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February 12, 2023

The Honourable Peter Bethlenfalvy  
Minister of Finance  
c/o Budget Secretariat  
Frost Building North, 3<sup>rd</sup> Floor  
95 Grosvenor Street  
Toronto ON M7A 1Z1

**Re: Budget Consultation Submission**

Dear Minister Bethlenfalvy,

On behalf of Ontario's Big City Mayors (OBCM), I would like to thank you and your staff for taking the time to meet with OBCM on February 10<sup>th</sup>, where you learned more about OBCM's key priorities for the 2023 Budget directly from our Mayors. We appreciate the insightful discussion that took place, and hope we were able to answer your questions.

I am writing today to officially submit OBCM's pre-budget recommendations for your consideration as part of the 2023 budget consultation process. Ontario's Big City Mayors are grateful for the strong relationship we have built with you and your government over the years, and look forward to continuing our work together to advance shared priorities.

**Housing**

Ontario's Big City Mayors support the government's goal to build 1.5 million new homes over the next 10 years. Ontario is in the midst of a housing crisis and with OBCM municipalities responsible for almost 70% of the province's population we understand the need to move quickly, and the critical role that large cities play in the building of new housing: facilitating approvals and ensuring servicing requirements are met for new developments and areas with infill.

We would like to thank the province for the Streamline Development Approval Fund (SDAF) announced last June which allowed municipalities to modernize and accelerate approvals processes for housing applications. Delivering more housing quickly is our priority, and while we have seen major improvements over recent years, more needs to be done and programs like the SDAF allow that to happen in even less time. That is why OBCM is requesting a second round of SDAF funding, or a similar program, so we can continue to target streamlining processes for housing approvals.

With 26 of 29 OBCM municipalities assigned 97% of the housing targets announced in Bill 23, we are heavily invested in the policy and program changes being put in place to reach the 1.5 million homes goal. We would like to see more municipal engagement in the development of these changes and are requesting that the 2023 Budget announces a partnership between the province, municipalities and other key stakeholders to address the roll-out of the Ministry of Municipal Affairs (MMAH) Housing Supply Action Plans - starting with Bill 23, the More Homes Built Faster Act, communicated as the first official Housing Supply Action Plan by MMAH.

OBCM believes the best way to ensure this takes place is for the province to fund and activate the Housing Supply Action Plan Implementation Team, a table of municipal leaders, industry experts and technical expertise, first announced in August of 2022 and again highlighted in October with the introduction of Bill 23.

We continue to be concerned about other changes associated with Bill 23 on Development Charges and Parkland fees. Once your government completes the audits of development charges, we are confident you will see how these funds are used to support housing development and complete communities. OBCM Mayors appreciate your commitment to keep municipalities whole and request that municipalities be made whole, dollar-for-dollar, by the province to eliminate the unintended consequences of revenue reductions associated with Bill 23 changes until a new long-term permanent municipal infrastructure funding program can be put in place.

OBCM recently passed a resolution requesting that the province work with municipalities to re-open the discussion on such a funding strategy to maintain services and fund critical infrastructure projects. There is widespread agreement that no one level of government can solve the housing crisis on its own; a collaborative, all-government approach is necessary to solve the housing supply and affordability challenge. As the province continues its advocacy with the federal government, we ask that the municipal sector is at the table and OBCM will support a call for the federal government's engagement to develop joint solutions so we can deliver the housing that Ontarians need without having the burden fall on the existing property tax base.

The housing crisis is felt disproportionately by marginalized and vulnerable Ontarians, putting more people at risk of homelessness. We owe it to those in our communities who need help to make much larger investments in social and supportive housing. We are requesting that the government continue to support increasing affordable and supportive housing needs, while we simultaneously tackle the attainable housing crisis. We are eager to work with the province to implement new and thoughtful ways to ensure all Ontarians have a safe and affordable place to call home.

### **Municipal Infrastructure Funding**

We appreciate all that your government has done for municipalities as we progress with pandemic recovery, including matching the Federal government's \$2 billion investment through the safe restart agreement. The province's recent \$505 million top-up for municipal transit systems helps us ensure that local transit options can continue to be safe, accessible, and affordable. It is imperative that our municipalities continue to receive both provincial and federal financial support to operate and improve local transit in the years ahead.

Municipalities have been at the forefront of supporting local communities through the pandemic, and while we are working hard to recover from its impacts, we are not there yet. It is critical that our cities continue to receive Provincial funding in 2023-2024 to cover the significant additional costs and continued loss of revenue. We want to be clear, our Mayors understand that this is not solely a provincial government responsibility, and we are asking the same thing of the federal government through their pre-budget consultation process. Continued support is especially important for our urban communities who have not yet returned to normal numbers at community

centres, libraries, in community programs and from other fee-based revenue sources. Sustainable funding is needed as we work to return to pre-Covid-19 municipal service levels and adapt to the increased demand of local services and support. Municipal services are key to strong and stable economic growth.

We ask that the province work with municipalities and the federal government to re-open the discussion on a long-term permanent municipal funding strategy to maintain services and fund critical infrastructure projects. A long-term municipal infrastructure fund will help eliminate the need for tax increases to fund needed development related infrastructure and reduce growing municipal infrastructure deficits.

### **Mental Health and Addictions**

At our June 2022 board meeting, Ontario's Big City Mayors called for an urgent meeting with the province to address the mental health, safety, addictions, and homelessness crisis that continues to grow at a rapid rate in our communities. At our December 2022 meeting, the Minister of Health committed to meet with us and key stakeholders such as the Ontario Association of Chiefs of Police, the Ontario Chamber of Commerce, the Canadian Mental Health Association, the Tourism Industry Association of Ontario, and the Ontario Business Improvement Area Association, giving a date of early 2023.

We are eagerly awaiting the opportunity to discuss increasingly complex mental health, addictions and health care issues that lead to homelessness or extend chronic homelessness. Municipalities are feeling the impacts and are increasingly being asked to step in and help. We want to be at the table to help create and implement solutions, however we currently do not have the expertise, capacity, or resources to address this; and are diverting municipal funds for other priorities like affordable housing, transit, social programs etc. to manage the complex health and homelessness issues we are seeing in our communities.

OBCM is thankful for the Social Services Relief Funding (SSRF) provided throughout the pandemic. This additional investment was used to help with homelessness prevention, affordable housing, health, and other critical support. It demonstrated how programs like this can make a real impact on those who are suffering. That is why our next recommendation is that the province acknowledges the traditional system of funding shelters and other supports is not working and commits to a transformation in the way homelessness supports are put in place. OBCM requests that room will be made in the fiscal plan for the creation of a new, innovative, and coordinated system response by the Ministries of Municipal Affairs and Housing, Health and Mental Health and Addictions to address the physical, mental health, addictions and housing supports people need to survive and begin to recover.

The first step is developing and investing in demonstration projects, such as the work being done in cities like London and Kingston is to develop a new approach along with key stakeholders including hospitals, paramedics, police, the mental health and addictions sector, and housing and homelessness stakeholders. **Please see Appendix #1: Briefing Note on Health and Homelessness Strategy.**



We look forward to working with the province to put in place the supports urgently needed for our chronically unhoused and those suffering with mental health and addictions issues across our communities. Without a comprehensive mental health regime, Ontario municipalities will continue to face increased emergency service costs that put pressure on first responders and other front line community services. We are committed to working with the province to discuss implementing the investments and programs needed for all Ontarians to live fully and healthy lives.

Thank you for the opportunity to provide this feedback. I welcome the opportunity to discuss the above priorities in more detail.

Sincerely,  
Mayor Bonnie Crombie  
OBCM Chair

## **Appendix #1**

### **OBCM Health & Homelessness Strategies**

#### **The Challenge**

There are several complex factors impacting the unprecedented level of homelessness people are experiencing. The recommendations in this document focus on homelessness with high acuity which is not addressed through traditional housing and shelter services due to severe mental health and substance use challenges.

Municipalities do not have the expertise, capacity, or resources to address these increasingly complex health care issues that lead to homelessness or extend chronic homelessness. We are diverting municipal funds for other priorities like affordable housing, transit, social programs etc. to manage these complex health care issues. Because traditional housing and shelter spaces are not equipped to serve people with severe mental health and addiction challenges, people often live in the rough in encampments in parks, public spaces or on streets. This is an unprecedented health crisis – leading to unsupervised and dangerous substance use, overdoses, strain on the healthcare system, increased volatility and violence, public safety concerns, business, and downtown degradation.

Although not the focus of this document, OBCM recognizes that there are many other provincial policies (such as Ontario Works rates) and lack of coordination with the federal government (such as refugee supports) that contributes to higher rates of homelessness. The previous OBCM “Working Together to Improve Wellness” paper speaks to some of these recommendations.

#### **The OBCM Municipal Response - What We Need**

OBCM municipalities have responded to this health care crisis with various housing-driven support programs with limited success. Some of our municipalities have taken steps to initiate stronger community partnerships, break down care silos to facilitate better access to support with less barriers. There is no coordinated system response and despite our efforts, these programs have had various levels of success because they lack the wrap-around health care support services people need – the physical health, mental health, and addiction expertise the province is responsible to provide.

OBCM municipalities have compiled information and consulted local health partners to identify services required to ensure there is a health care continuum and appropriate response. Municipalities want to be partners and contribute to these services in a certain capacity, but we do not have the expertise, resources, or financial capacity to lead these health care services. Nor should the municipal property tax base cover health care related costs. To address some of our challenges, OBCM has five recommendations for the Ontario government to make an immediate impact on the mental health and addictions crisis we are experiencing.

These include:

**1. A provincial centralized call and dispatch process**

(Crisis Outreach and Support Team (COAST) / Street Outreach as first response to a coordinated system)

- Working with an integrated multidisciplinary team of outreach workers, the COAST team provides knowledgeable, compassionate, and timely access to care and system navigation to services, as well as short-term follow-up including wellness checks and, where indicated, apprehensions under the Mental Health Act.
- Working in partner dyads (mental health community provider or paramedic and a police officer) and operating 7 days a week 19/24 hours, this quality service provides vital support in proactively managing situations before a crisis occurs and in the post-crisis phase handover in releasing EMS resources to respond to emergent calls. While the COAST program model is primarily a proactive outreach, it will also respond to triaged calls from the 911 queue should a situation be encountered where there is a person in acute crisis and the COAST team is available, they will be engaged for support.

**2. More provincial investment in low barrier hubs**

(Kingston's Integrated Care Hub - run by Addictions and Mental Health with wraparound supports under one roof)

- Residents need more options for 24/7 low barrier drop-in services with basic rules and a pathway into stabilization options with experienced staff with mental health and addictions expertise. The Hub model provides 24/7 low barrier and wrap around services to people with high acuity that have not been accessing the traditional shelter services. The ICH can be combined with a Consumption Treatment Services site.
- Services like the ICH have resulted in reduced overdoses, reduced hospital visits and people sleeping in the rough. This type of service can help reduce pressures on the overall health care system, especially hospital emergency services. The Hub can also play a role in hospital discharge planning. Services such as meals, life skills coaching, mental health and addictions expertise, basic care and primary care referrals, showers, storage, and harm reduction supplies. This type of service can also provide clients with more short-term options such as social enterprise opportunities during the day.

**3. More stabilization and treatment beds with experienced staff to support those in their treatment journey**

- Communities need a greater variety of options to support high acuity clients on their stabilization pathway. This includes provincial treatment and rehabilitation facilities and additional stabilization beds. This service includes an increase in rehab and detox beds to enable people with addiction challenges to move through the system. It is critical to provide this service in a timely manner to avoid further substance dependence which can lead to extended homelessness. Current wait times for access to such a service can take multiple months.

#### **4. More funding for supportive housing**

(Enabling people with mental health and addiction challenges to live more independently)

- This form of housing is usually provided through affordable units but allows residents to be housed successfully through on-site support services which can vary in intensity and types of support from mental health and addiction workers, nursing, primary care and PSW staff. There needs to be a range of supportive housing and options could include small scale options (i.e., scattered housing), harm reduction housing solutions where municipalities can financially support with the property acquisition/development, but provincial funding is needed to finance ongoing support services as tenants are not capable of living fully independently. This service can prevent evictions and homelessness.

#### **5. More provincial ministry and agency collaboration to reduce red tape and duplication**

(A multi-ministerial working group / committee with the ministries of health, mental health and addictions, municipal affairs and housing, community safety and federal representation to break down silos, reduce red tape and maximize resources)

- Municipalities are increasingly forced to wade into provincial jurisdictions, navigating a siloed system, trying to break down health care silos to best support unhoused individuals suffering with mental health and addictions challenges. However, we need better provincial ministry collaboration to reduce red tape, duplication and financial resources and better coordinate wrap-around support for residents in need. We also need the province to communicate and track data consistently across the province. The province and federal government also need to work to continue to address the needs of refugees as this is creating more pressure on the homelessness system. There is also recognition that there needs to be an Indigenous-led response within our communities and the federal and provincial governments have a critical role to play in supporting that and ensuring this happens.