



Growing Better Together

Provincial Pre-Budget Submission

2024

Niagara  Region



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Letter from Jim Bradley Niagara Regional Chair

Dear Minister Bethlenfalvy,

On behalf of Niagara Regional Council, thank you for the opportunity to participate in Ontario's 2024 pre-budget consultation. As our governments continue to tackle a number of shared issues, such as the ongoing housing crisis and affordability as a whole across our province, one thing remains clear; increased collaboration is needed to ensure we are adequately supporting today's residents and businesses while preparing for tomorrow's growth.

We are grateful for the support your government provided Niagara throughout 2023. The additional \$1.03 million allocated to our Dedicated Offload Nurse Program is a great first step in ensuring we have the resources needed to meet increasing service demands within our Emergency Departments. We would also like to express our gratitude for the increase we received in Homelessness Prevention Program funding. In alignment with the Auditor General's Value for Money Audit, the new funding allocation begins to ensure the Region can support our community's need for homelessness services.

While these investments addressed some of Niagara's previous advocacy requests, opportunities remain for our governments to work together to meet the needs of our growing population. For example, enhanced co-investment in Niagara's Affordable Housing Strategy, support for shared service implementation and funding for growth-related infrastructure projects remain top priorities for Regional Council in 2024.

The need for additional revenue tools at the municipal level is also imperative in ensuring local governments have a sustainable fiscal framework set in place that can respond to future growth. As such, I would like to express my support for AMO's request that a social and economic prosperity review be undertaken in partnership with the province. Doing so will ensure that municipalities have appropriate revenue streams to support the growing needs of Ontarians going forward.

Regional Council is committed to working closely with our provincial partners to create a stronger Niagara. I look forward to collaborating on the abovementioned initiatives so that we can continue Growing Better Together.



A handwritten signature in black ink that reads "Jim Bradley". The signature is stylized with a large initial "J" and a long horizontal stroke at the end.

Jim Bradley, Chair
Niagara Region



About Niagara Region

Endless Opportunity Ready to be Harnessed

Located within the Southern Ontario Greenbelt, Niagara is home to over 496,000 residents living in a mix of 12 urban and rural local area municipalities (LAMs), each with their own distinct characteristics. Situated within 800 kilometres of 130 million people and in close proximity to Toronto and the USA, Niagara is at the heart of one of North America's business trade corridors. In 2021, \$842.9 billion worth of Canadian/US imports and exports passed through Niagara and the region has been designated as a Foreign Trade Zone Point, reaffirming the critical role our community plays in facilitating trade.

Niagara is the best region to work in and call home, and provincial growth projections confirm that our community remains an area of choice for Ontarians. With an estimated 200,000 new residents and 85,000 new jobs coming to our region by 2051, Niagara offers significant social and economic potential for both our community and the province as a whole.

Our tiers of local government remain committed to continuous improvement and implementing innovative services that meet resident needs while achieving efficiencies and maximizing economies of scale.

From providing high-quality drinking water and maintaining regional roads, to operating long-term care homes and administering public health, Regional services support residents throughout every stage of life. Lower tier services, such as licensing and cultural and recreational services ensure day-to-day public programs are responsive to community needs. Shared services, such as Niagara Region Transit, are delivered by our two levels of government. This collaborative approach ensures consistent customer service across our local area municipalities and allows for enhanced coordination of growth across the region.

Our population is growing, new businesses are being created and we continue to work together to deliver innovative and customer focused services to our residents.



5 international border crossings into the U.S.



Welland Canal connects the Great Lakes to the world



272,000 jobs
2051 projected employment
23% increase



694,000
2051 projected population
43% Increase



3,269 housing starts
+ 3,728 housing permits



\$683.2 million
2022 non-residential building construction



Summary of Asks



Growing Infrastructure

- Provide one-third funding for the estimated \$400 million South Niagara Wastewater Solutions Project



Growing Healthy Communities

- Increase funding for provincial Public Health programs to account for inflation and growing service demands
- Increase long-term care nutritional support per diem to reflect inflationary pressures
- Provide adequate funding and financial assistance to support Ontario Works, accounting for inflation
- Provide adequate funding to support the additional service system manager responsibilities as a result of implementing the Canada Wide Early Learning and Child Care Program



Growing Housing

- Provide long-term capital funding to increase the supply of community housing units
- Continue to provide enhanced Homelessness Prevention Program funding that aligns with community needs
- Introduce an Affordable Municipal Growth Fund to support growth-related projects

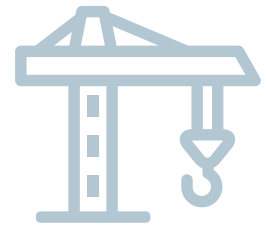


Growing Modern Services

- Reintroduce the Municipal Modernization Program with a focus on two-tier shared services



Growing Infrastructure



Ask: Provide one-third funding for the estimated \$400 million South Niagara Wastewater Solutions Project

Niagara Region is planning today for tomorrow's infrastructure. Once completed, the South Niagara Wastewater Solutions Project (SNWSP) will support growth by:

- Allowing for greater flexibility in development servicing in five local communities
- Enabling economic growth, including supporting large-lot employment sites along the QEW
- Providing servicing for the forthcoming South Niagara Hospital

This infrastructure project will also support shared sustainability goals of the Region and province. New technology and system improvements will help protect the Great Lakes by reducing combined sewer overflows by approximately 60 to 70 per cent.

We appreciate the infrastructure funding announced in the 2023 Fall Economic Statement, including the launch of an Ontario Infrastructure Bank and a Housing-Enabling Water Systems Fund. However, with total project costs estimated to be \$400 million, the SNWSP will be one of the most significant Regional capital investments in the next 10 years. **Without a one-third investment from each of the federal and provincial governments the SNWSP cannot move forward.**

In May 2023, members of Regional Council secured a commitment, in principle, from the Honourable Premier Doug Ford for one-third project funding, predicated on the Government of Canada introducing an infrastructure program that would support a cost sharing structure with provincial and local governments.

In response, Niagara Region engaged in the following federal advocacy initiatives:

- Sent a request to the Minister of Housing, Infrastructure and Communities for a new federal infrastructure program, which was supported by eight Federation of Canadian Municipalities Ontario Caucus members
- Met with the Parliamentary Secretary to the Minister of Housing, Infrastructure and Communities in November 2023 to discuss the request

We remain hopeful that the 2024 federal budget will announce new infrastructure funding. In the interim, we must move forward with this critical project. Niagara requests that the province provide one-third funding for the SNWSP irrespective of a matching federal commitment, and that the province continue to advocate for a national infrastructure program.



\$400 million
estimated total cost of project



Canadian municipalities
build and maintain
approximately 60%
of public infrastructure



Investment
partnerships required

- 1. Regional investment**
- 2. Provincial investment**
- 3. Federal investment**





Ask: Increase funding for provincial Public Health programs to account for inflation and growing service demands

As Ontario continues to welcome new residents, all levels of government must work together to build a connected and convenient public health system that can sustain future growth. The restoration of the 75 per cent provincial and 25 per cent municipal cost-share ratio and a guaranteed one per cent base funding increase over the next three years will allow for greater clarity when planning future public health budgets. To ensure long-term sustainability for Ontario's public health system, and that public health base funding is reflective of service demand and inflation, **we support the Association of Local Public Health Agencies' (ALPHA) request that a review of public health funding be undertaken in partnership with the province.**

By doing so, a funding approach that is stable, predictable, protected and sufficient for the full delivery of all public health programs and services can be achieved.

In addition to base funding, municipalities deliver public health programs on behalf of various provincial ministries and agencies. Many of these programs have experienced funding freezes despite increasing labour costs and collective agreement requirements, service demand and inflation. This has placed a financial burden on local governments as expenses not reimbursed by the province have been subsidized through the municipal levy to maintain essential services. **The following three Niagara-specific examples demonstrate the importance of increasing funding for provincial public health programs to account for inflation and growing service demands.**



Niagara's Public Health base budget has an estimated **funding shortfall of \$5,862,000** for mandatory programs since 2014 due to inflation

1. Emergency Medical Services (EMS)

Niagara is grateful for the \$51 million investment made in the Dedicated Offload Nurse Program, of which our Region received \$1.03 million. This increase will provide some of the resources needed to respond to offload delays; however, greater partnership is required to address the significant challenges experienced within our region.

Three of Niagara's hospitals currently rank in the bottom five in Ontario for offloading time. This puts us in a vulnerable position as our geography prevents us from utilizing neighbouring EMS service to respond to critical patients. Between 2021 and 2022, Niagara experienced a 54.76 per cent increase in offload delays. 2023 was the second highest year on record for offload delays with 28,535 hours incurred.

Although funded by the Ministry of Health, **\$1,755,466 of Regional levy has been used to address the impact of hospital offload delay on EMS delivery as well as the growing demand for service.**

Providing reimbursement and making this a permanent allocation is critical to the sustainability of Niagara EMS. Without additional funding, we may not have enough staff to adequately respond to increased call volume.



2. Mental Health

Ontario's Roadmap to Wellness envisions all Ontarians having access to high-quality, easily accessible mental health services throughout their lifetime. Positioned within Niagara Region Public Health and Emergency Services, Niagara Region Mental Health (NRMH) is a community program meant to be 100 per cent provincially funded. However, base funding from Ontario Health has not kept up with inflation. NRMH has been subsidized year over year by the Regional Levy to avoid service cuts, **totalling \$2,564,872 since the 2018/19 fiscal year**. While NRMH is grateful for the five per cent increase to base funding for the 2023/24 fiscal year, **total shortfall is forecasted at \$1,230,000**.

A recent Needs Based Planning report demonstrates that to meet community demand, Niagara requires greater capacity in intensive case management services such as Assertive Community Treatment (ACT). The Ontario Association for ACT and FACT recommends that a community the size of the Niagara should have four to five ACT teams, yet we currently only have two. Wait times for ACT in Niagara could be up to two years, leaving individuals with severe mental illness without high-quality, evidence-supported, community treatment.

Without increasing NRMH base funding by \$1.23 million to meet operational needs and providing the estimated \$5.5 million needed for additional ACT teams, NRMH will be forced to make substantive service cuts and hundreds of individuals with the most severe mental illness will go untreated in the community.



ACT results - international overview

- **62% reduction in client hospital admissions after one year of ACT services**
- **One ACT team, at a cost of \$1.3 million per year, produces cost avoidance of \$4 million per year**
- **Improved housing stability**



\$5.5 million needed for ACT

- **\$3.5 million for two ACT teams**
- **\$2 million for a specialized ACT Housing First team**



3. Healthy Babies Healthy Children (HBHC)

HBHC is a public health program 100 per cent funded through the Ministry of Children, Communities and Social Services. HBHC represents the earliest opportunity to identify children who may be exposed to social and economic risk factors that are known to have cumulative negative impacts on health and development. Despite its indisputable value the base budget for HBHC has not seen any increases to account for inflation or population growth since 2008. The impact of inflation alone has resulted in an **estimated funding shortfall of \$878,013 requiring reductions in service to manage.**

To stay within the provincial funding envelope, **2.8 FTE Family Home Visitor (FHV) roles were divested or gapped in 2021 and in 2023 Niagara Public Health moved to a nurse-only home visiting model after four FTE FHV staff were divested to mitigate budgetary pressures.** While the decision to divest the FHV complement will temporarily allow HBHC to stay within the Ministry's 2024/25 program allocations, service reductions may be necessary in future years if the program's base budget is not increased to reflect resident demand and inflation.



14.5 FTE Public Health Nurses

are operating the HBHC program following the divestment of Family Home Visitors



As a result of inflation an estimated **funding shortfall of \$878,013** requiring reductions in service to manage



Ask: Increase long-term care nutritional support per diem to reflect inflationary pressures

Long-term care homes receive a nutritional support per diem of \$12.07. Providing residents meals, snacks, and supplements within the \$12.07 per day allotment presents a significant challenge given food cost inflation and an increasing proportion of residents who require specialty diets.

We request a commitment from the Ministry of Long-Term Care to increase nutritional support funding for long-term care residents. The additional funding will support our commitment to providing nutritious meals and snacks to seniors in our homes.



62% of residents have a specialized component to their diet

(e.g.: vegan, renal, gluten free, modified diabetic etc.) and diet texture (thickened fluids, minced diet, pureed diet)



Food costs have risen 11.4% since 2022

according to the Statistics Canada Inflation Report



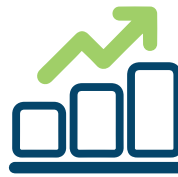
Ask: Provide adequate funding and financial assistance to support Ontario Works, accounting for inflation

Ontario Works administration funding continues to be held at 2018 funding levels, which does not reflect inflation nor the increases in labour costs. The operating funding required to appropriately respond to the complex needs of clients remains a local challenge as Niagara's caseload increased 14 per cent in 2023 and is expected to increase an additional 6.7 per cent in 2024.

Niagara continues to allocate additional levy dollars to the Ontario Works portfolio above the program delivery 50/50 cost-share agreement to maintain appropriate staffing levels. Further, the increase in demand for service results in additional pressure on discretionary client benefits. In response, Niagara continues to allocate levy dollars above the capped \$10 cost per case for discretionary benefits, housing stability benefits and life stabilization benefits.

Ontario Works benefits for clients have not increased since 2018, resulting in recipients living 67 per cent below the poverty line. This intense depth of poverty has a significant impact on their ability to meet basic standards of living, including securing and maintaining suitable housing. In response, Niagara continues to allocate additional levy dollars to support maintaining tenancy and transitioning out of the shelter system.

We recommend that the Ministry of Children, Community and Social Services **provide adequate funding to support the administration of the Ontario Works program that is reflective of inflation.** Additionally, to better respond to the financial needs of Ontario Works recipients, **we recommend that financial assistance reflect the inflationary increases in subsequent years.**



Niagara's Ontario Works caseload increased 14% in 2023 and is expected to increase an additional 6.7% in 2024



Ontario Works benefit recipients are living 67% below poverty line as a result of not increasing benefits for clients since 2018



Ask: Provide adequate funding to support the additional service system manager responsibilities as a result of implementing the Canada Wide Early Learning and Child Care program

Niagara Region continues to face increased pressures in implementing the CWELCC system, as well as regulatory changes, and new and changing provincial direction for program delivery. The provincial government has indicated changes to administrative funding that are challenging and create risk with the implementation of CWELCC.

In 2024, there will be a 50/50 region-province administration funding cost-sharing arrangement for a portion of the provincial funding provided. There will also be a reduction in the allowable administrative funding threshold, from 10 per cent to five per cent. While these changes were initially announced in 2018, implementation was delayed due to COVID-19 and supported through a one-time transitional grant between 2021 to 2023 to Niagara Region that was critical to support operations.

With CWELCC implementation, there are several new administrative requirements that did not exist previously when the administrative reductions were first announced. While the Province has provided some additional funding to support CWELCC implementation, it is insufficient to meet the scope and complexity of the program.

Service system managers are also now required to conduct value for money audits for municipally operated child care centres. Additional funding to support the costs of these audits is not provided and Niagara Region will have to fund the costs from already reduced administration funding or through levy dollars.

Further, service system managers continue to manage multiple systems for early years and child care between the CWELCC eligible operators and non-CWELCC resulting in additional pressures and oversight.

Adequate and appropriate funding is required to manage the early years and child care system. **Therefore, we recommend that the one-time transitional grant be reinstated to support the additional responsibilities of implementing CWELCC, that the administrative funding cap be maintained at 10 per cent** instead of being reduced to five per cent, and that the **province provide funding for the costs related to conducting value for money audits** required for municipally operated child care centres.

2024 funding changes



- 50/50 regional-provincial cost sharing arrangement for a portion of provincial administration funding
- 5% reduction in allowable administrative funding threshold



Niagara Region has one of the highest CWELCC enrolment rates **96% of eligible child care spaces enrolled (September 2023)**



Service system managers are required to conduct value for money audits for municipally operated child care centres



Growing Housing



Ask: Provide long-term capital funding to increase the supply of community housing units

Niagara Region is ready to meet our community's desperate need for housing and looks forward to partnering with the province to reach its goal of delivering 1.5 million housing units over the next ten years. The Region's Official Plan estimates that our population will reach 694,000 by 2051. To accommodate, 102,700 new housing units must be added during a time in which demand for housing far exceeds the supply.

We have developed a Consolidated Housing Master Plan (CHMP) that serves as a guide for the development of new community housing units between 2022 and 2045. It provides direction to address overwhelming demand for community housing and reduce the length of wait times on the centralized waiting list during the time period of 2022 to 2045.

Niagara's CHMP is unique in that it outlines opportunities to leverage investment in non-profit and co-operative housing, as well as municipal housing. The redevelopment of 20 Niagara Regional Housing sites, 51 private, non-profit and co-operative service sites, and net new development would result in 10,966 new units. We are well-positioned; however, additional partnerships, grant programs and provincial funding is required to ensure the Region can apply a Portfolio Approach in its affordable housing solution.

Additional capital funding will not only allow the Region to meet its CHMP targets but will support Niagara in investing in innovative affordable housing solutions. Providing long-term capital funding for community housing initiatives will directly support the province in achieving its priority of building 1.5 million new homes. It will also ensure that together, we are adopting innovative approaches to increasing Ontario's affordable housing supply.



Median asking rent costs



\$1,550 1-bed unit
(+19.2% from 2021)



\$1,800 2-bed unit
(+12.5% from 2021)



26,000 households
are in need of affordable housing



Niagara has the potential to introduce **10,966 new units**



Ask: Continue to provide enhanced Homelessness Prevention Program funding that aligns with community needs

Niagara Region appreciates the provincial support provided during the pandemic through the Social Services Relief Fund (SSRF). Through local distribution, Niagara created new programs along the continuum of supportive housing, including increasing the number of community-based spaces (units in the private market with supports) and making infrastructural investments to support various programs.

While SSRF monies allowed for investment in homelessness infrastructure and supportive housing capacity, additional resources are required to meet the needs of our community. Best practice for supportive housing estimates that there should be six units of supportive housing for every one shelter bed. Niagara remains well below this ratio at less than two: one. Additionally, to alleviate the challenge of overall underfunding for the delivery of homelessness services, the Region continues to allocate substantial levy dollars to the homeless portfolio.

Niagara Region is also appreciative of the additional Homelessness Prevention Program (HPP) funding allocated to further support supportive housing and homelessness prevention services. However, the enhanced HPP funding is set to expire on March 31, 2026, and as of now, there is no indication that further enhanced funding will be made available after this date.

The significant impacts of poverty continue to persist in the community as is evident through the prevalence of mental health and substance use issues experienced by the individuals that are supported through the homelessness system, the existence of encampments and the rise in the Region's social assistance caseload which is a good indicator of local need in Niagara. Further, an increase in rental rates coupled with a decrease in vacancy rates has made securing and maintaining safe and affordable housing difficult. The needs in our community continue to grow and require adequate funding to effectively address.

We recommend that an enhanced funding level through HPP is sustained after March 31, 2026, to continue providing service managers with a source of funding in alignment with indicators of poverty and homelessness for service areas. By doing so, the province would be making the necessary investments in Niagara's Homelessness System to further our collective work in ending chronic homelessness, together.



Supportive housing should have 6 units of supportive housing for every 1 shelter bed. **Niagara is below this ratio at less than 2:1**



Increases in rental rates and decreases in vacancy rates has made **securing and maintaining safe and affordable housing difficult**



Ask: Introduce an Affordable Municipal Growth Fund to support growth-related projects

Niagara Region is ready and willing to partner with the Ministry of Municipal Affairs and Housing (MMAH) to combat Ontario's housing crisis and help the province meet its target of building 1.5 million new homes over the next 10 years. In order to effectively implement growth-related projects however, the Region requires greater capacity.

While Bill 23 has brought a number of positive changes, there are unintended financial consequences that, if left unaddressed, will prevent Niagara from supporting the province in its growth-related initiatives. Preliminary analysis suggests that the Region will lose \$34 million in development charges (DCs) over the first five years. The Region will also be unable to collect \$26 million in DCs related to housing services that were anticipated to fund affordable housing projects. If funding gaps are left unaddressed, the Region will be forced to cancel the below projects that are intended to support the Province in meeting its growth-related priorities.

Affordable housing

- The Region had planned for DCs to fund \$60 million in growth-related affordable housing projects; however, Bill 23 removed municipal housing as an eligible service. Consequently, we will need to either significantly increase property taxes to make up for this shortfall or cancel projects thereby reducing the number of new housing units that can be made available.

Growth-related infrastructure

- Growth-related studies help the Region determine where, when and how Niagara's population will grow, while land acquisition ensures we have the space to build the infrastructure required to support it. Growth-related studies and land acquisition are critical in the development process; however, as per Bill 23, after the expiry of the Region's current DC by-law in 2027 DCs will no longer be able to fund these initiatives.
- Reserve funds earmarked for infrastructure projects such as roads, bridges, transit, water treatment plants and ambulances are therefore at risk. If new funding sources are not identified, infrastructure required to support planned growth will be restricted, reducing the Region's ability to sustainably introduce new housing units.

We recommend that MMAH introduce an Affordable Municipal Growth Fund to provide municipalities with additional resources that will support them in fulfilling growth-related projects. By doing so, the province, Niagara Region and municipalities across Ontario can continue to grow affordable housing, together.



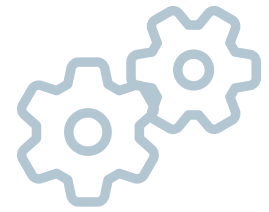
Over the first 5 years changes to DC collection will be reduced by 13.9%



\$60 million in DC collection for affordable housing no longer eligible



Growing Modern Services



Ask: Reintroduce the Municipal Modernization Program with a focus on two-tier shared services

With 694,000 Ontarians estimated to make Niagara their home by 2051, the demand for municipal programs and services will continue to increase. To ensure Niagara is best positioned to meet future community need, the Region and its local area municipalities (LAMs) have been exploring shared services that will increase inter-municipal collaboration, reduce redundancies and improve service.

Throughout 2019 to 2023, Niagara's Chief Administrative Officers (CAOs) have worked together to identify which shared services will provide the greatest return on investment. This was completed through two third-party reviews, consultations with all LAM CAOs and a review of the N6 best practice. A short-list of specific projects was identified as being able to have high impact, high likelihood of success and positively impacting the provincial objectives of efficiency of government and increasing housing supply.

A number of LAM shared service projects have since been implemented. These include a joint library service between Lincoln and Pelham, a shared Fire Service Pilot between Grimsby and Lincoln, and a joint procurement memorandum of understanding executed by six LAMs. The Region is thankful for the \$6.2 million in Municipal Modernization funding the province provided to support these projects. It is evident from this list the Municipal Modernization Program has proven successful in delivering these types of efficiencies and shared service arrangements in Niagara.

Region-wide shared service initiatives have also been undertaken. The launch of Niagara Region Transit on January 1, 2023 has expanded public transit access and service hours across all LAMs.

Additionally, to continue the commitment to enabling shared services between and among Niagara's municipalities, the Region established the Strategic Transformation Office in March 2023. The focus of the Office is to work on projects that change how Niagara Region operates, so that services are delivered to residents in the most efficient manner possible.

While the abovementioned shared services have allowed Niagara to realize efficiencies, other large-scale region-wide opportunities remain out of reach due to limited capacity, resources, and funding. Such opportunities include a single-tier approach to water/wastewater and the amalgamation of local emergency dispatch and services.

As Niagara's population continues to grow at an unprecedented rate, implementing initiatives that streamline service delivery is paramount. Therefore, we **recommend that the province reintroduce the Municipal Modernization Program with a renewed focus on two-tier shared services.** By doing so the province, Region and our LAMs can maximize economies of scale and grow modern municipal services throughout Niagara, together.

Opportunities for potential shared service:

Public-facing:

- **Single water/wastewater utility**
- **Shared emergency dispatch service**
- **Fire services**

Internal and administrative:

- **Human Resource services, including payroll**
- **Financial management**
- **IT services, including cyber security**
- **Printing services**
- **Joint procurement**





Growing Better Together

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niagararegion.ca

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Niagara  **Region**

January 2024

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