

2019 Region of Peel

Federal Pre-Budget Submission





Introduction

Located in the heart of the Greater Golden Horseshoe, the Region of Peel is made up of the cities of Brampton and Mississauga and the Town of Caledon. Peel is the second largest municipality in Ontario with a population of 1.4 million people – approximately 10 per cent of the population of Ontario. Peel is also a fast-growing community – by 2041, its population is expected to increase to almost two million people and 20 per cent of all jobs in the Greater Toronto and Hamilton Area (GTHA) will be located in Peel.

To meet the growing needs of Peel residents and businesses the Region delivers services and programs using best practices based on evidence- and risk-informed decision making. This has enabled the Region to maintain a triple “A” credit rating as well as achieve Excellence Canada’s Platinum Award recognizing the Region’s leadership and commitment to continuous improvement.

While recognized as a leader in service and program delivery, the Region’s ability to maintain and build the necessary infrastructure and provide the appropriate level of services to support Peel’s growth, is quickly outpacing existing revenue sources. To help enable Peel’s residents and businesses prosper, the Region of Peel requires continued and sustainable funding support from federal and provincial partners.

The Region has identified ten strategic recommendations for consideration that align with two of the themes the federal government has identified that will frame the 2019 Budget:

- Progress for Middle Class Families
- Better Jobs Today, and Tomorrow

Progress for Middle Class Families

Affordable Housing

Nothing is more important to our safety and well-being than having a secure place to live – a home. Unfortunately, many low and middle-income households in Peel struggle to find a home they can afford. The residential rental vacancy rate fell to 0.9 per cent in 2018, down from 1 per cent in 2017 and 1.4 per cent in 2016 (compared to a healthy vacancy rate of 3 per cent). This makes it hard for renters to find a place to live in Peel.

The average market rent across all unit types increased by 5 per cent from \$1,281 in 2017 to \$1,311 in 2018. The average resale home price in Peel increased to \$722,428 in 2017, up 12 per cent from the previous year putting home ownership out of reach for many households. As of June 2018, there were 13,726 households on the centralized wait list for subsidized housing, up from 13,597 in 2016. In addition, there were 13,519 stays in Peel emergency shelters in 2018.

As Service Manager for housing and homelessness, the Region effectively manages the centralized wait list, creates new housing units, maintains existing stock, and supports housing operations. The Region also plays a key role in development approvals and policy planning processes, and through this work guides growth responsibly. As an infrastructure provider, the Region builds the infrastructure needed to support growth while efficiently managing financial resources.

The Region looks forward to the implementation of the National Housing Strategy (NHS), A Place to Call Home and the more than \$4.2 billion committed under the 10-year Ontario – Canada Bilateral Agreement beginning April 2019. This funding is a step forward to reduce homelessness and improve availability and quality of housing for individuals and families in need.

The NHS responds to calls from housing system managers for funding to support key priorities such as:

- Building new housing units.
- Ensuring state of good repair in existing rental units.
- Providing rent subsidy.
- Preventing the loss of housing stock through the expiry of operating agreements.

While the increased funding available through NHS will be a benefit, the cost of addressing critical needs in the local housing system goes far beyond the Region's ability to pay with limited funding sources. Additional funding is required along with policy changes. In 2018, the federal and provincial governments are only paying 24 per cent of the total operating costs for housing and homelessness programs. The funding gap for capital repairs in the Region's subsidized housing system is more than \$340 million within the next 10 years.

The Region's Peel Housing and Homelessness Plan includes working with partners to secure 20,000 units affordable to low- and middle-income households over the next 10 years. While the private sector is one important partner, only by continuing to build capacity and invest in people and the community housing sector will we achieve desired outcomes for housing affordability.

The federal government should work with their provincial counterparts to ensure that housing programs implemented in Ontario:

- Are well-equipped with funding and have the flexibility to provide housing for low- and middle-income households based on community/neighborhood needs.
- Include significant long-term capital funding to maintain the existing social housing stock and increase the construction of new affordable housing.
- Provide funding through allocations rather than competitive processes as these are time consuming and unpredictable.
- Recognize the timelines associated with executing funding agreements.

The Region of Peel recommends that the federal government:

- Ensure that funding through the NHS is sufficiently flexible to address local needs to engage municipalities on how this can be achieved.
- Provide long-term, sustainable capital and operational funding for affordable housing, including the current housing stock and new rental development.

Greater Municipal Engagement under the New Canada-Ontario Immigration Agreement

While recognizing immigration is a shared provincial-federal responsibility, new immigrants interact with municipal services immediately upon arrival. Municipalities provide a range of social services that support new immigrants and refugees to establish homes and contribute to their local economy.

The Region is encouraged by the new Canada-Ontario Immigration Agreement (COIA) as it demonstrates the federal and provincial governments' commitment to engage municipalities on immigration.

The implementation of COIA provides an opportunity for the federal and provincial government to engage municipalities in planning and policy, including the capacity to identify needs and provide input into the allocation of funds for immigrant settlement and integration.

Greater engagement with municipalities under COIA is especially needed when considering implementation initiatives, such as the Welcome Centre service delivery model. With Peel having the largest percentage of immigrants as part of the population in the GTA (51.5 per cent), this service delivery model would provide efficiencies and offer the opportunity for newcomers to Peel to integrate faster with a full range of accessible supports. Newcomers in Peel would benefit from this model as it is based on a holistic, flexible approach that provides access to all the services they require to help them integrate economically and socially into the Canadian labour market and local communities.

The success of this model can be seen in the neighbouring regions of Durham and York where newcomers can access one-stop service delivery at one of these Welcome Centres. An evaluation conducted by Immigration, Refugees and Citizenship Canada of the Vaughan Welcome Centre, indicates that the vast majority of clients found it very helpful to have services in one place as it saved time and money.

The Region of Peel recommends that the Federal government:

- Recognize municipalities as partners in immigration planning and policy, including the capacity to identify needs and provide input into the allocation of funds for immigrant settlement and integration.

Better Jobs Today, and Tomorrow

Infrastructure Funding

The Region recognizes municipal infrastructure is the foundation for healthy, complete and resilient communities. Businesses need safe roads and bridges to deliver goods and services. Commuters need fast, efficient transportation networks to get to work.

Long-term, sustainable investment in municipal infrastructure also helps the federal government achieve key priorities such as job creation and building an integrated transportation network that will help strengthen the economy.

Consider the following facts:

- For every dollar increase of GDP in Peel, Ontario's GDP will increase by \$1.63 (inclusive of the Region of Peel).
- For every dollar of municipal revenue in Peel due to growth, provincial revenue increases by \$5.70.

For fast-growing municipalities like Peel, providing and maintaining infrastructure is becoming increasingly difficult due to unpredictable and unsustainable funding sources. The Region relies on collaboration with the provincial and federal levels of government to plan, build and maintain the infrastructure needed to meet the needs of their communities.

The Region recognizes that the federal-provincial bilateral agreement for Phase 2 of the Investing in Canada Infrastructure Plan has been signed, and that the federal government has indicated that it plans to invest over \$1.4 billion in much needed infrastructure dollars to Ontario's municipalities.

While the Region looks forward to the implementation of this investment, a significant challenge with federal and provincial infrastructure funding programs has been the short timelines for applications and project completion. Restrictive timelines have been shown to impact the total cost of projects by elevating the per-unit costs due to the lack of availability of contractors and a high demand for materials.

These cost premiums are particularly evident in water and wastewater and roads projects. In the past, funding programs with compressed timeframes have resulted in several municipalities going to market for similar materials and services. This resulted in a reduction of purchasing power of investments by an average by 30 per cent. A 30 per cent premium on \$30 billion in investments under Phase 2 would translate into \$9 billion in lost purchasing power. This must be avoided at all costs.

Municipalities need timeframes that corresponds to their own infrastructure planning and implementation cycle (i.e. 10 years). In addition, an allocation-based approach to funding is strongly favoured as it is more predictable. Under this model, funding can be invested in priority projects consistent with each municipality's asset management plan and price spikes and contractor shortages associated with application-based funding can be avoided.

The Region of Peel recommends that the federal government:

- Work with the Government of Ontario to expedite the distribution for Phase 2 funding.
- Favour an allocation-based approach for distributing infrastructure funding similar to the gas tax funding program.

Goods Movement & Transportation Infrastructure

Peel is the largest transportation and goods movement hub in Ontario as well as one of the largest in North America.

- Approximately \$1.8 billion worth of goods move through and across Peel every day.
- In Peel, approximately 68,000 vehicles transport goods every day.
- Goods movement related industries account for 43 per cent of jobs in Peel.
- Goods moving industries contributed 48 per cent of all industrial/commercial taxes in Peel.
- The Peel road network serves almost half a million trucks weekly, which accounts for 50 per cent of the 951,000 weekly truck trips in Ontario.
- Four in every nine jobs depend on the movement of goods in Peel, which in turn create \$29 billion in labour income.
- Peel also contains the densest network of 400-series highways in the GTHA, mainline tracks and facilities for Canada's two major railroads – CN and CP.

Access to Toronto Pearson International Airport

Peel is also home to Canada's largest international airport, Toronto Pearson International Airport (Pearson Airport). In 2018, Pearson Airport welcomed 49.6 million passengers. It is estimated that the total number of passengers flying to, from or through Pearson Airport will increase to 85 million by 2037. It has become the fifth most connected airport in the world, has access to 71 per cent of the global economy, generates or facilitates 86,000 jobs in Peel, and the surrounding Airport Employment Zone generates 1,000,000 trips to the area each day. Pearson Airport is also a very important component of the goods movement industry, handling more air cargo than the Vancouver and Montreal airports combined. In fact, it is estimated that by 2037, Pearson Airport will be processing almost a million tonnes of cargo per year.

With so much activity taking place around the airport, traffic congestion and increased greenhouse gas (GHG) emissions continues to be a significant concern. To improve the movement of goods and people and reduce GHG emissions, federal investment in transportation infrastructure would help ease access to Pearson International. This investment will also help the federal government meet its goal to reduce its carbon pollution by 30 megatonnes per year by 2030.

Public Transportation Investment

With respect to public transportation, Peel has one of the fastest growing ridership levels in the GTHA:

- The number of morning peak period transit trips made by Peel residents has almost doubled from less than 40,000 in 1996 to over 70,000 in 2011.
- Brampton Transit's annual rides per capita have increased by 43 per cent between 2007 and 2015.
- MiWay's annual rides per capita have increased by 15 per cent between 2007 and 2015.
- In 2018, Brampton transit served over 31 million passengers and MiWay experiences an annual ridership of over 50 million.

By 2041, the Region expects an additional 300,000 vehicle trips will take place on Peel's roadways in the morning peak period. To accommodate for this growth and meet this demand, the Region's Long-Range Transportation Plan and Sustainable Transportation Strategy has a goal of a 50 per cent sustainable mode share. Achieving this goal will require increases in walking, cycling, and carpooling, and most importantly, by increasing transit mode share. To achieve this by 2041, Peel's transit mode share will need to increase to 17 per cent.

All levels of government working together to implement strategic measures, through policy and infrastructure investment, will help the federal government and the Region of Peel achieve long-term transportation and GHG reduction objectives.

The Region of Peel recommends that the federal government:

- Invest in projects to support improved transportation access for people and goods around Toronto Pearson International Airport.
- Increase funding for transit infrastructure in an effort to contribute to reductions in greenhouse gas emissions.
- Work with the Ontario government to move forward with key strategic transit projects across Peel including:
 - o GO Service Extension to Bolton.
 - o 15-Minute GO Regional Express Rail for Milton Line be Expedited.
 - o Two-way All-Day 15-Min GO service on the Kitchener Line.

Investment in Waste Management Infrastructure – Increasing Resource Recovery

The Region is responsible for the collection and processing of approximately 500,000 tonnes of waste generated by Peel residents. As Peel continues to grow, the amount of waste generated will continue to increase. To manage this waste and protect our environment, the Region must continue the shift from disposing of garbage in landfills to greater resource recovery. While the Region has developed its own extensive waste management strategies to meet this objective, support from the federal and provincial governments is needed to achieve, national, provincial and municipal diversion targets.

The Region is encouraged that the federal government has developed the National Zero Waste Plastics Strategy (2018), which calls for expanding, modernizing and harmonizing collection systems across Canada to increase public participation in recycling. However, federal investment in waste infrastructure is needed as the current infrastructure available does not have the capacity to handle increasing the amount of materials collected from all regions and all types of buildings, including business and public spaces. Federal investment will increase capacity to process and recover value from all types of plastic waste.

The Region of Peel recommends that the federal government:

- **Investment in waste infrastructure and technologies to increase resource recovery from plastics and recyclable materials.**

Conclusion

The Region appreciates the opportunity to participate in the Federal government's pre-budget consultation process and provide recommendations on issues that are most important to the residents and businesses in Peel. The Region is committed to working collaboratively with all stakeholders, including the federal and provincial governments, to improve quality of life, deliver services efficiently now and in the future, and ultimately ensure that our community receives value for tax dollars.

Summary of Recommendations

Affordable Housing

- Ensure that funding through the NHS is sufficiently flexible to address local needs to engage municipalities on how this can be achieved.
- Provide long-term, sustainable capital and operational funding for affordable housing, including the current housing stock and new rental development.

Greater Municipal Engagement under the New Canada-Ontario Immigration Agreement

- Recognize municipalities as partners in immigration planning and policy, including the capacity to identify needs and provide input into the allocation of funds for immigrant settlement and integration.

Infrastructure Funding

- Work with the Government of Ontario to expedite the distribution for Phase 2 funding.
- Favour an allocation-based approach for distributing infrastructure funding similar to the gas tax funding program.

Goods Movement & Transportation Infrastructure

- Invest in projects to support improved transportation access for people and goods around Toronto Pearson International Airport.
- Increase funding for transit infrastructure in an effort to contribute to reductions in greenhouse gas emissions.
- Work with the Ontario government to move forward with key strategic transit projects across Peel including:
 - GO Service Extension to Bolton.
 - 15-Minute GO Regional Express Rail for Milton Line be Expedited.
 - Two-way All-Day 15-Min GO service on the Kitchener Line.

Investing in Waste Management Infrastructure – Increasing Resource Recovery

- Investment in waste infrastructure and technologies to increase resource recovery from plastics and recyclable materials.

2019 Region of Peel

Federal Pre-Budget Submission

