

AMO's Pre-Budget Focus – Fiscally Sustainable Communities

- Municipalities are focused on the things that matter most to Ontarians, including:
 - Building more homes to support growth and make housing more affordable
 - Dealing with homelessness and the drug crisis to improve quality of life for everyone
 - Providing important core municipal services like policing and transit while keeping property tax growth to a minimum in the face of ongoing cost of living challenges
- But delivering on these priorities for Ontarians and for the province is impossible with the current provincial-municipal fiscal arrangements.
- One-off provincial investments to respond to acute challenges are helpful, but it won't solve the structural issues. We need to reset the fundamentals with concrete commitments in the following areas:

1) Infrastructure

- Municipalities are planning for over \$250 billion in capital investments over the next 10 years to support housing, address aging assets, and adapt to climate change.
- A lack of support for development charges is fundamentally impacting municipalities' ability to fund growth-related infrastructure.
- Contributions from senior orders of government have not kept pace with the true costs of building – an estimated 70% increase in the past 10 years.
- We need a new long-term, predictable, and substantial infrastructure transfer to support prosperity and affordability across the province.

2) Reduce Reliance on Municipal Property Taxes

- Municipalities subsidize the province by billions of dollars annually in areas that everywhere else in Canada are provincial responsibilities. In 2023, this number is **\$5 billion** for all municipalities.
- Municipalities must be allowed to keep more of their own revenues to pay for core municipal services, like police.

- As a start, we are asking the province to commit to:
 - Fully upload the costs of social housing;
 - Increase long-term care operating transfers to enable municipalities to meet provincially-mandated standards of care without municipal subsidies; and,
 - Complete the public health review and provide the resources necessary to actually enable municipalities to deliver public health services at the 25/75 cost-sharing ratio.

3) Fix Broken Provincial Systems to Address Homelessness

- Decades of provincial underinvestment in income security, mental health and addictions, and community and supportive housing are eroding communities' quality of life.
- Municipalities are doing what they can to fill the gaps, but they can't make up for broken provincial health and social safety net systems.
- To stop the decline in communities' quality of life and the pressure on municipal budgets, we need the province to get its own house in order by:
 - Seriously investing in community and supportive housing;
 - Fixing income support to stop people from falling into homelessness; and
 - Significantly expanding mental health and addictions services and supports in *all* communities, including a comprehensive approach to the toxic drug crisis.
- While recent provincial investments are helpful, they don't come close to the scale or scope of what is needed to tackle these issues.

Note: AMO and key partners will be releasing an ambitious chronic homelessness research project in early January and will provide a full communications toolkit that will supplement these key messages.