

August 2023

2023 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 meeting. 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 2023 AMO Conference

The conference is being hosted by the City of London and will run August 20 to 23 at the RBC Place London and the DoubleTree by Hilton. It provides municipal officials 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 and Minister of Municipal Affairs and Housing Steve Clark.
- Marit Stiles, Leader of the Ontario NDP and Official Opposition, John Fraser, Interim 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, homelessness, women's leadership, AMO's partnership with Ontario's public colleges, cyber security, electronic permitting, municipal risk and liability, infrastructure, energy innovation, healthcare transformation, broadband, and much more.
- AMO and the Ontario Native Women's Association (ONWA) will sign a Memorandum of Understanding, signifying a first of its kind relationship between AMO and an Indigenous women's organization.
- Municipal leaders will take part in hundreds of delegation meetings with provincial ministers and staff.

For more information: Brian Lambie, AMO Media Contact, 416-729-5425, lambie@redbrick.ca
Follow the conference on Instagram/Threads and X (formerly Twitter): @AMOPolicy, Hashtag: #AMO2023

Housing Supply

AMO Position

- Increased housing supply and housing affordability are top priorities for municipalities across Ontario. AMO and its members are committed to helping the province meet its goal of building 1.5 million homes.
- All orders of government have a role to play in solving the housing crisis. Municipalities are ready to work with the province and other private sector and community partners to achieve this goal.
- Addressing deeply affordable housing for low-income residents is essential to meeting the housing needs of all Ontarians.
- Housing supply cannot be built without appropriate planned and funded infrastructure. Changes to land use planning frameworks raise concerns about municipalities' ability to plan and coordinate growth effectively and efficiently.
- Changes eliminating Development Charges to cover the cost of growth will impede new supply if not replaced by other revenue sources.
- AMO is pleased that the province is moving forward with audits to validate municipal costs and continues to call for clarity on how and when the province will keep its commitment to make municipalities whole.

Overview

- Ontario is in a housing crisis and municipalities are doing everything within their power to make housing more accessible to residents.
- The scope and pace of land use planning changes have been unprecedented. Municipalities are striving to implement major changes, which is all the more challenging due to remaining uncertainty about key financing and governance questions.
- 28 of Ontario's largest and fastest growing municipalities have signed housing target pledges. However, the success of housing initiatives depends on many factors beyond municipal control, including interest rates, labour shortages, and developer decisions.
- Municipalities do not build market housing, but they play an important role in housing supply through local zoning and development approval processes, as well as servicing land for development.
- Bill 23 created a \$1 billion annual gap in funding needed for municipal infrastructure essential to supporting increased housing supply. Municipalities urgently need clarity with respect to how and when they will be "made whole." This ongoing uncertainty is resulting in delayed decisions, cancelled projects, and undermining fiscal and capital planning.
- AMO continues to work with municipal elected officials and planning staff to ensure any changes to provincial planning are implemented successfully at the local level.

- The province has shown it is willing to work with municipalities and course correct where needed in response to municipal and other sector feedback. AMO welcomes all opportunities to collaborate with the province on the implementation of significant changes to land use planning, infrastructure, and environmental management frameworks and the development of any future changes.
- At the federal level, there has been progress since the inception of the National Housing Strategy. However, increased funding and revised program design is needed to better support the creation and preservation of deeply affordable housing that serves those most in need.

Key facts

- Municipalities have estimated that additional funding of at least \$1 billion annually will be needed to address the shortfall from changes to the *Development Charges Act*.
- In Fall 2022, the province set a housing target for 29 of Ontario's largest and fastest growing municipalities and required them to develop a pledge on how they intend to increase and accelerate housing supply by 2031.
 - A total of 1,229,000 of the total 1,500,000 new homes target for Ontario were allocated to these municipalities.
- In Summer 2023, 21 additional municipalities were given the option to identify a locally appropriate target and develop a pledge.

Other resources and reports

- [AMO's Remarks and Submission to the Standing Committee on Heritage, Infrastructure and Cultural Policy on Bill 97, Helping Homebuyers, Protecting Tenants Act, 2023](#)
- [Building Ontario Together: AMO's 2023 Pre-Budget Submission](#)
- [AMO's Submission to Consultations Related to Bill 23 & The More Homes Build Faster Plan](#)
- [A Blueprint for Action: An Integrated Approach to Address the Ontario Housing Crisis](#)

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Ontario's Homelessness Crisis

AMO Position

- Homelessness continues to be a social, economic and health crisis across Ontario.
- AMO is committed to working with all orders of government and community partners to prevent, reduce and ultimately end homelessness in Ontario.
- Urgent action is needed to move beyond crisis response and tackle the root causes of homelessness with solutions that address housing, income security, and health.
- The Government of Ontario should immediately:
 - increase social assistance rates and make good on promises to transform the social assistance system;
 - increase the supply of deeply affordable community housing;
 - continue to invest in community-based mental health and addictions services including supportive housing; and,
 - continue to increase base funding for the Homelessness Prevention Program to enhance the emergency shelter system.
- These provincial actions, in addition to federal enhancements to the National Housing Strategy, are critical to enabling a human-rights approach to housing and encampments at the local level.

Overview

- The homelessness crisis is taking a devastating toll on people and communities, undermining a healthy and prosperous Ontario. Homelessness imposes unnecessary costs on our institutions, community agencies, economy, health system and government. There is a price to inaction.
- Homelessness is complex. It intersects with the mental health and addictions crisis, income insecurity, and a lack of affordable and supportive housing. As homelessness has become more visible, more people are recognizing that it must be addressed. There is growing momentum for governments to commit to ending homelessness.
- Homelessness disproportionately impacts Indigenous people. Ending chronic homelessness will require a specific focus on the needs of Indigenous people and collaboration with Indigenous partners.
- The rise of encampments is a symptom of the worsening crisis. Governments need sufficient funding and resources to provide meaningful alternatives that respect the human rights of encampment residents.

Key Facts

- Community organizations, think tanks and industry experts have quantified the systemic challenges contributing to the homelessness crisis across Ontario:
 - Despite recent increases social assistance program rates, in real terms, rates have never been lower.¹
 - In Ontario, 45% of tenant households spend 30% or more of their total income on shelter. This is the highest rate across the country. By 2025, about 160,000 households will spend greater than 50% of their income on rent².
 - Food-bank use in Ontario has skyrocketed, increasing 42% over the past 3 years alone. One-third of these visitors were using food banks for the first time³.
- There is not enough deeply affordable community housing. Canada – including Ontario – lags significantly behind other OECD countries when it comes to the supply of social housing. A recent report from Scotiabank calls for Canada to double its social housing to begin to close this gap.⁴
 - 200,000 Ontarians are waiting years for access to social housing. At least 99,000 new units would be required to meet this need.⁵
- In the 2023 Budget, the provincial government added an additional \$202 million each year to the Homelessness Prevention Program and Indigenous Supportive Housing Program. It also increased community-based mental health and addiction supports budget by \$425 million over the next three years. A good start but more is needed to address the crisis.
- Due to global events, increasing numbers of asylum seekers are turning to municipal shelter systems when they arrive in Ontario. The federal government will be providing an additional \$210 million to fund interim housing for those seeking refugee status. It is much needed at this critical time, but it is a stop-gap measure. Ongoing funding is needed as there is no sign that the flow of people seeking asylum in Ontario will slow down anytime soon.

Other resources and reports

- [2023 AMO Pre-Budget Submission: Building Ontario Together](#)
- [AMO's Call to Action on Housing and Homelessness](#)
- [AMO Homelessness Symposium](#)
- [Cost of Homelessness Infographic – Homeless Hub \(2018\)](#)
- For more information on AMO positions on homelessness, please see [AMO's Housing and Homelessness Resource Page](#)

For more information:

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¹ [Income Security Advocacy Centre 2023](#)

² [Financial Accountability Office of Ontario – Housing and Homelessness Programs in Ontario 2021](#)

³ [Feed Ontario – The Hunger Report 2022](#)

⁴ [R. Young. 2023. Canadian Housing Affordability Hurts: A Doubling of Social Housing Stock Could help Those in Greatest Need](#)

⁵ [Cooperative Housing Federation – Ontario and the Ontario Non-Profit Housing Association, Vote4Housing 2022](#)

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Municipal Finance

AMO Position

- More and more, municipal governments are being asked to take on new responsibilities as the level of government closest to the people.
- Municipalities are the only order of government where revenue does not grow with the economy.
- We know that the current provincial-municipal fiscal framework in Ontario is failing us, particularly in light of recent changes to development charges.
- Ontario's per capita spending is the lowest in Canada. Meanwhile, provincial revenues are soaring at unprecedented rates.
- It is time to take a step back, collaboratively review "who does what", and make sure that municipalities have the revenue tools in place to support their responsibilities to residents.
- Together, provincial and municipal governments can find the fiscal and policy solutions to support shared economic growth and prosperity.
- Delays in updating property assessments are compromising Ontario's competitiveness and the foundation of our stable property tax system – which prevents sharp increases in tax bills and provides business and residents with certainty in terms of their future tax responsibilities.

Overview

- Municipalities are facing increasingly complex challenges, such as tackling homelessness and climate change, without the financial tools to solve them.
- New financial realities like inflation, rising interest rates, labour shortages, and rapid legislative changes are further impacting municipal capacity to deliver services and invest in infrastructure.
- Municipalities are concerned about how much more can be raised through property tax and user fee increases. Ontarians already pay the second highest property taxes in the country.
- As municipalities begin annual budget planning this fall, ongoing uncertainty around infrastructure funding and evolving municipal responsibilities threaten municipalities' ability to make informed decisions for the long-term.
- Provincial revenues are growing at unprecedented rates in the context of inflation, larger federal transfers, and better than expected economic performance.
 - In early August, Ontario's Financial Accountability Office confirmed that the province is on track for a budgetary surplus.
- Different provincial revenue streams driven by housing growth could be reallocated to municipalities to help fund local infrastructure. The province's Land Transfer Tax and HST on housing construction and new home sales generate billions in provincial revenues each year.
- Different sources are calling for a renewed discussion on "who does what" to realign responsibilities based on evolving policy and service realities and ensure that municipalities have appropriate revenue streams to support growing needs.

Property Tax Assessment

- As we approach 2024, Ontario's municipalities are continuing to calculate taxes using 2016 property values.
 - Property tax assessments were delayed during COVID for good reason.
 - Since 2022, municipalities and others in the business community have been calling for a return to the regular assessment cycle to support a fair distribution of the tax burden in line with up-to-date property values.
- On August 16, the government announced it would conduct a review of the property taxation and assessment system and delay reassessment until the review is completed. It also filed a regulation to defer tax assessment again for the 2024 year.
- The current delay in assessments is compromising economic competitiveness, creating more uncertainty for businesses and residents about future tax liabilities.
- The Ontario property tax system was created by Mike Harris in the 1990s and is considered among the most effective, equitable and accurate in the world.
- Municipalities will continue to call for a return to the regular assessment cycle without delay to support a stable tax system, strong communities and a thriving economy.

Key Facts

- Municipal governments are a key partner in a resilient economy, investing revenues of more than \$60 billion annually in important public services and infrastructure.
- Annual municipal own-source revenues were approximately \$46 billion in 2021, raised primarily through property taxes and payments-in-lieu of taxes. The other portion was raised through user fees and other revenues such as development chargers, licenses, and permits.
- Ontario already has the second highest property taxes and payments-in-lieu of taxes amongst all provinces and territories at \$2,100 per capita.
- While property taxes in Ontario continue to be amongst the highest in the country, *provincial* program spending is the lowest in Canada at \$11,794 per capita.
 - If Ontario's program spending was equal to the average of the other provinces and territories, the Ontario budget would reflect an additional \$28 billion in expenditures annually.
- The provincial government benefits from a suite of revenue tools tied to the economic growth and prosperity of the province – and they have a surplus as a result.
 - In 2019-2020, the province generated \$152.9 billion in revenue from its residents, primarily as a result of a strong economy and population growth, including personal income tax (\$41.8 billion), provincial sales tax (\$31.5 billion), corporations tax and employer health tax (\$19 billion); land transfer and property taxes (\$9.9 billion)
 - Recently the Financial Accountability Office of Ontario released its Q4 provincial expenditure report, which suggested that the provincial contingency fund ended the 2022-2023 fiscal year with a \$1.8 billion surplus.
- Property taxes are still calculated using property assessments from January 1, 2016, with no certainty from the province on when a reassessment will be conducted.
 - Between 2016 and the present day, Canada's other nine provinces will on average have reassessed property values more than six times.

Other Resources and Reports

- [AMO's Pre-Budget Submission](#)

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Municipal Governance and Councillor Conduct

AMO Position

- Local governments are a cornerstone of our democratic system: strong, effective and close to the people.
- The collaborative nature of municipal government has long been a strength of our system.
- While AMO has concerns with some “strong mayor” powers – namely those that impact majority rule and public administration – it understands that some of these tools can help municipalities to meet priorities, such as housing.
- Municipalities can be counted on to exercise these powers responsibly.
- Strengthening municipal codes of conduct will enhance local government integrity and public respect.

Overview

Strong Mayor

- The Government of Ontario has made significant changes to the municipal government framework, powers and processes in the last few years.
- The special powers and duties for heads of council are voluntary and subject to certain exceptions. They include powers such as:
 - Creating council committees and appointing chairs and vice-chairs
 - Hiring and firing the CAO
 - Hiring the heads of certain departments and reorganizing administrative structures
 - Proposing the municipal budget for council approval, with veto powers that require a 2/3 council vote to override
 - Vetoing certain by-laws that the head of council believes may interfere with provincial priorities
 - Bringing forward items for council consideration that could advance a provincial priority
- In some circumstances, these powers can be a helpful tool to support progress on priorities such as increasing housing supply.
- AMO has highlighted concerns with two elements of the strong-mayor framework:
 - Majority Rule: Changes to the *Municipal Act* that enable mayors to make law with the support of just one third of Council runs counter to fundamental democratic principles.
 - Public Administration: Powers that enable the head of Council to hire and fire the heads of departments and reorganize municipal administration are at odds with good corporate governance practice.
- These elements are now law, and municipalities can be counted on to use these powers responsibly and in the public interest.

Municipal Codes of Conduct

- All Ontarians expect to work in a safe and respectful environment. Municipal Codes of Conduct are important tools to regulate the respectful behaviour that all council members agree to when they take office
- Municipal governments have limited ability to enforce these Codes in line with members' and the public's expectations.
- AMO has called on the government to table and pass legislation that reflects the following recommendations:
 - Codes of Conduct should be updated to include workplace safety and harassment policies.
 - Codes of Conduct should have an escalating enforcement mechanism through administrative monetary penalties that recognize local circumstances.
 - Integrity Commissioners should have better, standardized training to improve consistency of decisions across the province.
 - In the most egregious cases, such as harassment or assault, municipalities should be able to apply to a judge to remove a sitting member, if recommended by an Integrity Commissioner.
 - A member removed under this process should be unable to sit in another election during the term of office removed and the subsequent term.

Key facts

- Strong-mayor powers were extended to 28 of Ontario's fastest growing communities in July 2023.
- More than 80 municipalities and other municipal organizations, such as the Ontario Big City Mayors, have supported AMO's recommended changes to enhance Municipal Codes of Conduct.

Other resources and reports

- [AMO's advocacy on Codes of Conduct](#)
- [AMO's Comment on the Expansion of Strong Mayor Powers](#)
- [Ontario Announces Expansion of Strong Mayor Powers](#)

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Municipal Infrastructure

AMO Position

- Ontario's 444 municipalities own and operate more infrastructure for the benefit of the public than the provincial and federal governments.
- Municipal infrastructure support health, social and cultural engagement, economic activity, productivity and quality of life.
- More and more, municipalities need to plan for and finance infrastructure investments to adapt to the impacts of climate change that are increasingly felt at the local level.
- To support demand for housing supply, municipalities need to invest in infrastructure such as water and wastewater, roads, parks, and more.
- Municipalities are facing major challenges to address future infrastructure needs because the province has changed how growth infrastructure is financed, and the federal Investing in Canada Infrastructure Plan funding program has come to an end.
- Municipalities need long-term funding partnerships to plan, finance, and construct the necessary infrastructure to support growth across the province.

Overview

- Municipal infrastructure runs the gamut from roads and bridges, water and wastewater, stormwater and flood control to recreation facilities and community centres, public and community housing, long-term care homes, transit and many others.
- Historically, successful partnership between all orders of government has delivered high-quality infrastructure.
- Ontario's municipalities have invested extensively in infrastructure systems. However, many systems were built between the 1950s and 1970s and need to be renewed or expanded to serve a growing population and support economic growth.
- The provincial and federal governments support Ontario's municipal infrastructure needs through a variety of programs. These include the Ontario Gas Tax for Transit which provides 2-cents per litre of gasoline sold in the province and Ontario Community Infrastructure Fund, which provides \$400 million per year for core municipal systems such as roads, bridges, water and wastewater.
- The federal government supports municipal infrastructure through the Canada Community Building Fund, the Disaster Mitigation and Adaptation Fund, the new Housing Accelerator Fund and the multi-year \$33 billion Investing in Canada Infrastructure Program (ICIP). The ICIP was established in 2016 for ten years and has been fully allocated.
- The provincial government and AMO have called on the federal government to renew its main infrastructure funding program to support priorities such as building safe and healthy communities. Federal funding details are anticipated in Fall 2023.

Key facts

- Ontario municipalities manage \$484 billion worth of infrastructure systems.
- Municipalities require an estimated \$52 billion in added investment beyond what they currently spend to bring all of their systems into a state of good repair.
- While adapting to climate change will increase the cost of infrastructure to make communities more resilient to weather challenges, not investing for changing climate would cost more.
- Municipalities have about \$60 billion in annual revenues and spent nearly \$50 billion in 2021 on local services, including \$12 billion in infrastructure investment.

Other resources and reports

- [FAO Review of Ontario Municipal Infrastructure](#)
- [Minister Surma letter](#)

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