

Remarks by:
Brian Rosborough, AMO Executive Director
Standing Committee on Finance and Economic Affairs
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(Check Against Delivery)

Good morning, everyone. My name is Brian Rosborough, and I am the Executive Director of the Association of Municipalities of Ontario.

Joining me virtually is AMO President, Councillor Colin Best.

Thank you for the invitation to appear before the Committee today.

In January 2020, AMO came to this committee and painted a picture of the provincial-municipal fiscal relationship that highlighted provincial underspending on programs that meet the needs of Ontarians.

We showed that Ontario had the lowest per capita spending on programs in this country.

We showed that property taxpayers were paying part of the difference through downloaded provincial programs.

It illustrated a multi-billion-dollar property taxpayer subsidy to the provincial treasury designed to underwrite low provincial income taxes and provincial budget surpluses.

Some things have changed since then.

COVID-19 forced all of us to take stock, to work together to protect Ontarians and to safeguard our economies.

Municipalities played an important role as a partner to the province, institutions and businesses in our communities.

Today, I will address three key areas:

- The housing supply crisis
- What the provincial fiscal situation truly reflects, and
- The homelessness crisis.

Municipalities are attempting to make sense of the government's response to the housing supply crisis brought about by the COVID-19 demand spike.

AMO will continue to shine a light on what is wrong with legislative changes that are based on a false premise.

The provincial government's assertion that the housing supply crisis can be solved by limiting municipal access to infrastructure financing, eliminating environmental protections or changes to municipal governance is unsound.

Unless the costs of Bill 23 are fully offset by the province, it will amount to a transfer of \$1 billion a year from the pockets of property taxpayers - including low-income property taxpayers - into the pockets of developers with little prospect of improved affordability.

Municipalities also understand that these laws are now in place and must be implemented as effectively as possible.

AMO continues to call on the province for a commitment to:

- work with municipalities on the implementation of legislative changes;
- to provide clarity about the province's commitment to fully offset financial losses associated with Bill 23;
- and openness to reversing legislative changes that have unintended consequences.

Increased housing supply is a top priority for municipalities in every part of Ontario.

Despite recent legislative changes, municipalities are working with the industry and other partners to find ways of getting more homes built as quickly as possible.

At the same time that COVID-19 created an unanticipated spike in demand for houses in Ontario, it laid bare the failure of Ontario's public policy approach to homelessness.

AMO has updated its picture of the provincial-municipal fiscal relationship using 2021 provincial data.

In 2021, municipal revenues of \$60 billion were invested in the services people and businesses rely on most – municipal services.

That includes billions in services funded provincially in the rest of Canada including health, social housing and homelessness.

In 2021, Ontario continued to have the lowest per capita spending on services of any province or territory in Canada.

In fact, Ontario's spending of \$11,800 per person is almost \$2,000 per person LESS than the average expenditure of the other provinces and territories at about \$13,800.

If the Ontario budget included program expenditures equal to the average expenditures of the other provinces and territories, the Ontario budget would reflect an additional \$28 billion in expenditures annually.

We live in a province where successive provincial governments have favored income tax cuts over investments in people, and favored downloading of expenditures on property taxpayers as a means to conceal provincial underspending.

In 2023, people in every part of Ontario, in big cities, small towns and rural communities - in the north and in the south - are seeing the direct results of these provincial policies and choices by successive provincial governments over the past three decades.

The homelessness crisis is by far the most visible outcome of those provincial policies.

Homelessness is the return on provincial underinvestment.

The homelessness crisis in your community is a made-in-Ontario crisis that results from underinvestment and other disastrous policy choices made by the government of Ontario.

Inadequate investment in the health and mental health systems, and outdated approaches to addictions have failed people and families.

Provincial policies on income assistance contribute substantially to growing income disparity and poverty.

Failures in the provincial child welfare, justice and corrections systems compound barriers to economic participation and contribute directly to homelessness.

The province's failure to engage in meaningful reconciliation with Indigenous peoples creates economic and social disparity and limits opportunity.

The downloading of social housing and homelessness to municipalities in the 1990s hides the fact that our homelessness crisis is a product of provincial choices and policy levers entirely within the provincial sphere of authority, financial responsibility and accountability.

Ontario's homelessness crisis harms people and families.

It undermines the social fabric and economic prospects of our communities.

It imposes unnecessary costs on our institutions, community agencies and government.

In reality, the homelessness crisis signals that Ontario's broader prosperity is at risk if the government is not prepared to act.

The Government of Ontario has the tools and resources to end the homelessness crisis it has created over decades.

It must surely possess the leadership, capability and political will to get the job done.

AMO is calling on the Government of Ontario to take integrated and collaborative action to end homelessness in Ontario.

Municipalities and partners in all social and economic sectors stand ready to assist with the task.

Thank you.