

Second Annual IMFG Address by Regional CAOs

Driving Public Value Together: Regional Perspectives on Infrastructure and Housing

Speakers:

Gary Kent, Chief Administrative Officer, Regional Municipality of Peel

Elaine Baxter-Trahair, Chief Administrative Officer, Regional Municipality of Durham

Erin Mahoney, Chief Administrative Officer, Regional Municipality of York

Moderator:

Shirley Hoy, Senior Advisor, StrategyCorp

February 6, 2024

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Land Acknowledgement

We wish to acknowledge this land on which the University of Toronto operates. For thousands of years it has been the traditional lands of the Huron-Wendat, the Seneca, and most recently, the Mississaugas of the Credit. Today, this meeting place is still the home to many Indigenous people from across Turtle Island and we are grateful to have the opportunity to work on this land.

Questions?

Ask in person



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Driving Public Value Together

Regional Perspectives on Infrastructure and Housing

Gary Kent

Chief Administrative Officer, Peel Region

February 6, 2024





Peel Region

50

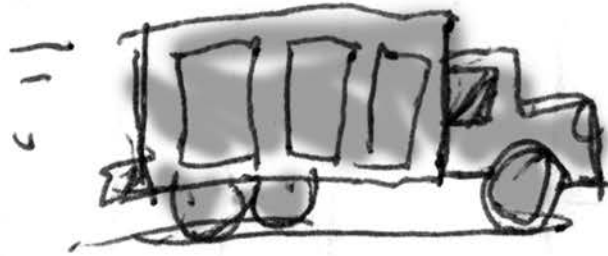
YEARS *of* SERVICE

1974-2024





Legitimacy
and support



Operational
capabilities

=



Public
Value

Magnitude, Scale, Integration of Services & Complexity of Peel



1.5 Million

Peel's population is larger than six of Canada's provinces



1 in 10

Ontarians live in Peel



69% of residents

identify with a racialized group, the highest percentage in the GTA



2nd

largest water and wastewater system in Ontario and 4th largest in Canada



30%

lower utility rates than other GTA municipalities



3rd

largest community housing provider in Ontario



21%

of all goods movement GDP in Ontario carried on Peel Region roads



\$1.8 Billion

worth in goods travel to, from, and through Peel every day



2nd

largest police service in Ontario and 3rd largest in Canada



2nd

largest in paramedic service in Ontario



2nd

largest waste management program in Ontario and 4th largest in Canada



2nd

largest public health service in Ontario by population size and one of the largest in Canada



\$10.3 Million

annual funding to over 150 community agencies in the non-profit sector



\$3.4 Billion

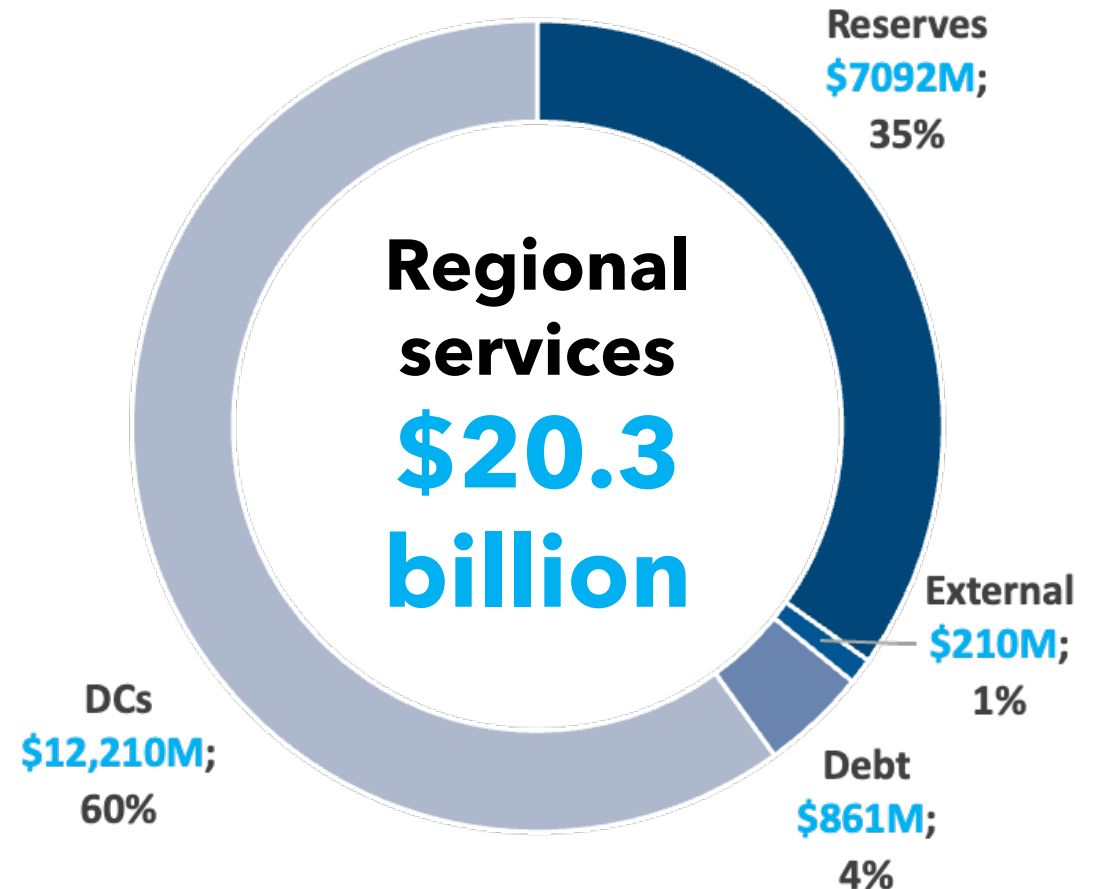
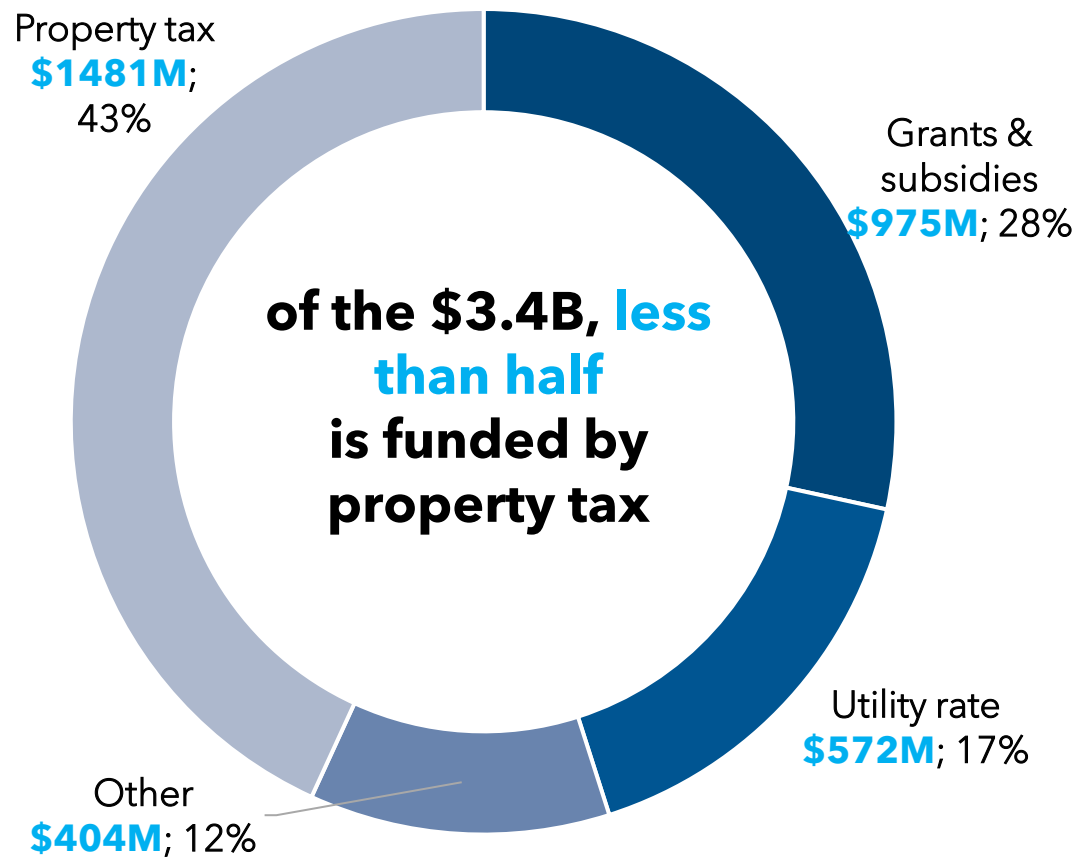
annual operating budget and **\$2.5 Billion** annual capital budget



\$42 Billion

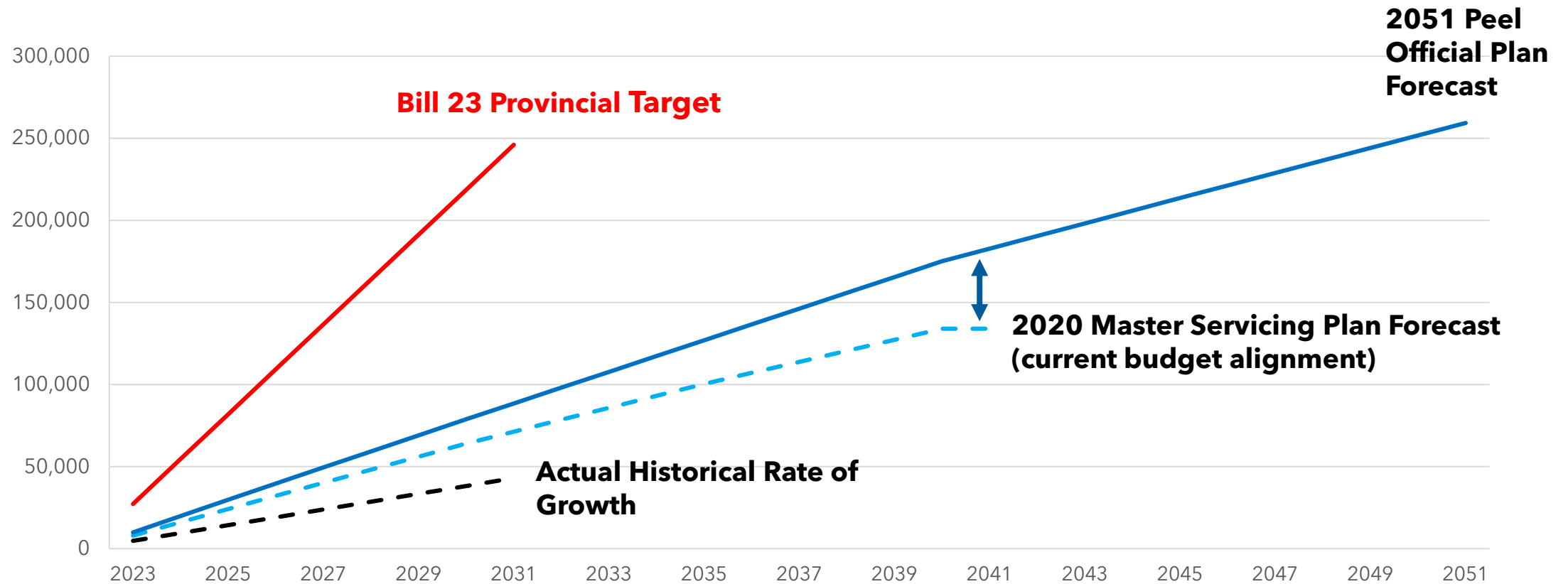
the total value of Peel assets

\$3.4B Operations & \$20.3B Capital



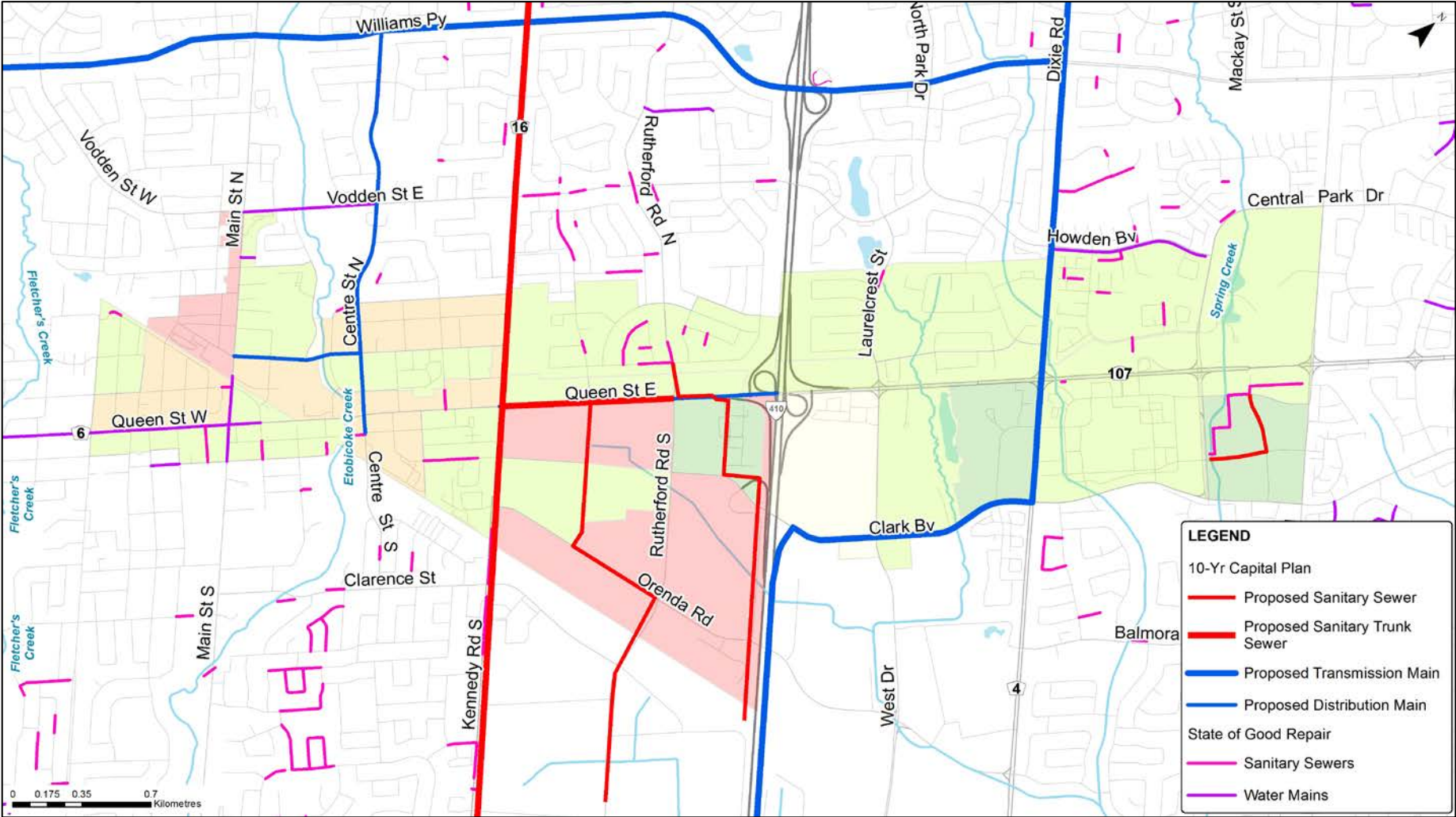
Public Value: Building Homes Faster (with Water)

Peel residential unit growth forecast



Queen St.

	2020 master servicing plan	2051 ROP growth	Brampton growth forecast
Total growth 2021-2051	35,400*	67,200	144,540**

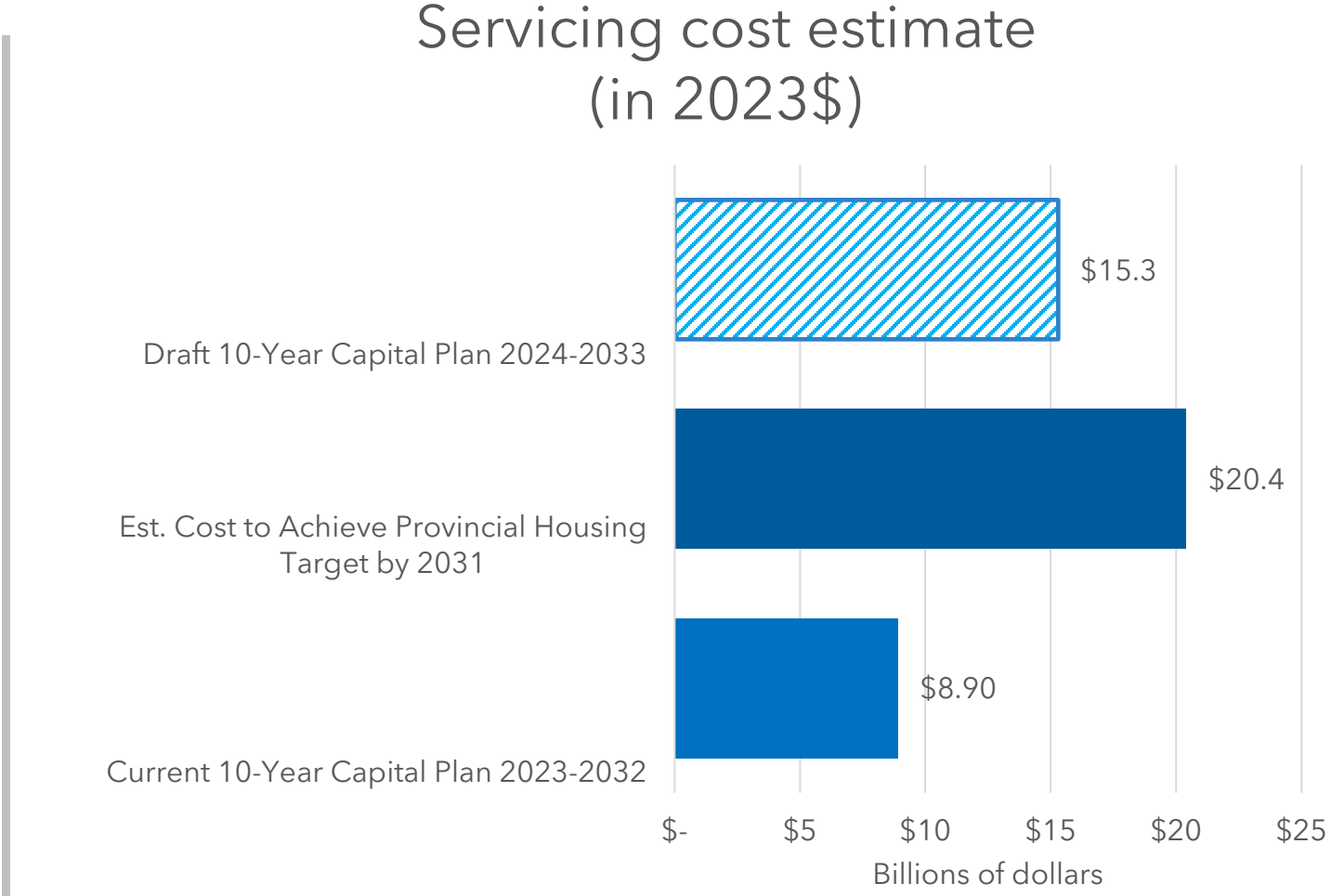


Challenges Advancing Capital Delivery

Debt servicing costs (and ability to fund debt)	Major impacts to traffic, goods movement, and service disruption to the community
Internal resources to deliver projects - Engineering, Procurement, Legal, Property	Provincial Regulations - Environmental Assessments, consultation requirements
Potential loss of DC revenue further complicated by need to advance capital	Loss of coordination with local municipalities capital works - roads, etc.
Property procurement challenges, scarcity, expropriation needs	Loss of coordination with external agency work - Metrolinx, MTO, Utilities
Need for consideration of climate change implications	Materials and supply chain challenges due to increased demand
Minister's Zoning Orders (MZOs)	Construction contractor scarcity and increased cost of construction where demands increase

Bill 23 Budget Implications for 2024

- Cost to achieve Provincial housing target is over double the 10-year capital budget
- Master plans must be completed to determine full cost



*this figure does not include the cost of property acquisition and other soft costs

Housing Affordability Crisis Is Deep, Unprecedented, and Inequitable

An average household needs to save for about **30 years** for an affordable 25-year mortgage

A minimum wage household needs to save for at least **50 years** for an affordable 25-year mortgage

Average rents are **102%** of after-tax minimum wage income

4,000 people used shelters in Peel last year

It takes, on average, **six times as long** to save for a down payment in 2021 than it did in 2005

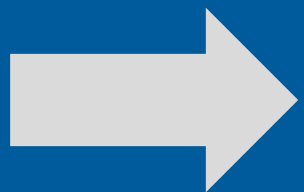
Two Housing Crises

Unprecedented market housing prices

impacting moderate income households renting, aspiring to own, or trying to upsize for a growing family.

Lack of deeply affordable and supportive housing

for people with low incomes, or who experience family, physical, mental health, and addiction struggles.



Today, we are discussing investments needed to address the second crisis to deliver Public Value

The Exit from Non-Profit Housing

Most provinces play a large role in social housing. Ontario is an outlier - an average of 77% of social housing expenditures are funded by municipal governments

- In the **1970s**, income tax reforms created principal home capital gains exemptions, encouraging ownership, and land reforms triggered consolidation in the development industry, easing large scale subdivision development
- In the **1980s** and **1990s** social housing spending was reduced then eliminated, 17,000 units cancelled, and social housing was downloaded to the municipalities
- In **2000**, Bill 128, *Social Housing Reform Act*, transferred responsibility for administering social housing to municipal Service Managers and District Social Services Administration Boards (DSSABs) without adequate funding

Housing Snapshot in Peel

Housing and Homelessness plan

To get and keep housing by

- **Providing** more affordable housing options
- **Ending** chronic homelessness
- **Preventing** homelessness

Core housing need (CHN)

- **91,000 households** are in CHN
- **Only 19%** of CHN is being served
- 40.2% need **additional supports** to remain stably housed
- **77,700 low-income** households are in CHN
- Households that immigrated in the last 5 years are **150% more likely** to be in CHN
- Single income households are **120% more likely** to be in CHN
- Black households are **the most likely** to be in CHN

Service Levels Don't Meet the Need

Supportive*



Need 4.5k units
Current supply 141
Meeting **3%** of need

Transitional



Need 870 units
Current supply 72
Meeting **8%** of need

Affordable



Need 52.7k units
Current supply 17.9k
Meeting **34%** of need

Shelter



Need 590 beds
Current supply 442
Meeting **75%** of need**

Additional supports



Need 31k units
Current service 181
Meeting **<1%** of need

Street visits



Need 8.1k visits
Current service 4.9k
Meeting **60%** of need

Cases



Need 10.9k cases managed
Current service 6.9k
Meeting **64%** of need

Prevention



Need 3.9k evictions prevented
Current service 2.9k
Meeting **73%** of need

To Meet 100% of Need in 10 Years

\$50B

This level of funding is not possible from property tax alone. Addressing the housing crisis requires an all-of-government approach and increased investment from all levels of government, private, and non-profit sectors

Municipal Comparisons

	Peel Region	City of Hamilton	City of Ottawa	City of Toronto	Waterloo Region	York Region
Total expenditure	\$257M	\$90.2M	\$206M	\$1.55B	\$123M	\$145M
Regional expenditure	\$155M	\$60.4	\$124M	\$911M	\$73.5M	\$86.9M
Population	1,506,320	569,355	1,067,310	2,794,356	617,870	1,173,103
Spend per capita (based on regional expenditure)	\$103	\$106	\$117	\$326	\$119	\$74
Federal/Provincial funding Percentage of total expenditure	24%	31%	39%	37%	27%	35%
Federal portion	8%	N/A	13%	22%	8%	N/A
Provincial portion	16%	N/A	26%	15%	20%	N/A
Federal/Provincial spend per capita	\$41	\$49	\$76	\$203	\$55	\$44
Federal portion	13.7	N/A	25.3	119.7	15.1	N/A
Provincial portion	27.3	N/A	50.5	83.6	39.5	N/A

Direction on Future Service Levels

Market housing won't help low-income and households requiring daily living supports

Peel can't solve the crisis alone, but we, as service manager and primary funder can make a dent in it

What is the desired level of regional investment over the next 10 years?

Regional Governance Reviews

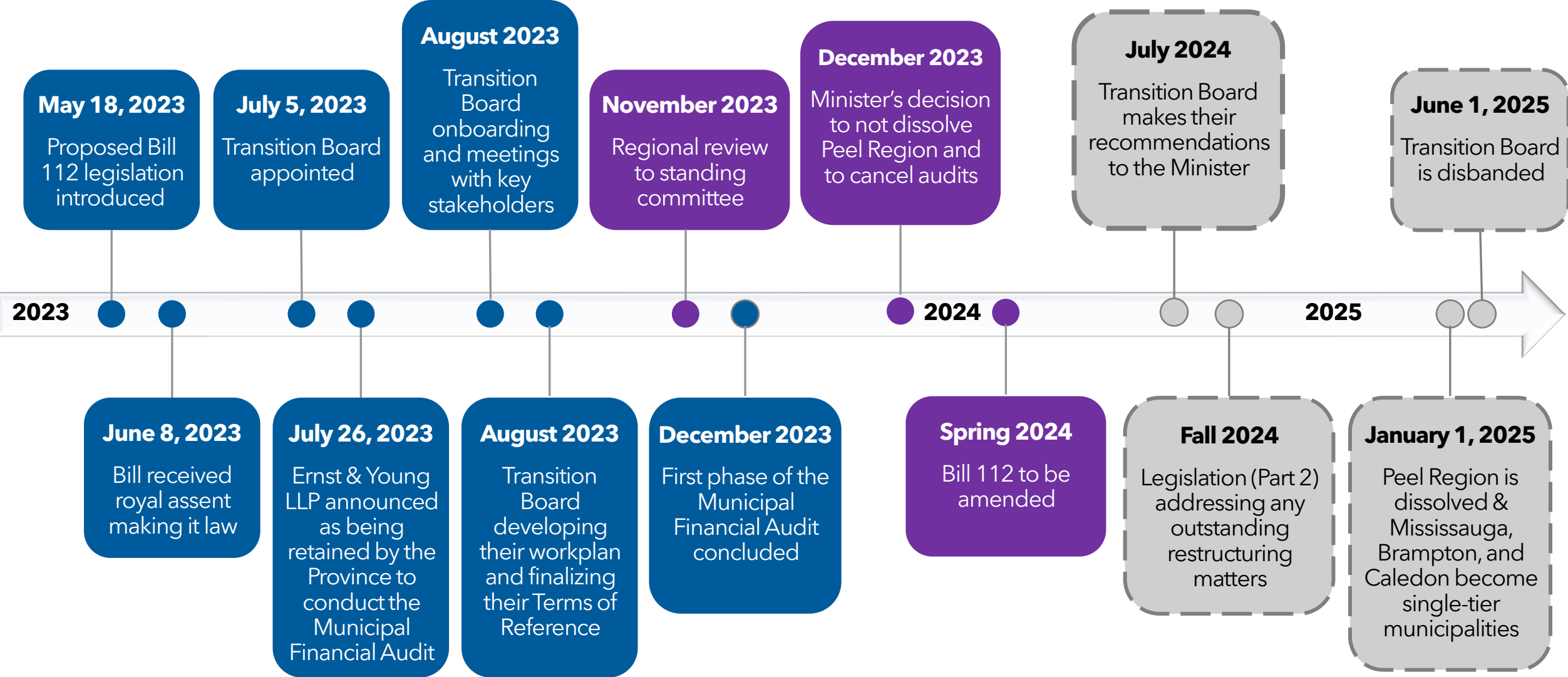
Standing Committee on Heritage, Infrastructure and Cultural Policy will conduct a study on Regional Governance, overseen by the Ministry of Municipal Affairs and Housing

Bill 112 - Dissolution will not happen

Partnerships - Working with Municipalities and the Public Sector Network, and groups such as *Metamorphosis*, unions

Opportunity cost

Transition Timelines



Creating Public Value? Lessons Learned

Brownfield is not greenfield

Peel is not Toronto; Niagara is not Peel

Perspective of magnitude and scale

- Public consultation
- Value for taxpayers
- Our biggest asset is our employees
- 4 years of crisis

You can't shrink your way to greatness

Thank You

Gary Kent

Chief Administrative Officer, Peel Region





Driving Public Value Together: Regional Perspectives on Infrastructure & Housing

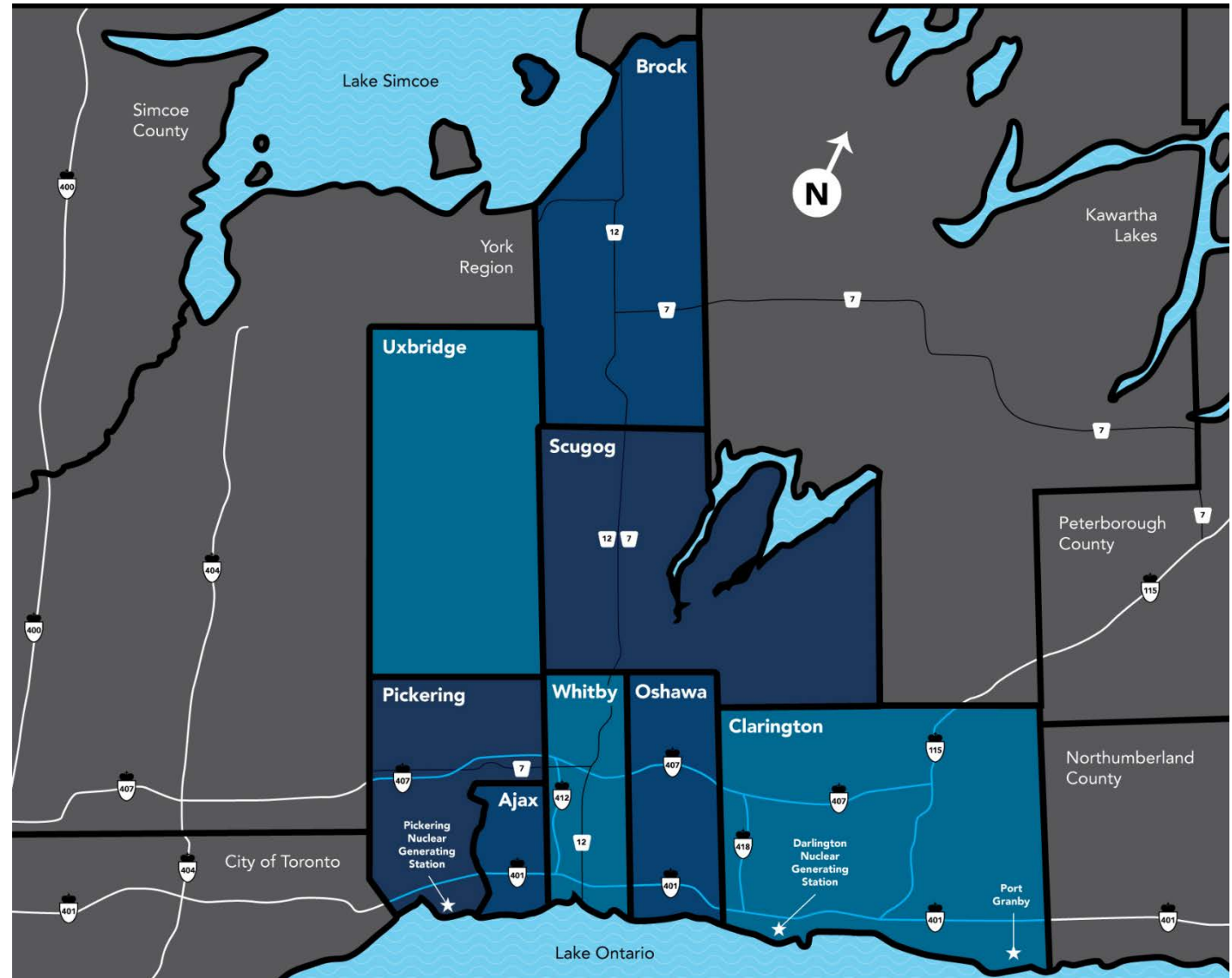
Elaine Baxter-Trahair, CAO

IMFG, University of Toronto
February 6, 2024



About Us

- Region of eight municipalities
- Population of 748,495
- Rapid growth
- Mix of urban and rural





Overview of Region of Durham Finances

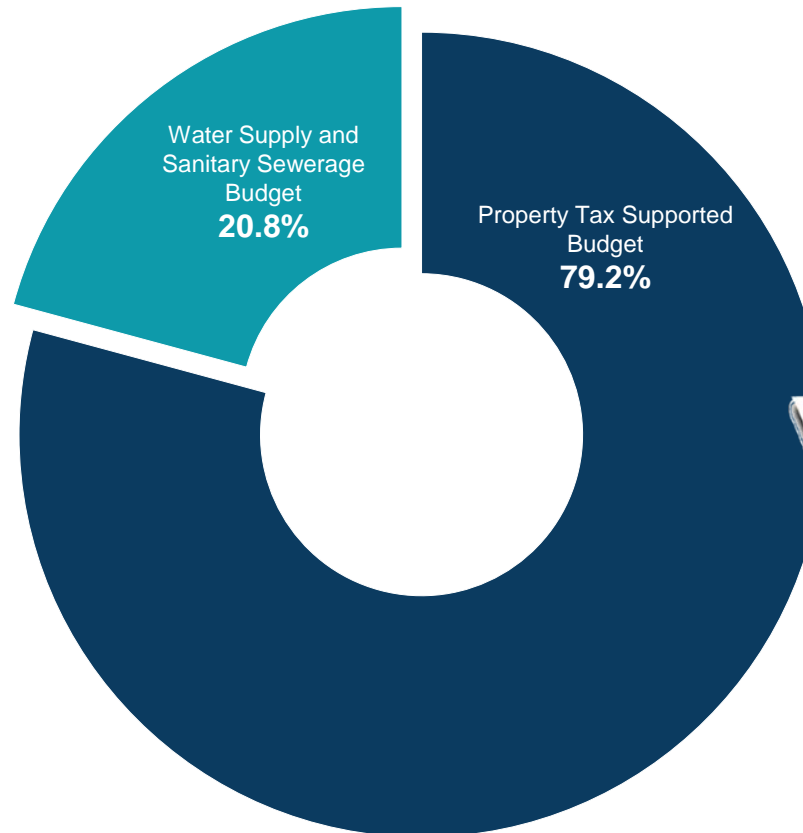
2023 Approved Budget
\$2.44 billion

Water Supply and Sanitary Sewerage Business Plans and Budget
\$0.51 billion

Property Tax Supported Business Plans and Budget
\$1.93 billion

Water and Sewer Bill

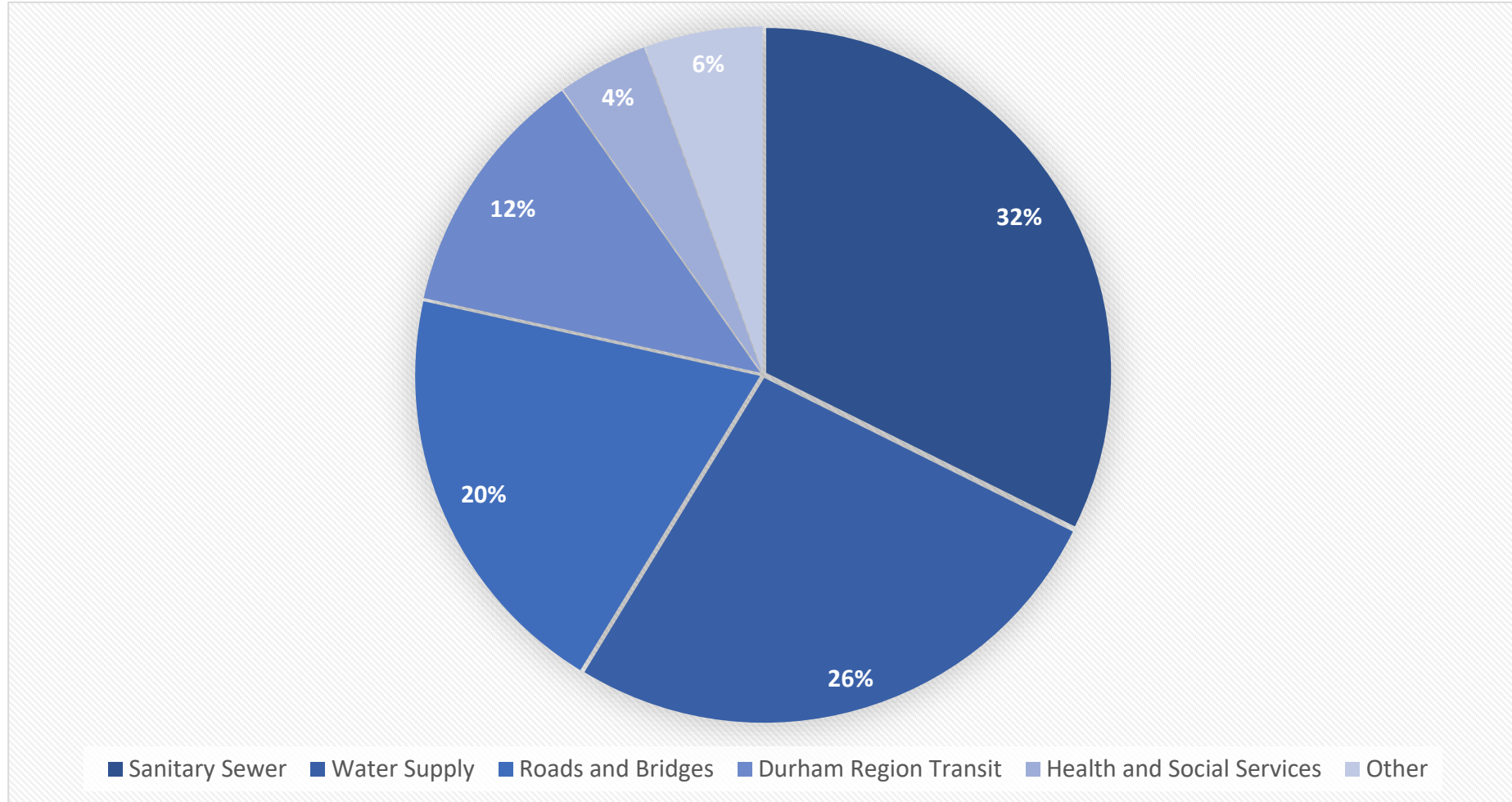
Property Tax Bill



- Durham Region Municipal
- Local Municipal
- Provincial Education

THE REGIONAL MUNICIPALITY OF DURHAM UTILITY FINANCE 400 ROXBOROUGH RD E RICHMOND HILL, ONTARIO L4B 1N1 TEL: 905.709.7200 WWW.DURHAMREGION.CA		WATER AND SANITARY SEWER BILL RETAIN THIS PORTION FOR YOUR RECORDS SEE REVERSE FOR FURTHER BILLING AND FARMER INFORMATION	
PERIOD BILLED FROM: TO:		SERVICE ADDRESS Average Residential Customer	
ACCOUNT NUMBER		DESCRIPTION	
▲ PLEASE QUOTE THIS NUMBER WHEN INQUIRING CURRENT WATER METER READING		AMOUNT	
PREVIOUS WATER METER READING		Water Consumption \$61.60	
CONSUMPTION: Typical Quarterly Average (56 cubic metres)		Water Service Charge \$55.44	
WATER METER SIZE		Total Water Charges \$117.04	
UNMETERED FIRE LINE SIZE		Sanitary Sewer Usage Charge \$98.56	
		Sanitary Sewer Service Charge \$20.70	
		Total Sewer Charges \$119.26	
		AMOUNT DUE NOW \$236.30	
		2% LATE PAYMENT CHARGE EFFECTIVE AFTER AMOUNT DUE AFTER DATE SHOWN	

10-year Capital Needs



\$9B and growing by 2032



10-year Estimated Development Charge Loss Revenue

- Impact on 2024 Property Tax and Water and Sewer User Rate Budgets:
 - Proposed 0.50 percent on property taxes
 - Approved 2.50 percent on water and sewer user rates

	Estimated Loss Revenue (\$ millions)
Property Tax	\$373
Water & Sewer User Rates	\$540
Total	\$913



Status Update: Homelessness

- 85% increase in families experiencing homelessness
- Prediction: Durham residents experiencing homelessness will increase by 48% by 2025



Homelessness in Durham Region



As of November 2023, 415 individuals on Durham Region's By-Name List (BNL)¹ are experiencing homelessness, compared to 134 in 2017.²

67%

A significant increase in people experiencing unsheltered homelessness over the past year.



More people are experiencing homelessness across Durham Region. A recent report to Durham Regional Council outlined an increase of 144% in Whitby alone.

Low-Income

Durham Region has an estimated 45,800 residents (6.6%) living with low income, defined as \$26,570 after tax for an individual and \$53,140 for a family of four.

Social Assistance

As of January 2023, the number of Ontario Works (OW) recipients in Durham was 12,835. The number of Ontario Disability Support Program recipients was 19,952.



Since 2018, the current combined maximum amount for basic needs and shelter for a single OW recipient is **\$733/month**.

Average rent in Durham Region for a one-bedroom apartment: **\$1731/month**.

Two-bedroom apartment: **\$2123/month**.

People experiencing homelessness have varied, complex needs and require multifaceted supports including mental and physical health, food security, newcomer supports, child care, employment, social supports etc.



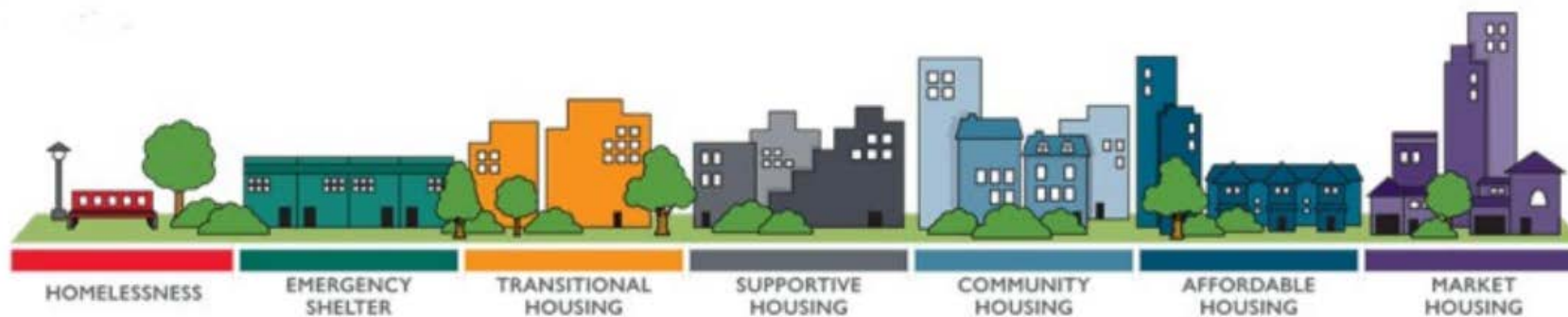
In 2021, 54% of people experiencing homelessness on the BNL in Durham had high acuity or high needs.² This increased to 64% in 2022.

Housing System Models

- A range of housing options
- Intersectional and multi-directional
- Services and supports available



Source: City of Kelowna



Source: CMHC



A Vision for Housing in Durham Region

Master Housing Strategy

Under the [Master Housing Strategy](#), the Region is committed to exploring all opportunities to support the delivery of affordable, suitable, and sustainable housing for all people in Durham



Revitalization of the Regionally owned [Durham Regional Local Housing Corporation](#) portfolio



Support for the [preservation and modernization](#) of community housing



Review of [public surplus lands](#) and their potential social and community benefits



Review and modernization of the homelessness and emergency shelter system to [reduce chronic homelessness](#)



New [partnerships and incentives](#) for affordable, community, supportive, and transitional housing

Affordable Housing Development and Renewal Division

- Increase the supply of affordable, suitable, and sustainable housing based on best practices in financial, social, and environmental sustainability
 - Development and implementation, including re-development and renewal of community housing
 - Identify and support shovel-ready or near shovel-ready projects
- Enhance meaningful community engagement
- Focus on community-centred outcomes, social determinants of health, wrap-around services, alternative financing mechanisms, and integrated project delivery

Emergency Shelter and Supportive Housing Projects



1635 Dundas Street



Beaverton Transitional Supportive Housing

Affordable Housing Development & Renewal

- Redevelopment into mixed-income communities
- Possible disposition of surplus land
- Infrastructure improvements required
- Desire to increase mixed-use space and sense of community



Ritson School Project

- Community engagement underway
- Priorities: increase the supply of affordable rentals, provide access to community programs and services, increase supply of housing with supports
- Opportunities: various forms of housing, health, social and community service hub



Municipal Services that Enable Housing





Thank you!



Elaine Baxter-Trahair
Chief Administrative Officer

[durham.ca](https://www.durham.ca)
[@RegionofDurham](https://www.instagram.com/RegionofDurham)





MEETING INFRASTRUCTURE CHALLENGES OF GROWTH

Presented to
Institute for Municipal
Finance and Governance
(IMFG)

Presented by
Erin Mahoney, Chief
Administrative Officer

Presented on
February 6, 2024



Services to More than 1.2 Million People

OPERATING BUDGET

Total: \$3.2B

Tax Supported: \$1.4B

CAPITAL BUDGET

2024: \$1.0B

10-year plan: \$11.6B

YORK REGION

Children's Services

Forestry

Housing

Long-Term Care

Paramedic Services

Police Services

Court Services

Public Health

Social Assistance

Transit

INTEGRATED SERVICES

Bylaw Enforcement

Borrowing / Tax
Collection

Economic
Development

Emergency Planning

Planning

Roads

Waste Management

Water

LOCAL CITIES AND TOWNS

Building

Fire

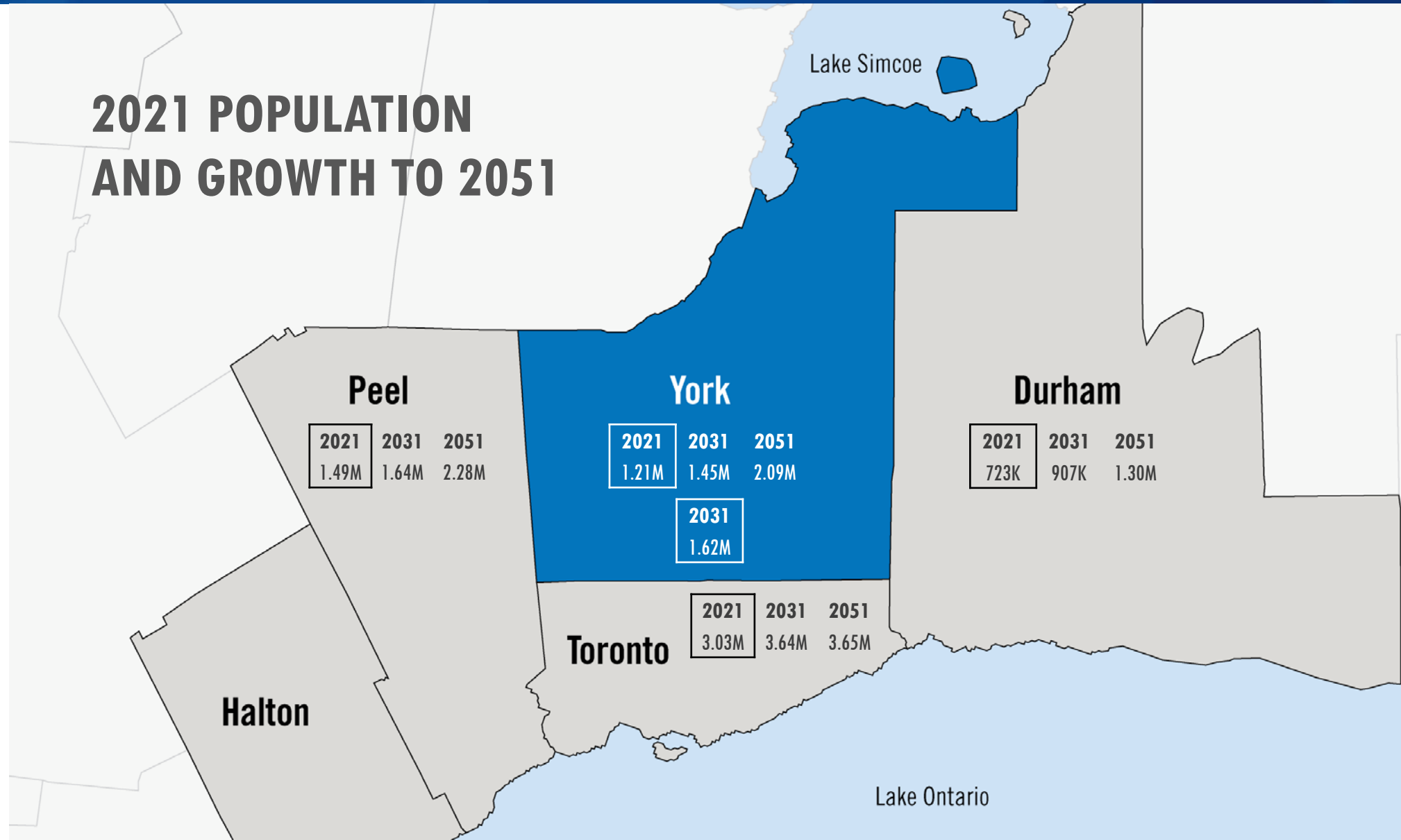
Libraries

Licensing

Parks, Recreation
and Heritage

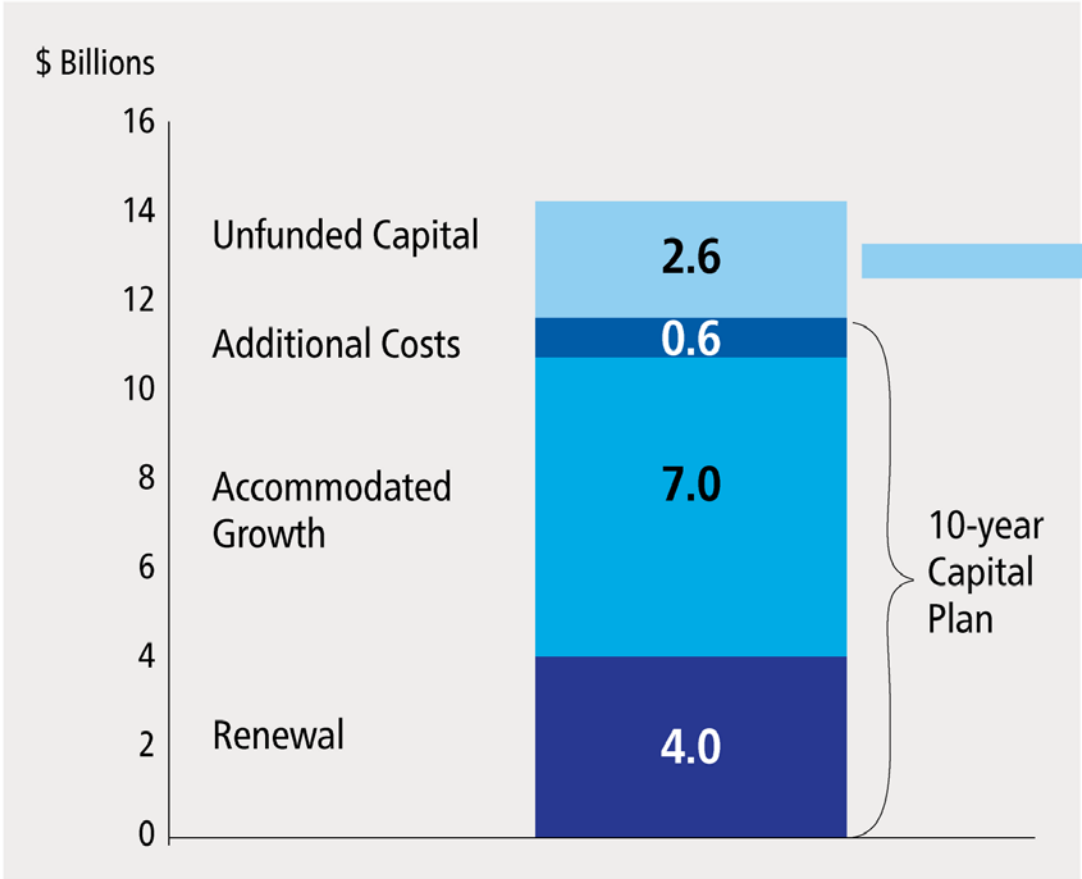
Storm Water Drainage
and Management

Provincial Housing Targets Prompt Significant Infrastructure Needs

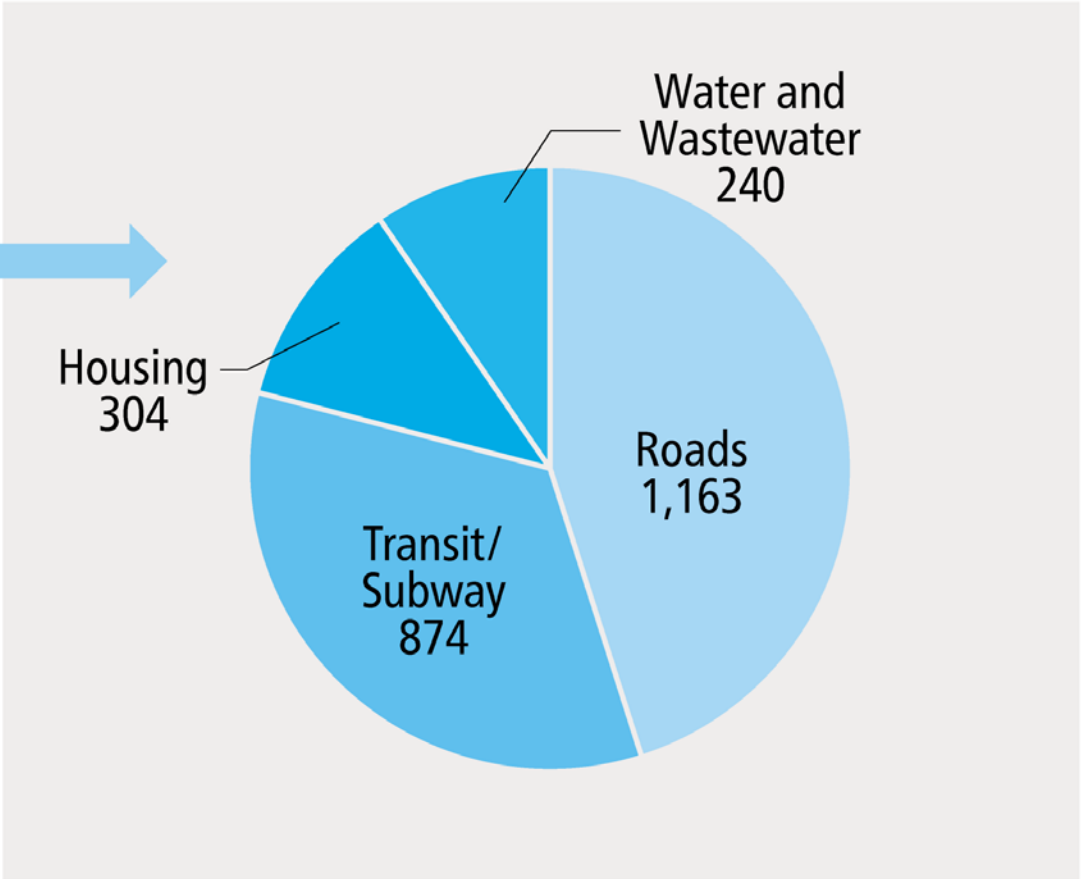


York Region Needs \$2.6 Billion in Additional Capital to Meet Housing Target

CAPITAL SPENDING NEEDS



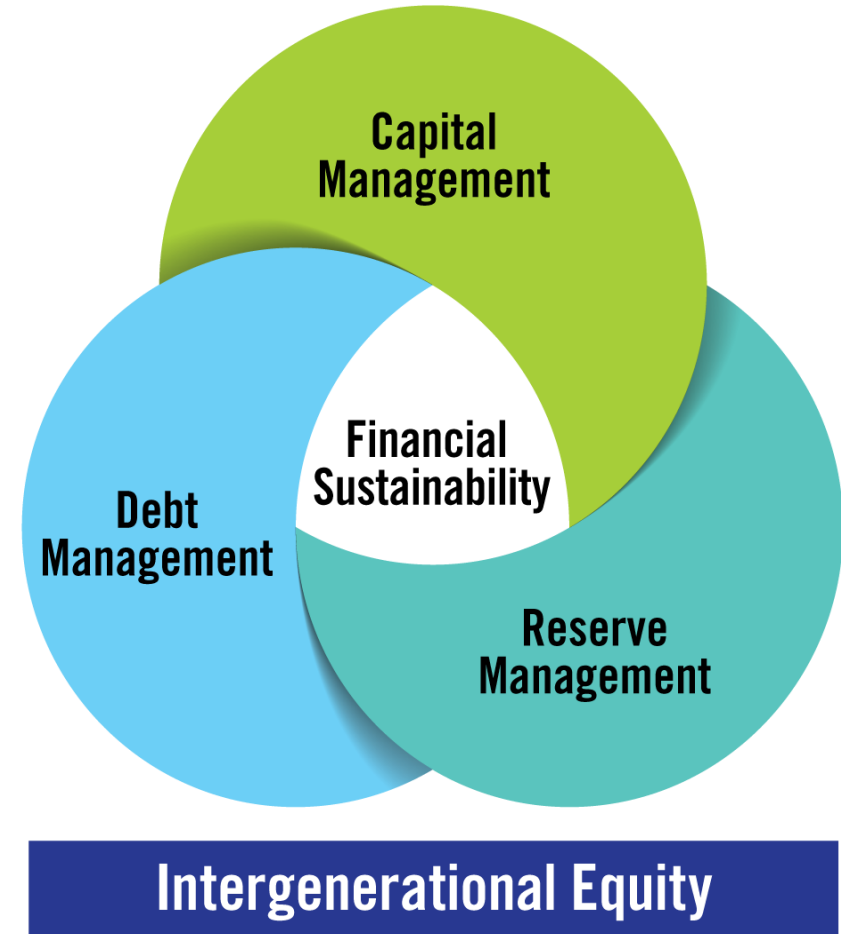
\$2.6 BILLION UNFUNDED CAPITAL



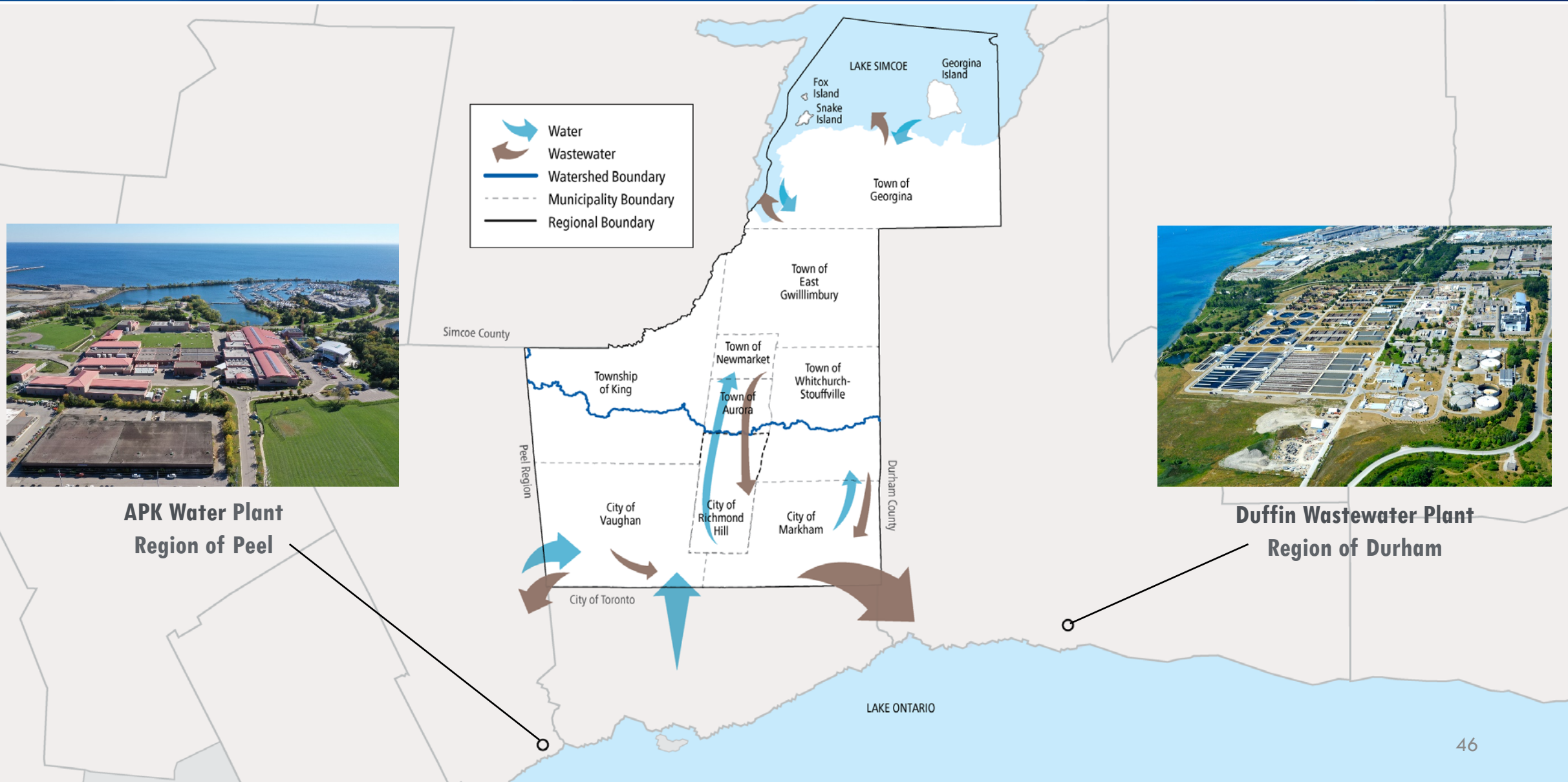
Guiding Principles for Financially Sustainable Growth

- Align infrastructure emplacement with timing and location of growth
- Manage debt and reserves
- Drive innovation and collaboration to achieve economies of scale

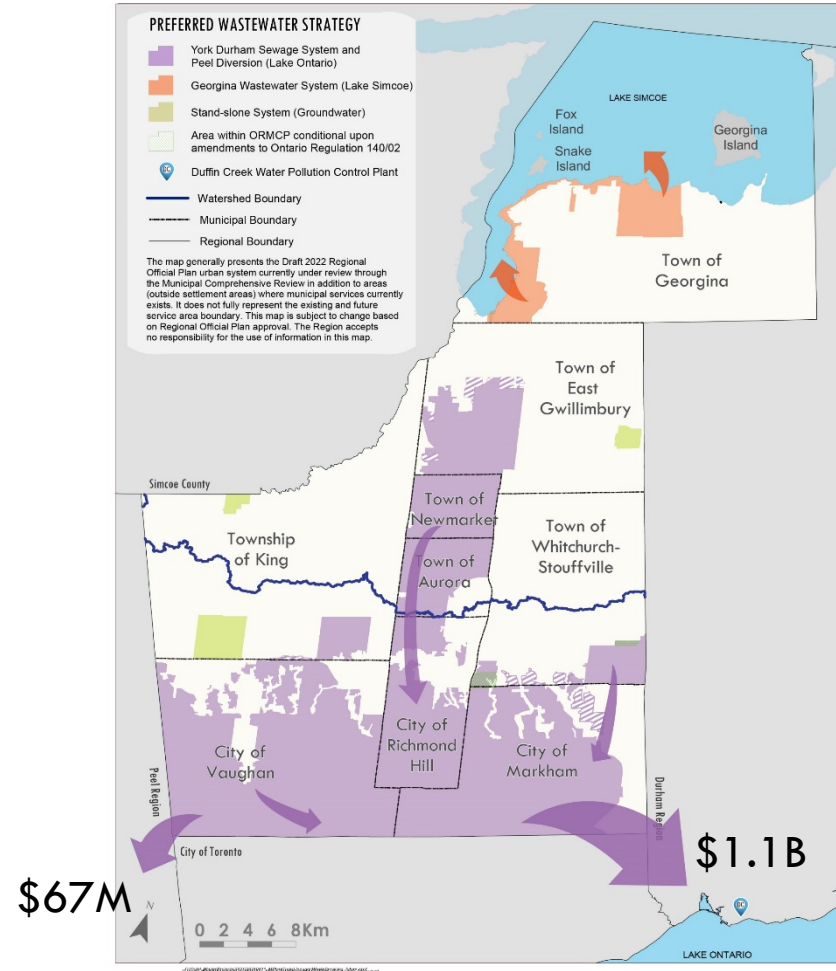
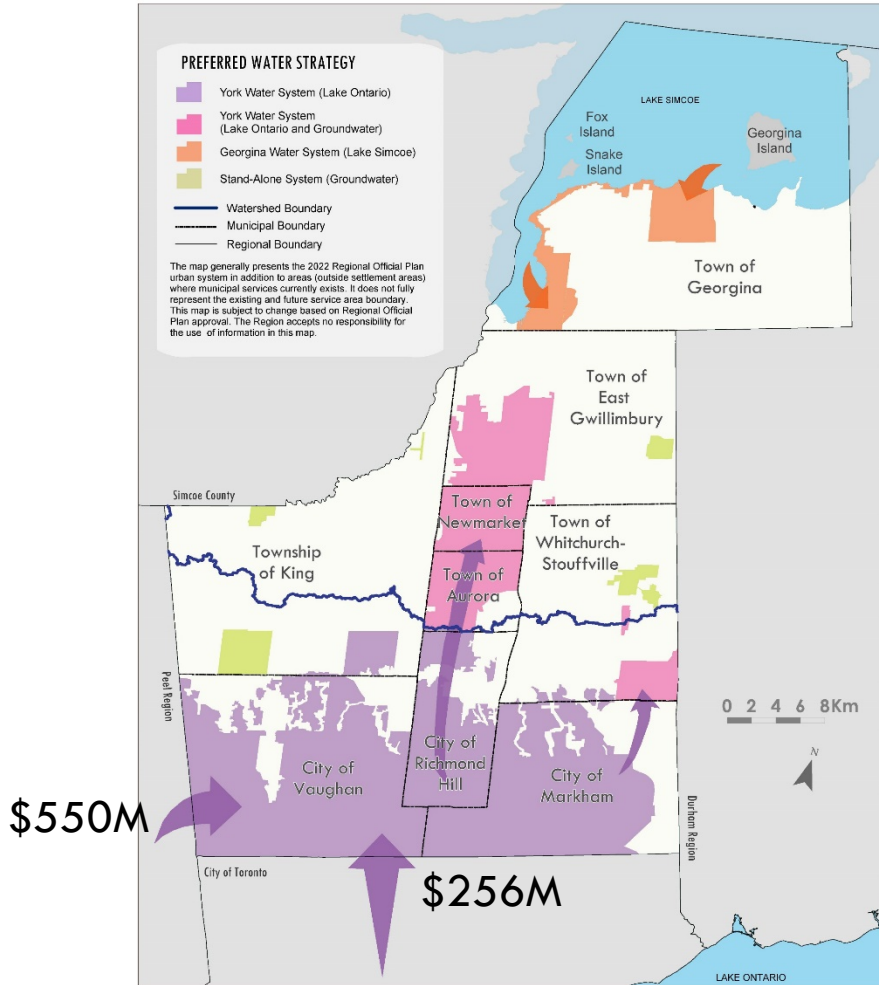
YORK REGION'S FISCAL STRATEGY



Cross-Boundary Partnerships Enable Efficient Servicing of Growth



Cross-Boundary Partnerships Enable Servicing for Growth Through Cost-Shared Capital



WATER/WASTEWATER



51%

of direct costs are purchased water and treatment

Regional service planning across municipal boundaries delivers efficient and effective economies of scale and scope to service Durham, Toronto, Peel, and York.

Infrastructure Placement Must Align with Local Planning Decisions



**Local Municipality:
plans location
for growth**

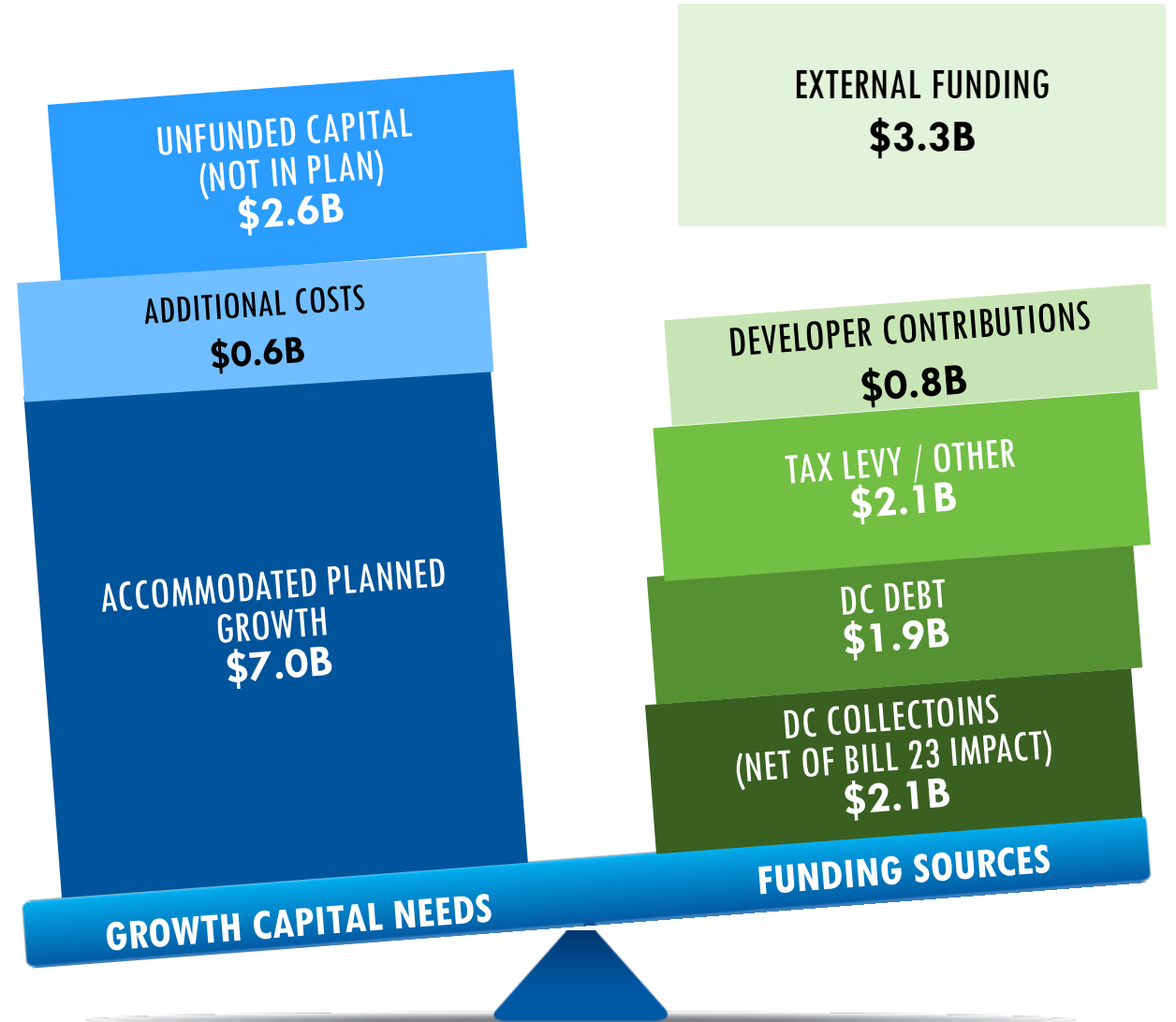
GROWTH

**Development
Industry: builds and
pays development
charges**

**Region:
plans and delivers
growth-enabling
infrastructure**

Collaboration and Sharing Risk Helps to keep Growth Affordable

- Servicing capacity must be available before growth can occur and often requires debt funding
- Accommodating unplanned growth will require additional infrastructure investments
- Additional debt could jeopardize Region's credit rating if forecasted growth does not materialize
- Collaboration with local municipalities and developers to align infrastructure with growth
- 2024 Budget assumes developers share financial risks through prepaid DCs
- Housing and BRT priority projects remain unfunded, and Bill 23 impacts remain
- External funding required to offset these pressures



Bringing the Future to Life Together

GROWTH (PACE AND LOCATION)



USE EXISTING SERVICING CAPACITY



CHANGING PROVINCIAL PRIORITIES



Thank you