

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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