



— **OBCM** —
Ontario's Big City Mayors

Ontario's Big City Mayors **2024 Pre-Budget Submission**

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On behalf of Ontario's Big City Mayors (OBCM), we value the opportunity to participate in Ontario's 2024 Pre-Budget consultation.

OBCM is an advocacy organization led by the Mayors of Ontario's 29 biggest cities with over 100,000 residents, representing 70% of Ontario's population. We are the voice of Ontario's big cities through policy development, discussion, and partnership.

There are 3 key priorities that will be the focus of this submission: housing & housing enabling infrastructure, the need for a municipal fiscal and service delivery review, and addressing the mental health, addictions and homelessness crisis facing Ontario.

We know these three areas are deeply interconnected. For example:

- Municipalities need sustainable funding to support housing related infrastructure that allows for the build of new homes, as well as for the services our residents need to create the thriving communities they expect.
- More housing is a major component to solving the housing crisis felt across the province and in particular, the build of deeply affordable and supportive housing addresses our mental health, homelessness, and addictions crisis.
- And more housing will help keep our local economies strong by providing opportunities for all our residents to thrive.

As we provide more details on our requests, it is important to note that **OBCM believes that the solutions to these issues can only be found when municipalities, the province and all parties involved work collaboratively to find them together.**

Housing & Housing Enabling Infrastructure

Ontario's Big City Mayors continue to support the government's goal of building 1.5 million homes over 10 years. We are working hard to do our part in the home building process, but municipalities do not build homes. Our role is to approve permits and build the infrastructure that enables homes to be built.

We know that more needs to be done, which is why we have been calling on the province to convene a table of all partners in the home building process, to work collaboratively to prevent the delays associated with getting shovels in the ground.

OBCM remains concerned about the impacts and unintended consequences of the *More Homes Built Faster Act, 2022*. Many of our municipalities are forecasting substantial property tax increases due to the reduction in revenue from development charges on affordable rental units, affordable housing, and cash-in-lieu of parkland.

Development charges are the source of funding for essential housing enabling infrastructure such as water and wastewater pipes and treatment centers, roads, bridges and other community infrastructure and amenities that create the types of communities Ontarians want to call home.

The Building Faster Fund, announced at AMO 2023, is a start to help cover these costs, however it is not sufficient to cover the costs OBCM municipalities shoulder, nor is the funding being determined by a measurement that accurately shows the progress being made.

REQUEST #1: That the province works with municipalities to deliver on the government's commitment to keep us whole from the financial losses incurred through the impacts of Bill 23.

REQUEST #2: That the province develop and consult on a sustainable funding program so municipalities can deliver the housing enabling infrastructure needed to meet the province's housing targets.

And that such a program measures the progress of municipalities on units approved, or other more accurate data that represents the role municipalities play in this process — not on housing starts that we cannot control.

REQUEST #3: That the province moves quickly on the creation of the Minister of Municipal Affairs' Affordable Residential Units Bulletin, as outlined in Bill 134, the *Affordable Homes and Good Jobs Act, 2023*.

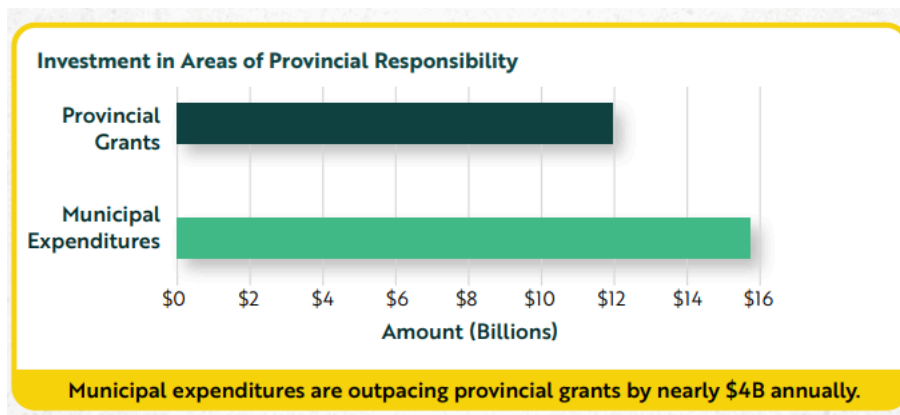
REQUEST #4: Ontario Big City Mayors and other municipal sector organizations have a place at the table when policies, legislation and programs impacting municipalities are being created and/or are being revisited.

Municipal Fiscal and Service Delivery Review

The Association of Municipalities of Ontario (AMO) has calculated that municipalities invest more than \$60 billion annually in the critical public services and infrastructure that are key to Ontario's economy and the quality of life of our residents.

Municipalities need a predictable, sustainable, and workable solution to manage the growing financial pressures we are facing, which include increasing demands from services previously downloaded by the province.

Currently, municipalities are subsidizing the province around \$4 billion annually of the downloaded services, even after provincial transfers.



SOURCE: Association of Municipalities of Ontario

Without additional revenue tools or government support, municipalities must rely on property taxes and user fees, of which neither currently provide enough revenue to absorb these types of expenses. Expenses such as:

- Addressing the homelessness, mental health, and addictions crisis our communities are facing, with cost escalations of 200% over the last 5 years
- Supporting a minimum of 10% of local hospital capital construction costs
- Creation of deeply affordable housing and operational support for those units
- Climate change mitigation and adaptation

OBCM applauds the government for the work they did with the City of Toronto to come to a deal that helps the province, the City and the taxbase, and look forward to the same opportunity for discussion.

Municipalities are unique and while we know one size will not fit all, we believe that the time to start the conversation on addressing local challenges faced by municipalities and municipal taxpayers across the province, is now.

REQUEST #5: OBCM supports AMO's call for a Social and Economic Prosperity Review and are joining them to ask the province to come to the table to begin discussions with the municipal sector on such a review.

Mental Health, Addictions and Homelessness Crisis

Ontario's Big City Mayors appreciated the funding from the province for Mental Health, Addictions and Homelessness announced in the 2023 Budget. This funding has already made a difference in staff retention and with the continuation of successful projects and collaborations.

Ontario's municipalities continue to feel the impacts of this growing crisis as we 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 from other priorities like affordable housing, transit, and social programs to manage the complex health and homelessness issues we are seeing at our doorsteps, like the rise in encampments. The traditional system of funding shelters and other supports is not working.

Minister Jones met with OBCM representatives last year about the impacts this crisis has on individuals, business, the justice system, health care and the sustainability of our communities. We requested a commitment to a transformation in the way homelessness supports are put in place and today we continue with that request.

REQUEST #6 – Ontario’s Big City Mayors request that room be made in the fiscal plan for the creation of a new, innovative, and coordinated system response to address the physical, mental health, addictions and housing supports people need to survive and begin to recover.

The first step is investing in demonstration projects, such as the work being done in cities like London and Kingston where a new approach is being developed that includes key stakeholders like hospitals, paramedics, police, the mental health and addictions sector, Ontario Health Teams, CMHA, and other key housing and homelessness stakeholders

REQUEST #7: OBCM requests that the province works with municipalities to collect the data and information it requires from the demonstration projects in order to develop and fully adopt our 5-point Health and Homelessness Strategy.

This strategy is geared towards meeting people where they are – at a business, walking down the street, etc. and addressing their specific needs.

This Strategy acknowledges that homelessness has changed, it is no longer an

unhoused issue – it is now primarily a health issue with many of our homeless populations suffering from complex physical and mental health issues.

There are 5 areas of focus in this Strategy:

1. Centralized dispatch system that includes outreach workers who can go to where the individual is and bring them back to a Community Hub
2. Safe spaces, low barrier Community Hubs
 - a. One-stop shops with acute services all under the same roof – health, shelter, mental health, and addictions supports, etc.
 - b. These can be personalized based on community needs and municipalities can/will have more than one.
3. Stabilization and Treatment beds with experienced staff to support their treatment journey.
4. An increase in funding for supportive housing which enables those with mental health and addictions challenges to live more independently.
5. And provincial ministry and agency collaboration to reduce red tape and duplication of funding programs and other supports.

Additional OBCM Priorities

Over the last year OBCM has passed several resolutions focused on various issues affecting Ontario's biggest cities. We are requesting that the province work with OBCM, other municipal organizations and municipalities to address these priorities.

Municipal Codes of Conduct - In April 2023 OBCM passed a resolution **calling on the Government of Ontario to introduce legislation to strengthen municipal Codes of Conduct in consultation with municipal governments.**

We want to ensure that this legislation includes:

- a. Updating municipal Codes of Conduct to account for workplace safety and harassment

- b. Creating a flexible administrative penalty regime, adapted to the local economic and financial circumstances of municipalities across Ontario
- c. Increasing training of municipal Integrity Commissioners to enhance consistency of investigations and recommendations across the province
- d. Allowing municipalities to apply to a member of the judiciary to remove a sitting member if recommended through the report of a municipal Integrity Commissioner
- e. Prohibit a member so removed from sitting for election in the term of removal and the subsequent term of office.

At a joint meeting with our colleagues from the Mayors and Regional Chair of Ontario (MARCO) in August 2023, OBCM once again reiterated our call on the province to introduce this legislation.

Support for Refugees and Asylum Seekers - in August 2023 along with our MARCO colleagues OBCM passed a resolution requesting Municipal/Regional funding to support newcomers including refugees and asylum seekers. In the past year the influx of refugees has dramatically increased pressure on a system that is already over capacity, and despite best efforts, municipalities and regions can no longer keep up with the demand. While we are on the front line of welcoming newcomers to Canada, the federal government has not consulted nor planned with municipalities and regions to ensure these newcomers receive the housing and other supports they need. When these needs cannot be met, it is often vulnerable and marginalized communities that are impacted the most.

We are requesting a meeting of all orders of government to discuss immediate action on the capacity issues faced by our municipalities and regions, and to put in place a funding model that addresses the on-going need for emergency housing and other supports as this refugee crisis continues.

Conclusion

There is a structural difference between how the province collects revenue and how municipalities collect revenue. These differences require partnership and funding.

As this gap widens, the impacts on our residents becomes more apparent, as we have seen with increasing property taxes and strains on service and program delivery within our communities.

Ontario's big cities are ready to support new housing developments and programs to provide services to those in need. We are ready to work collaboratively with the province and community partners to find the solutions all Ontarians need.

Thank you for your consideration of our requests.

