

August 2024

2024 AMO Conference

About AMO

AMO works to make municipal governments stronger and more effective. AMO brings together Ontario's 444 municipalities to achieve shared goals and meet common challenges.

AMO provides municipal officials with tools to succeed, and programs to help maximize taxpayer dollars. This includes policy development and advocacy, cost-saving programs, conferences and training opportunities.

AMO is governed by a 43-member Board of Directors who are elected every two years at the annual AMO Conference. These elected and non-elected municipal representatives hail from across Ontario, from communities of all different shapes and sizes – urban, small urban, rural and northern.

The 2024 AMO Conference

The City of Ottawa is hosting the 2024 AMO Conference, from August 18 to 21, at the Shaw Centre. The event provides municipal officials with an important opportunity to work together with the Ontario government on solutions to today's big challenges, to learn, and to create new opportunities that benefit our communities.

The event will feature more than 60 speakers, sessions and workshops, reflecting the broad scope of municipal responsibilities and the pressing priorities.

Highlights:

- Featured presenters include Premier Doug Ford, Minister of Municipal Affairs and Housing Paul Calandra, Minister of Infrastructure Kinga Surma and Minister of Health Sylvia Jones.
- Marit Stiles, Leader of the Ontario NDP and Official Opposition, Bonnie Crombie, Leader of the Ontario Liberal Party and Mike Schreiner, Leader of the Green Party of Ontario will speak on behalf of their respective parties.
- Provincial ministers will respond to questions from Conference delegates in a Ministers' Forum.
- Key session topics include housing and homelessness, the opioid epidemic, infrastructure funding, public safety, climate change, Indigenous engagement, access to health care services, use of artificial intelligence, and much more
- Municipal leaders will take part in hundreds of delegation meetings with provincial ministers and staff.

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Use the conference hashtag #AMO2024

Social and Economic Prosperity Review

AMO Position

- The current provincial-municipal funding framework is broken. Municipalities are struggling to deliver essential services and infrastructure that Ontarians depend on, and which form the foundation of Ontario's social and economic prosperity.
- AMO continues to call on the provincial government to commit to a joint Social and Economic Prosperity Review that includes a examines provincial and municipal revenues, costs and financial risks, and infrastructure needs.
- We need a comprehensive review to make progress on the issues people care about most, including housing, healthcare, cost of living and public safety.
- All three opposition leaders recognize the need for a comprehensive review of provincial-municipal fiscal arrangements and have committed to a new deal for municipalities if elected in the next provincial election.

Context

Government services should be more effective and affordable for taxpayers

- Ontario's municipalities are facing increasingly complex challenges, such as tackling homelessness and climate change, without the appropriate financial tools to solve them.
- Municipalities in Ontario are responsible for services that are typically provincial jurisdiction in other provinces. Provincial contributions only offset part of these costs.
- Provincial and municipal services don't operate in a vacuum.
- When public health, long-term care, and ambulance funding cannot keep pace with need, Ontarians see the impact in hospitals across the province.
- Furthermore, when the province doesn't invest in services for mental health, addictions and homelessness, it puts property tax-funded police resources under strain.
- Trying to fill gaps in areas of provincial responsibilities takes away from municipalities' ability to build the infrastructure to support housing.
- Municipalities depend largely on property tax revenues, which unlike income or sales tax, do not grow with the economy or inflation.

Key Facts

- Municipal funding outpaced provincial contributions by almost \$4 billion – a figure that is expected to grow in future years. (2022)
- Over the next 10 years, municipalities are planning for more than \$250 billion in capital expenditures – with around \$100 billion related to growth.
- Ontario has the second highest property taxes in Canada, and they have continued to rise in 2024 as municipalities deal with inflation growth and issues like homelessness.
- The Government of Ontario's per capita spending is the lowest in Canada, more than \$2,000 per person below the national average.

- Continually raising property taxes is not an option. Property taxpayers, including people on fixed incomes and small businesses, cannot afford to pay more to subsidize social programs.
- While the provincial government has made piecemeal municipal funding reforms, we need a comprehensive, province-wide conversation across public sector services.
- Nearly 150 municipalities have passed a resolution supporting the Social and Economic Prosperity Review.

Other Resources and Reports

- [Call to Action: Social and Economic Prosperity Review](#)

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Housing Supply and the Homelessness Crisis

AMO Position

- Municipalities are doing everything in their power to help the province meet its goal of building 1.5 million homes, however, success depends on many factors beyond municipal control, including interest rates, labour shortages, and developer decisions.
- AMO is also calling on the province to commit to a joint municipal fiscal framework review to devise a new, sustainable approach to housing-enabling infrastructure funding to enable growth.
- Municipalities are also grappling with the homelessness crisis and the lack of deeply affordable housing.
- The complexity and scale of these challenges calls for bold, transformative action. All orders of government need to come to the table and agree on how to invest in supports for vulnerable residents.
- AMO has called on federal and provincial governments to expand investments in housing-enabling infrastructure and deeply affordable community housing. There's a need to fundamentally re-think the way we fund this kind of housing in Ontario.
- AMO urges the province to take decisive steps to address the root causes of homelessness, such as increasing income support and enhancing mental health and addiction services.

Context

- The federal and provincial governments, working with building industry, need new strategies and investments to address the growing pressure on our limited market housing stock.
- Municipalities play a supporting role in housing builds through local zoning and development approvals, and servicing land for development. However, the necessary funding isn't there.
- In recent years the pace and scope of provincial land use planning changes has been unprecedented. Municipalities are striving to implement these major changes, but uncertainties about funding, governance and land use planning policy questions undermine progress.

Key Facts

- AMO estimates that Ontario municipalities are planning more than \$250 billion in infrastructure investments over the next 10 years, including more than \$100 billion related to growth.
- Already strapped for funds, Bill 23 created an additional \$10 billion revenue gap over 10 years in funding for municipal infrastructure to support more housing. Bill 185 restored about \$1.9 billion back into municipal budgets, but it isn't enough.

- The province has removed too many land-use planning environmental protections in the name of development, and put too many environmental stewardship responsibilities on municipalities, slowing planning approvals and making them more costly for the sector.

Deeply Affordable Housing cannot be neglected

- None of the province's Housing Supply Action Plans address the extreme lack of deeply affordable housing in Ontario.
- Housing for low-income residents is essential to meeting the housing needs of all Ontarians and addressing the root cause of homelessness.

Key Facts

- There are 200,000 Ontarians waiting years for access to social housing. An estimated 140,000 new units of community housing are needed in this province just to approach the OECD average.
- Significantly more supportive housing units are needed urgently. Estimates of the shortfall of units in 2017 range from between 30,000 to 90,000.

Federal and provincial decisions have made homelessness worse. Shared commitment and action are needed to end chronic homelessness.

Lack of federal investment and support

- The Parliamentary Budget Officer found that the federal Reaching Home funding would need to be increased seven-fold to meet its target of cutting chronic homelessness in half.
- Growing numbers of asylum seekers are coming to Canada and relying on municipal shelter systems.
- Federal funding of \$1.1 billion over three years starting in 2024 requires cost-sharing. Ongoing funding is needed urgently as the flow of asylum seekers continues.

Decades of provincial neglect

- Social assistance rates have not kept pace with inflation and have never been lower.¹
- 45% of Ontario tenants spend over 30% of their income on rent. This is the highest rate across the country.
- By 2025, approximately 160,000 households will spend more than 50% of their income on rent, putting their housing at risk and increasing the likelihood of them becoming homeless.

Other Resources and Reports

- [AMO's Remarks and Submission to the Standing Committee on Finance and Economic Affairs on Bill 185, Cutting Red Tape to Build More Homes Act, 2024](#)
- [AMO's Submissions to the Ministers of Municipal Affairs and Housing, and Energy "Bill 185 – Cutting Red Tape to Build More Homes Act and Responses to Various ERO and Regulatory Registry Postings"](#)
- [Homelessness Encampments in Ontario: A Municipal Perspective](#)
- [A Blueprint for Action: An Integrated Approach to Address the Ontario Housing Crisis](#)
- [AMO's 2024 provincial pre-budget submission "Social and Economic Prosperity Review"](#)

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Energy Transition and Infrastructure

AMO Position

- Municipalities are important partners in energy planning. A clean, reliable and affordable energy supply will support local communities and economic growth.
- Municipal governments also advocate for strong action to reach “net zero” emission goals to combat climate change. Municipalities pay a heavy price responding to extreme weather events, including emergency services and infrastructure repairs.
- AMO is calling on the province to take the lead on a comprehensive long-term plan for the electrification and growth of Ontario’s energy grid, including the role that natural gas will play as part of the energy transition.
- Such planning will equip municipalities to make long-term energy infrastructure decisions in their communities.
- This plan should ensure reliable, long-term funding for energy distribution and transmission infrastructure. Funding models should minimize additional financial burdens on municipalities.
- AMO’s proposed *Social and Economic Prosperity Review* could include the cost of energy infrastructure and services as part of a joint provincial-municipal review of revenues, costs, services and needs.

Context

Meeting growing demand while cutting carbon emissions

- Ontario is facing a surge in electricity demand at the same time that the federal government has set a net-zero emissions target for 2050. This means reducing power generation that produces carbon emissions.
- The province’s Electrification and Energy Transition Panel has recommended that the province develop a plan to meet this target.

Ontario’s Energy System

- Energy in Ontario is regulated by the Ontario Energy Board (OEB) which determines energy rates, oversees investments into energy transmission and distribution infrastructure.
- The Independent Electricity System Operator (IESO) oversees the operation of Ontario’s electricity grid. It estimates that Ontario’s electricity supply capacity needs to increase by more than double over the next 25 years to meet Ontario’s growth projections. This does not account for increased demand from decarbonization. By hosting new energy infrastructure, municipalities are crucial partners in expanding energy supply.
- There are about 60 local distribution corporations (LDCs) each serving a defined geographic region.

Key Facts

- Historically, local distribution corporations (LDCs) have spent around \$2.5 billion annually to support new infrastructure and ongoing maintenance.
- The Electricity Distributors’ Association (EDA) estimates that Ontario LDCs could spend up to \$120 billion on new local infrastructure from 2024 to 2050 to support transition to a net-zero emissions energy supply.

- LDCs and Hydro One manage the construction and maintenance of local energy infrastructure.
- Municipalities are the majority shareholders of LDCs, but unlike other local utilities, do not directly own or manage the infrastructure.
- The IESO-led process to procure new energy projects gives municipalities a say in deciding whether or not to host local projects.
- These proposals are often technical and/or involve innovative new technologies, like battery energy storage systems. Municipalities seek to learn more about energy procurement so they can make informed decisions on projects proposed for their communities.
- Clearer provincial guidelines on land use, fire safety, and community benefit agreements would further help municipalities evaluate these projects.

Other Resources and Reports

- [Report of Ontario's Electrification and Energy Transition Panel](#)
- [Independent Electricity System Operator "Pathways to Decarbonization" Report](#)
- [AMO letter to the Ontario Energy Board regarding electricity distribution infrastructure funding](#)
- [AMO submission to the Ministry of Energy on Bill 165](#)

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Infrastructure

AMO Position

- Ontario municipalities are facing massive infrastructure investments of up to \$290 billion over the next 10 years to accommodate growth, manage climate change and keep existing assets in good repair.
- While municipalities own and manage more infrastructure than other levels of government combined, they have the fewest resources and tools to fund capital needs.
- The gap between revenues and needs is substantial. Ontario municipalities raise about \$49.3 billion annually in own-source revenue to operate services and invest in infrastructure.
- Development charges (DCs) are a cost-recovery tool to help share the cost of growth. While Bill 185 restored some DC revenues, it did not go far enough to help recover municipal costs related to new developments.
- DC funds can only be used to build the essential infrastructure that new development demands – roads, water, sewers, ambulance stations, and more. They are based on the idea that those who benefit from growth should help pay for it.
- New federal and provincial investments are a great start to building new communities – but infrastructure investments need to increase significantly for the long-term.
- Adapting infrastructure to make it more resilient to extreme weather further increases the cost of infrastructure. However not investing for a changing climate would cost far more.
- Through a proposed *Social and Economic Prosperity Review*, AMO is calling on the provincial government to sit down with municipalities and work together on a joint review of municipal finance, including a detailed analysis of Ontario’s infrastructure investment and service delivery needs.

Context

Growth, climate change and aging infrastructure

- Ontario municipalities own infrastructure vital to economic productivity, public health, social and cultural activity, and quality of life. These include:
 - roads and bridges
 - water and wastewater
 - stormwater
 - recreation facilities and community centres
 - social housing
 - long-term care homes
 - transit and many others.

Key Facts

- Ontario municipalities manage \$484 billion worth of infrastructure.
- Ontario municipalities are planning between \$250 billion to \$290 billion in infrastructure investments over the next ten years.
- This includes costs to maintain, repair and replace existing infrastructure, as well as \$100 billion related to growth.

(more)

- Many of Ontario's systems were built between the 1950s and 1970s and must be renewed or expanded to serve a growing population and support economic growth – including meeting provincial housing targets by 2031.
- Municipal governments have only a few revenue tools, such as user fees, property tax and development charges, to help fund asset management needs and manage growth.
- Raising property tax or user fees are not the only answer. Such increases disproportionately impact residents on fixed incomes and could compromise critical municipal services.

Funding Programs

- AMO has helped secure key funding programs such as the longstanding Ontario Community Infrastructure Grant for small, rural and northern communities and the Canada Community Building Fund (CCBF) for all municipalities. The federal CCBF is secured for the next 10 years, making Ontario the first province to complete their agreement.
- Through AMO and municipal advocacy, the federal and provincial governments have announced a series of housing-enabling infrastructure grants to help meet provincial housing targets.

Development Charges (DCs)

- DCs are a targeted cost-recovery tool, not a tax. Funds must be tied to specific projects that support growth and cannot be used for any other purposes.
- DCs are an investment in our communities to ensure they remain vibrant and livable.
- While Bill 185 partially restored cuts to development charges made earlier in Bill 23, AMO estimates it will only recoup about \$1.9 billion of the estimated \$10 billion in lost revenue over ten years.

Water & Wastewater

- AMO, in partnership with the Municipal Finance Officers Association (MFOA), released a backgrounder on municipal services corporations as municipalities look for different ways to finance and operate water and wastewater infrastructure
- Municipal Services Corporations can offer some benefits, particularly for communities who want to increase borrowing capacity or work across municipal boundaries to realize economies of scale in finance and operations. However, they are not a silver bullet. MSCs present risks and trade-offs and do not make sense in all contexts.

Other Resources and Reports

- [2021 FAO Review of Ontario Municipal Infrastructure](#)
- [2022 FAO Estimating Impact of Climate Change on Public Infrastructure in Ontario](#)
- [Municipal Infrastructure Funding Overview](#)
- [AMO-MFOA Water & Wastewater Municipal Service Corporation Backgrounder](#)

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Homelessness Encampments and the Opioid Crisis

AMO Position

- Municipalities do not have the tools or financial resources to effectively manage complex health and social challenges. This hurts people, communities and Ontario's social and economic prosperity.
- Complex matters like homeless encampments and the opioid crisis underscore the critical need for a social and economic prosperity review. We need a municipal fiscal relationship that supports the foundations of a strong economy, sustainable communities and quality of life.
- AMO has called on the provincial government to provide more funding to expand the shelter system, cost-match the federal encampment funding stream and establish homeless encampment guidance for municipalities.
- The federal government needs to establish a national encampments response plan and increase investments for the Reaching Home program aimed at preventing and reducing homelessness.
- Similarly, the opioid crisis won't be solved through simple, short-term solutions. AMO has called on the province to implement a comprehensive response, including significant, long-term, investment in prevention programs; expanding access to voluntary, evidence-based treatment with same day access; scaling up 24/7 crisis centres; and ensuring harm reduction supports are available for those who need them.

Context

Preventing and managing homelessness and opioid addictions is beyond municipal capacity

Homeless encampments are symptoms of deeper system failures that hurt Ontario's social and economic prosperity. They are the product of decades of successive provincial governments that failed to invest in key areas, including income security, deeply affordable housing, and mental health and addiction supports and services.

The opioid tragedy has significant social and economic impacts on municipalities across Ontario. In addition to its enormous human toll, it has increased financial pressure on key municipal services such as emergency response, homelessness prevention, affordable housing, and public health.

Key Facts

- In 2023 there were at least 1,400 homeless encampments in communities across the province.
- Many of the residents of these encampments suffer from mental health or substance abuse challenges.
- More than 2,500 Ontarians died from opioid-related overdoses in 2023 in communities across the province.
- In 2020, more than \$250 million in police and paramedic costs could be fully or partially attributed to opioids, which are services municipalities are primarily responsible for funding.
- Addiction and substance use was found in 2018 to be the most commonly cited reason for housing loss.

Other Resources and Reports

The Association of Municipalities of Ontario released two important papers that offer the municipal perspective on homeless encampments in Ontario, and the opioid crisis. These papers highlight how these complex challenges are playing out in our communities and some of the steps that can be taken to address them. They outline detailed policy recommendations for the provincial and federal governments requiring leadership and urgent action.

- [Homelessness Encampments in Ontario: A Municipal Perspective](#)
- [The Opioid Crisis: A Municipal Perspective](#)
- [Social and Economic Prosperity Review](#)

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