I want to thank Alexis and Erica for their patience in doing the translation. And above all I want to thank the hamlet and association for inviting us here to come and listen to you. Qujannamiik. Thank you, goodnight.

---ADJOURNMENT

