

# LUMCO

## Large Urban Mayors' Caucus of Ontario

### BRIEFING NOTE FOR THE HOUSE OF COMMONS STANDING COMMITTEE ON FINANCE: PRE-BUDGET CONSULTATIONS HEARINGS

#### **Purpose**

The purpose of this note is to provide background information on the key priorities affecting Ontario's Big Cities, so that they may be considered as part of the budget consultation. These priorities include job creation, gridlock & transit, infrastructure resiliency and affordable housing.

#### **Issue: Job Creation**

##### Background

- Job creation is a pressing issue in our country, as employment growth since the recession ended has been inconsistent and, in 2014 in particular, disappointing.
- According to Statistics Canada's report *The Labour Market in Canada and the United States since the Last Recession (July 2014)*:
  - Canada's employment rate hit a historic high of 64.4%, in February 2008. From July 2009 to June 2014 it has changed little, and stood at 62.0%;
  - Average monthly employment growth was 26,000 in 2012, before slowing to 8,900 in 2013, and to 7,100 in the first six months of 2014;
  - Canada's participation rate has declined to 66.0% as of May and June 2014. This was the lowest participation rate in Canada since August 2001.
- Employment growth is badly out of balance across the country. While resource-rich areas are enjoying unprecedented prosperity, the industrial heartland continues to struggle to recover, five years after the end of the global recession.

##### Key Considerations

- Ontario's Big City Mayors believe that although all levels of government are working to create jobs and grow the economy, too often this is done in isolation. We are in need of a diverse and robust jobs strategy for Ontario and Canada. We need leadership at all levels to commit to coming together to develop this critical strategy.
- As Mayors we are calling on our partners in the Provincial and Federal Governments to work with city leaders to develop a diverse and robust Jobs Strategy, which would include actions to address:
  - Labour Market Reform: skills training/apprenticeship programs; immigration reform;
  - expansion of international trade and foreign direct investment through a new, coordinated trade agenda shared by Federal, Provincial and Municipal governments;
  - infrastructure investment that targets the problems that hold our economy back, particularly aging transportation infrastructure and the under provision of public transit.

- This strategy will result in job creation and growth in the local, provincial and national economy.

## **Issue: Gridlock & Transit/Transportation**

### Background

- The Mayors of Ontario's Big Cities are united on the need for new investment in roads and transit in both our largest urban areas and in medium-size cities. Canadian families and businesses agree: gridlock is one of the most important issues facing our communities today. It costs us jobs, investment, and wastes our time stuck in traffic.
- Across Canada one-third of municipal roads need significant repairs.
- Every year, traffic costs the economy \$10 billion in lost productivity and the average commuter spends 34 days in their car (Federation of Canadian Municipalities).
- Infrastructure investments generate economic returns. Every dollar invested in infrastructure:
  - Creates as much as \$1.11 in economic growth (Conference Board of Canada);
  - Reduces business costs by an average of 11 cents (Statistics Canada);
  - Increases worker productivity —investments in infrastructure accounted for 24 per cent of recent labour productivity growth (Conference Board estimates).

### Key Considerations

- Investment to date has not been enough, and the results are clear: overloaded subways and busses, and highways jammed with traffic. Canada's businesses and residents need gridlock fixed. And that means we need the money to fix it.
- Ontario's Big City Mayors believe it's time for government leaders to commit to investing in breaking gridlock. It's time to take a serious look at raising new revenue. We need a new Founding Deal to fund transit and improve transportation.
- Although we are encouraged by the Federal Government's announcements of infrastructure plans, it remains unclear as to whether the funding announced represents a drop in federal support for this critical national priority, as the allocation of this funding is undetermined. We are also very concerned that the focus and purpose of these funds has been diluted by making many more types of infrastructure eligible, such as pipelines.

## **Issue: Infrastructure Resiliency**

### Background

- A growing threat to Canada's infrastructure is the increasing number of severe weather events hitting communities across the country – washing out bridges and roads, flooding sewers, and damaging power grids.
- Adapting and hardening cities' infrastructure to respond to the impacts of climate change is no longer the stuff of long-term planning. We're placing our communities at risk and setting ourselves up for huge bills if we don't prepare.
- The floods in Toronto and Calgary last summer cost each city over \$600 million and \$250 million respectively, not to mention the human costs of destroyed homes and disrupted lives. With damage of over five billion dollars, the Calgary flood is Canada's costliest natural disaster ever.
- Canadian insurance companies have doubled their payouts for natural disasters every five years since the early 1980s, a trend that shows no sign of slowing.
- This summer, a tornado tore through Angus, just outside of Barrie, destroying a number of homes and leaving behind an estimated \$30 million bill. Burlington, Ontario saw two months worth of rain

in one day that washed out roads and flooded homes. The cost to our economy is extensive and the threat to the safety of our residents is very real.

### Key Considerations

- All levels of government will need to take immediate action to reduce the impact of severe weather and ensure communities have the resources needed to deal with this critical issue.
- Building infrastructure that can withstand the impacts of climate change will be essential in a world where temperatures are rising, more rain is falling, faster and severe storms are happening more frequently.
- Canada needs a forward-looking approach that ensures climate change is incorporated into infrastructure planning and decision-making at all levels of government. The increasing severity of weather is no longer the stuff of disaster movies – it is impacting us all today.

## **Issue: Affordable Housing**

### Background

- Affordable housing is a national issue and Ontario's Big City Mayors are calling on provincial leaders to upload the costs of social housing to the Province. However, this is an issue that demands the attention of all levels of government.
- Housing makes up 20% of Canada's GDP.
- For both new construction and renovations, an expenditure of \$1 million on housing generates roughly three full-time-equivalent jobs, and a further ten indirect and ancillary jobs (Federation of Canadian Municipalities).
- According to a recent report from the Ontario Non-Profit Housing Association (ONHPA), there are more than 165,000 households on the waiting list for affordable housing across Ontario. This represents the highest waiting list totals since the (ONHPA) started collecting data in 2003.
- The worst wait times for Ontario subsidized housing are in the GTA - 8.39 years in the Regional Municipality of Peel, 7.57 years in the Regional Municipality of York and 6.67 years in the City of Toronto.

### Key Considerations

- With the ballooning prices of residential property in major Canadian cities, and long waiting lists for social housing, municipalities need the support of CMHC and associated funding to both maintain the existing supply of affordable housing, and begin to address the backlog.
- In particular, there are innovative approaches to affordable home ownership that can be explored through supportive Federal tax policy that can support lower income families, giving them pride of ownership and building equity.
- But it is only through a meaningful investment in capital projects in the affordable housing sector that we can begin to address this crisis, and at the same time, reduce costs to our hospitals, social services, and other government services.

## **Conclusion**

- The issues facing Ontario's Big Cities are the same ones facing Canadians in cities across the country. To move forward, we must put investment in infrastructure and transit at the heart of our national economic strategy.

- When municipalities were created in Canada, less than a quarter of our population was living in cities. Today that percentage is reversed, with more than three-quarters of Canadians calling cities home.
- Our current system, in which municipalities collect just eight cents of every tax dollar, is unsustainable. What is needed is a new framework which recognizes that cities now deliver most of the services that shape our lives as Canadians.
- For example, changes to Canada's tax regime may be effective in stimulating pension fund or private investment in infrastructure; this can help slay the infrastructure deficit.
- Ontario's Big City Mayors look forward to working with both the Federal and Provincial Governments to develop the solutions needed to build prosperous and secure communities for the benefit of all Canadians.

### **About the Large Urban Mayors' Caucus of Ontario (LUMCO)**

The Large Urban Mayor's Caucus of Ontario (LUMCO) represents 67% of Ontario's population. Currently there are 26 Big City Mayors with populations of over 100,000 residents in Ontario.

Mayor Jeff Lehman, City of Barrie is the current Chair of the Large Urban Mayors' Caucus of Ontario. The vice-chair of LUMCO is Mayor Karen Farbridge, City of Guelph. LUMCO's main objective is to support and enhance strong and effective large urban governments. LUMCO considers matters of specific interest to its member municipalities and takes united action on matters where rights, services or programs of its member municipalities may be affected. Learn more at [ontariobigcitymayors.ca](http://ontariobigcitymayors.ca).