

Legislative  
Assembly  
of Ontario



Assemblée  
législative  
de l'Ontario

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**Official Report  
of Debates  
(Hansard)**

F-41

**Journal  
des débats  
(Hansard)**

F-41

**Standing Committee on  
Finance and Economic Affairs**

COVID-19 study

**Comité permanent  
des finances  
et des affaires économiques**

Étude sur la COVID-19

1<sup>st</sup> Session  
42<sup>nd</sup> Parliament  
Tuesday 14 July 2020

1<sup>re</sup> session  
42<sup>e</sup> législature  
Mardi 14 juillet 2020

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Chair: Amarjot Sandhu  
Clerk: Julia Douglas

Président : Amarjot Sandhu  
Greffière : Julia Douglas

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Toronto ON M7A 1A2  
Telephone 416-325-7400; fax 416-325-7430  
Published by the Legislative Assembly of Ontario



Service du Journal des débats et de l'interprétation  
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Téléphone, 416-325-7400; télécopieur, 416-325-7430  
Publié par l'Assemblée législative de l'Ontario

ISSN 1180-4386

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE ON  
FINANCE AND ECONOMIC AFFAIRS**

**COMITÉ PERMANENT DES FINANCES  
ET DES AFFAIRES ÉCONOMIQUES**

Tuesday 14 July 2020

Mardi 14 juillet 2020

*The committee met at 0900 in room 151 and by video conference.*

**COVID-19 STUDY**

**The Chair (Mr. Amarjot Sandhu):** Good morning, everyone. I call this meeting to order.

We are meeting for hearings on the municipalities, construction and building sector as part of the study of the recommendations relating to the Economic and Fiscal Update Act, 2020, and the impacts of the COVID-19 crisis on certain sectors of the economy.

We have the following members in the room with us: MPP Burch, MPP Hatfield, MPP Crawford and MPP McDonnell. The following members are participating remotely: MPP Hunter, MPP Mamakwa, MPP Roberts, MPP Schreiner, MPP Skelly, MPP Smith, MPP Blais, MPP Yarde, MPP Gates and MPP Sattler.

We are also joined by staff from legislative research, Hansard, interpretation and broadcast and recording.

To make sure that everyone can understand what is going on, it is important that all participants speak slowly and clearly. Please wait until I recognize you before starting to speak.

Our presenters have been grouped in threes for each one-hour time slot. Each presenter will have seven minutes for their presentation. After we have heard from all three presenters, the remaining 39 minutes of the time slot will be for questions from members of the committee. This time of questions will be broken down into two rotations of six minutes and 30 seconds for each of the government, the opposition and the independent members as a group.

Are there any questions?

MPP Gretzky, can you please confirm your attendance?

**Mrs. Lisa Gretzky:** Good morning, everyone. I'm here in Windsor, Ontario.

**The Chair (Mr. Amarjot Sandhu):** Thank you.

NIAGARA HOME  
BUILDERS' ASSOCIATION  
CITY YOUTH COUNCIL OF TORONTO  
CITY OF WINDSOR

**The Chair (Mr. Amarjot Sandhu):** I will now call upon our first presenter of the day: Niagara Home Builders' Association. Please state your name for the record, and you will have seven minutes for your presentation.

**Mr. Chuck McShane:** Good morning, members and Chair of the committee. My name is Chuck McShane. I am the executive officer of the Niagara Home Builders' Association, an association of over 140 builders, developers, suppliers and professionals that has been in existence for over 60 years.

Before I get into my formal remarks, I want to thank the committee for setting out this virtual opportunity for public deputations. It is really fantastic to see that we can all work together to ensure democratic debate and the exchange of ideas, and to be able to all come together to work on the economic and jobs post-pandemic recovery. I want to thank the government and all the parties for this opportunity and for the work that you are all doing in your committees to respond to the pandemic.

The Niagara Home Builders' Association is proudly affiliated with the Ontario Home Builders' Association. Together, our membership across Ontario, through new home construction and residential renovations, generated approximately \$66 billion in value and over \$32 billion in wages last year. We create well-paying, highly skilled jobs and professions, as diverse as plumbing to architecture.

COVID-19 has had a significant impact on the residential construction industry. I'm going to speak about the provincial impacts, but I'll spend most of my time sharing perspectives of the local impacts in the region.

I want to start by thanking the provincial government for declaring residential construction an essential business on March 23, as part of the state of emergency orders responding to COVID-19. As soon as we were deemed an essential service, our provincial association immediately responded. On March 25, the Ontario Home Builders' Association and partners IHSA released a COVID-19 resource and best management practices guidance document. OHBA also released a notice to members on job site health and safety and sanitation.

On April 4, further restrictions on the construction industry were implemented, but the majority of our members were able to continue doing business in an environment that was certainly not business as usual. I'm very proud of our members' response and our ability to keep job sites safe. The health and safety of our workers who are building new communities is our absolute priority.

Locally, here in the region, our association has worked alongside our municipal partners, including planning departments and building departments, to ensure that we're all on the same page. We immediately implemented

safety protocols for inspections that were thoroughly endorsed by our local building officials. We've spent many hours not only training our members but their suppliers with regard to proper safety protocols. Once again, safety is our number one priority.

With respect to the impact on our local economy, COVID-19 has had significant impacts. The residential construction industry has been able to mitigate some of those impacts by keeping job sites safe and semi-operational by continuing to pay for skilled-trade jobs through the pandemic. However, as you are aware, Niagara is driven largely by the tourism industry, and it is just starting to come back online. Our jobless numbers are extremely high, and we don't expect to see them reduced to pre-COVID-19 numbers until late 2021 at the earliest. We would also expect that a portion of those jobs would never return.

With that being said, we would ask for the provincial government to establish a retraining program to help those out of work get back into the workforce in a different capacity, most notably the skilled trades, as we will have a shortage of them by the end of 2021.

The housing industry in Niagara has seen a drop of 25% to 30% in sales from pre-COVID-19. Once again, we don't expect those numbers to come back online until the end of 2021.

As part of Ontario's economic jobs and recovery plan, we have a number of recommendations. Going forward, the new housing and professional renovation industry is well positioned to lead the post-pandemic economic recovery. With the right tools and public policy initiatives, housing can lead the recovery and generate not only tens of thousands of jobs in our sector, but spinoff jobs through our supply chains in the forestry sector, aggregates, appliances, home electronics—

**The Chair (Mr. Amarjot Sandhu):** Three minutes.

**Mr. Chuck McShane:**—furniture, landscaping, engineering and architecture.

Locally, we are already seeing some positive signs, as part of Ontario's economic jobs and recovery plan. We have seen a lot more renovations started, as people are not moving out of their homes and wanting to renovate them. That is the number one thing that's been happening in our industry down here. It's very tough to find a renovator.

That's why I want to move into this next item and this suggestion: a home renovation tax credit. It's an essential element of moving Ontario's economy into the economic recovery stage, and over the longer term, into durable prosperity to incentivize renovation investment through a consumer-focused rebate. Immediately following the 2008-09 financial crisis, the home renovation tax credit, HRTC, was a key component of the federal economic action plan. The HRTC proved to be very successful, with over three million Canadians participating in the one-year HRTC. An HRTC would help combat the underground economy, to a better, level playing field between legitimate businesses and underground cash operators. It would improve existing older homes' energy efficiency, thus reducing homeowners' hydro bills. It would also improve

health and safety for construction workers, as those employed in the underground renovation products may not be properly equipped nor have proper training or WSIB. Best of all, it could be implemented quickly. The key is that it would be a tax rebate, where consumers submit receipts to the CRA, which would combat the underground economy.

The last item before I wrap up: I would recommend that the province consider a temporary relief measure—and I emphasize temporary—to help get the industry back on its feet. We recommend a temporary freeze—

**The Chair (Mr. Amarjot Sandhu):** One minute.

**Mr. Chuck McShane:**—on development charge increases and annual indexing until January 1, 2022. A request for a temporary freeze in development charges will not reduce the tax burden on new housing, nor alter the principle that growth should pay for growth. We are simply requesting a temporary measure during the post-pandemic recovery period. Such a measure would also recognize that delays in municipal planning through the suspension of planning timelines will result in project delays, where unanticipated development charge increases may have to be absorbed into existing projects or threaten their viability.

Thank you. I look forward to any questions that you may have.

**0910**

**The Chair (Mr. Amarjot Sandhu):** Thank you so much. I will move to our next presenter: City Youth Council of Toronto. Please state your name for the record, and you can get right into your presentation.

**Mr. Cameron Miranda-Radbord:** My name is Cameron Miranda-Radbord. I'm the chair of the City Youth Council of Toronto.

The City Youth Council of Toronto, or the CYCTO, is a youth-run, federally registered not-for-profit corporation dedicated to increasing the civic participation of the youth of Toronto. We operate an elected model city council, made up of 12-to-24-year-olds in every role. They all have unique opinions, and I'm not here speaking on their individual behalves. The CYC is focused on empowering youth to influence public policy, participate in community development and learn more about our municipal government through participation. Over 5,000 youth voted in our 2016 election.

I'm here to talk to you today about the vital role that youth play in Toronto's economy and how a significantly weakened municipal government will threaten that participation. Of those who contribute to the industries most affected by the COVID-19 pandemic, we teenagers rank among the highest. Retail, food services—in Canada and the United States, a study found that the average 16-year-old spent \$2,600 a year in these industries. My peers and I get our lunches at local restaurants near our school in Spadina-Fort York, shop at family-owned stores on Bloor Street West and pick up bubble tea from small businesses on Queen. These establishments earn a significant portion of their income from high school and university students, and the folks who run them, whom I've spoken with, are hurting because of our absence.

Now that Ontario is poised to enter stage 3 of re-opening, we're so excited to be able to go back and visit them and contribute to our local economies again. But there is a significant obstacle that will stand in our way of doing that. As I'm sure you know, our municipal government is posting over a billion dollars in lost earnings due to COVID-19. Without intervention from you here at Queen's Park and from the federal government, that will lead to truly terrifying cuts. Mayor Tory described them as, "a disaster in terms of a working humane, livable city which we've created here...."

These cuts will be wide-reaching and will touch the lives of everyone in Toronto and beyond, especially affecting the most vulnerable, and adversely impacting our quality of life. Focusing on youth and our contributions to the economy, it will be catastrophic. Gone will be trips to the mall with friends, as half of our subway lines close and buses, streetcars and the other subway lines operate half as frequently. We won't be able to get to Yorkdale or to the Eaton Centre on overcrowded and inaccessible transit, and only the lucky of us will be able to get rides from our parents. I'm sure some of you know the hassle of getting asked by your kids to drive you everywhere.

Gone will be our spending money. Those who live in public housing will have to put it towards helping their family make ends meet as their rents go up. Those with younger siblings will have to spend their time supervising them as daycare spots are lost. The thousands of us who work for the city part-time as lifeguards, camp counsellors or instructors will lose our salaries when over 15,000 city jobs are lost and recreational programs are slashed.

Gone will be the critical infrastructure needed for the bulk of our contributions to the economy. In North America, youth contribute to over \$500 billion of spending. Losing that spending in Toronto will hurt everyone—small businesses the most, but larger corporations too. We teens will lose out on eating food and buying things that we enjoy, and the provincial government won't earn the hundreds of thousands of dollars, if not millions, in sales taxes that we pay every year.

The city of Toronto must get the funding that it needs to continue to provide its vital services. Providing that funding is an investment—an investment in everyone in our city, but specifically in the people who so often depend on those services or who are forced to be accountable when they don't come through: youth. It's an investment in our futures, the businesses we care about and in our ability to grow the economy.

Of course, those are all just first steps. We need specifically targeted encouragement that doesn't talk down to us through social media. We need thorough measures in schools so that we can shop local safely. And we need more affordable transit and subsidized discounts.

**The Chair (Mr. Amarjot Sandhu):** Three minutes.

**Mr. Cameron Miranda-Radbord:** The provincial government should consider reviewing the HST to encourage more youth, and everybody, to shop at their local businesses.

I'll leave you with this: Two years ago, I went to buy makeup with friends at a local shop near Toronto. It's a

ritual for teens across the province. We save up money through an allowance or a part-time job, grab food at a local restaurant and gossip, while giving back to the local economy. Such a seemingly superficial act may seem unimportant, but it is vital for the health and the vibrancy of our communities. Without an effective municipal government, it cannot happen.

Teens are tuned in to what is going on. We care. We're doing our best to spend our money to help small businesses safely and physically distance, but we and our municipal governments, especially in Toronto, need your help. We must make up the potentially multi-billion-dollar gap in our city's budget, give teens all the tools they need to start spending money again and, as a result, come back as good or even better than before. In other words, it's time for a makeover.

Thank you very much. I look forward to your questions.

**The Chair (Mr. Amarjot Sandhu):** Thank you. Our next presenter is the Corporation of the City of Windsor. Please state your name for the record, and you can get right into your presentation.

**Mr. Drew Dilkens:** Good morning, Mr. Chair. I'm Drew Dilkens, mayor of the city of Windsor. On behalf of the city of Windsor, I'm pleased to bring greetings to members of provincial Parliament here participating in the Standing Committee on Finance and Economic Affairs, and to the Clerk and staff supporting these important hearings, as well as my co-panellists today from the Niagara Home Builders' Association and the City Youth Council of Toronto. I am pleased to join you this morning as we raise awareness regarding the impact of the coronavirus pandemic within each of our communities.

I appreciate that several other municipal officials are set to appear on your agenda later today, so I suspect that you will hear a similar message reiterated over the course of the hearings today: Local governments are in desperate need of funding support from higher orders of government. To that end, I wish to outline the concerns that are materializing today, as well as issues that are emerging for all local governments to consider going forward.

The city of Windsor made it a priority to support our residents and businesses during the pandemic. We deferred property tax payments, we eliminated fees for bars and restaurants, and we spent money on hand sanitizer distribution. We've paid for a month of extra solid waste pickup. We've deployed paid municipal staff to local non-profit entities and to deliver Meals on Wheels. We've increased support for the homeless, and we've run a special round of arts grants to support local creative industries, just to name a few.

As the services begin to restart, we are facing increasing costs associated with enhanced cleaning and screening, providing PPE for municipal staff returning to city hall and stationing municipal staff to supervise things like public splash pads for social distancing requirements.

Our local public health unit, which is currently overwhelmed with the ongoing crisis within the farm worker community in Essex county, has informed the city that it didn't even have the capacity to undertake their annual

water-quality testing to allow us to open up area beaches. To allow us to open up our local beach this summer, city council decided to hire a private operator to do that water-quality testing.

Most significantly, we have been running transit services without collecting fares, due to rear-door boarding and our desire to keep drivers safe and distanced from riders. These are not discretionary or frivolous expenditures. They are the necessities of municipal public service delivery in the pandemic age.

Our projected deficit through 2020 is estimated to be about \$52 million, and we have worked diligently internally to find \$17 million of internal savings. We have also received a \$5-million grant for homeless-related services. This brings our deficit to just under \$30 million. We have been prudent, we have been smart and we have acted responsibly. There is no practical way to fund this level of deficit through a property tax. The only way to fill this void is with the full support of both the federal and provincial governments, both of which have a lower cost of borrowing than municipalities.

The fact is, we have constrained our budgets and acted prudently to contain expenses already on the order of \$17 million, as I just outlined. We have done our part, and we need urgent attention from the province of Ontario.

Municipalities are now more than halfway through our current budget year, given that we are on a calendar year cycle. Therefore, we need to understand quickly if any support will be forthcoming, because the prospect of cutting an additional \$30 million before the end of the year will be a very challenging and painful exercise. But in the long term, we also need to understand what kind of support may come forward for future years.

Significantly, local governments across the province will soon be turning attention to their 2021 budgets, and our city is already starting scenario planning in this regard, which is something we would typically do at this time of the year. There are significant costs associated with maintaining some of the PPE and social distancing requirements associated with the current post-pandemic budget process, and no function of municipal services are exempt—

**The Chair (Mr. Amarjot Sandhu):** Three minutes.

**Mr. Drew Dilkens:** —from transit to recreation to social services. As we plan for 2021, we already know that we need to build in significant additional costs associated with maintaining the health and safety of our residents.

**0920**

I want to be absolutely clear: The pathway to economic recovery runs through the cities and towns across the province. The Business Council of Canada estimated that cities own and operate nearly two thirds of core infrastructure yet have the fewest fiscal tools to pay for these expenses. Laws in place forbid municipalities from running deficits, meaning we'll have to shoulder the cost of our local pandemic response.

Finally, we could undertake a series of painful cuts, permanent layoffs and slashing service delivery, delaying or cancelling necessary infrastructure maintenance projects,

and still we would need to raise property taxes significantly to offset the pandemic-related costs that municipalities have shouldered these past few months. But these actions would undoubtedly act as a drag on the economy just at the time we seek to emerge from this type of recession.

I acknowledge that the province has been an honest partner with municipalities during this entire pandemic. I have had excellent access to senior members of cabinet and decision-makers to coordinate our collective response to the pandemic, and for that I am thankful. But before we can see a full recovery for families, farms and small businesses in cities and towns across Ontario, we need to understand what support will be on the table.

Thank you for your attention. I look forward to the subsequent presentations as well as other questions this morning.

**The Chair (Mr. Amarjot Sandhu):** Thank you so much.

Before we move to questions, I would like to do an attendance check. MPP Khanjin?

**Ms. Andrea Khanjin:** Yes, MPP Khanjin here. I'm at the Ontario Legislature.

**The Chair (Mr. Amarjot Sandhu):** Thank you. We'll start the first round of questions with the opposition. MPP Hatfield.

**Mr. Percy Hatfield:** My first question is to the mayor of Windsor. Good morning, sir.

Mr. Mayor, there have been a lot of people passing the buck down our way because of the COVID-19 crisis and the impact on migrant farm workers. The feds are involved, the province is involved, and the municipalities and the public health unit, but no one is actually in charge. So you, the mayors of Leamington and Kingsville and other county leaders have asked the Emergency Management Ontario organization to take point on coordinating efforts to get everyone healthy again. Have you heard back from those people?

**Mr. Drew Dilkens:** Mr. Hatfield, we have not.

Let me just start off by thanking you for your work in the city during this difficult time. I appreciate the co-operation that you've provided and the working relationship, and I'm sincerely grateful, on behalf of everyone in the city.

We have not heard back. The really troubling thing is, we knew we were delayed moving from stage 1 to stage 2—and as we see other municipalities moving to stage 3, we recognize that there would be a gap between when they do and when we move, out of necessity, following the framework that the province has set in place.

The concern that we have is, as we approach that date, if the migrant farm worker outbreak is not brought under control, then that would give decision-makers an opportunity to delay our move to stage 3. That's why all of us in this region are raising the flag and ringing the alarm bell to say we need someone from the province at the PEOC level, Provincial Emergency Operations Centre, to be responsible, to take the lead role in coordinating the emergency response.

All of the resources that we have on the ground, from the health unit to the political level to the hospitals and



EMS response—all of those would remain. We would not remove any of those services. We're not trying to remove ourselves or any work that we're doing from the response. What we're trying to do is make sure that as things are being done to test and to isolate these folks who need to get better, there is a most efficient and effective response put in place so that everyone is aware of what's going on, and that we can take care of and handle this situation in the most appropriate way. Unfortunately, that is not happening today.

So the concern that I have is obviously for the workers, making sure that they can get well; it's for our economy, making sure that this important part of our economy can prosper, and that the farm owners can continue to deliver what's expected by residents in the grocery stores; and of course to make sure that as a community—and that all the other business owners in my community—know that there is a pathway to stage 3, and that pathway is making sure that we take care of the largest outbreak in Canada that's currently under way.

**Mr. Percy Hatfield:** The federal health minister says it's a crisis. The province says it's a crisis. Yet the crisis management people don't want to take charge. I just don't get it. If there's a hurricane or a flood, they're there the same day or the next day. Why do you think they're just not responding in this situation?

**Mr. Drew Dilkens:** You're right. Minister Hajdu has called this a crisis. She's indicated that the nature of what's going on down here would make your hair curl—it's not a problem that I have; I wish I did. But it just punctuates the imperative need for a response.

Let me acknowledge that the province does have two individuals here from PEOC, the Provincial Emergency Operations Centre. The problem is, they're not coordinating; they're not taking the intimate command role in coordinating the response. That is the difficult part.

**The Chair (Mr. Amarjot Sandhu):** Three minutes.

**Mr. Percy Hatfield:** Thank you.

A couple of months ago, down in Windsor-Essex, we had an unemployment rate of 16.6%. I think it's down now to about 15.2%, still one of the highest in the nation. Last week, we lost the third shift at Fiat Chrysler, the minivan plant, and we're losing hundreds of workers at the feeder plants. I know MPP Gretzky has raised this in the House.

Cobbled with all the money you haven't collected or all the money you've spent keeping this city afloat, other than a horrendous municipal tax increase, what will it take from the provincial and federal governments to rebalance the local economy in Windsor and Essex?

**Mr. Drew Dilkens:** Oh boy, that's a challenging question. Certainly, you acknowledged Fiat Chrysler, a very important part of our economy, but I also look just out my window here at Caesars Windsor, which is our largest tourist attraction—and being a city on the border, you can appreciate the number of folks who would normally cross but can't, of course, because the border is closed, which I think is an appropriate response at the moment. Over 2,000 people work in that facility. That facility cannot open even for domestic customers until they enter stage 3, and the

requirements in place even under stage 3 today, which were announced by Premier yesterday, would make it very difficult for that facility to open.

So we see progress, we see things happening that are positive, but certainly, from a city perspective, Mr. Hatfield—we receive about \$12 million annually from the casino operation. That is our city's share. So just by order of magnitude, in terms of a property tax increase, if we had to raise property taxes to make up that shortfall, that's 3% just on the top. It's significant. It's not something that we hope to get into.

In terms of provincial response here, we are looking to diversify the economy, making sure that we get everyone here back to work and the current economy functioning well. Our eye is also on the ball, looking at diversification and how we can make sure that we are linking with Detroit in an appropriate way and connected to the supply chains in Ontario in an appropriate way, as well.

**The Chair (Mr. Amarjot Sandhu):** One minute.

**Mr. Percy Hatfield:** Thank you. I apologize to MPP Gretzky; I've left you less than a minute for this round, if you have a question for the mayor.

**The Chair (Mr. Amarjot Sandhu):** MPP Gretzky.

**Mrs. Lisa Gretzky:** I just want to do a quick build on what Percy had said, as far as the migrant worker situation. What do you think the key first step would be for PEOC as far as taking actual management of the situation?

**Mr. Drew Dilkens:** It's real simple: Just assign someone to be the incident commander. Either send another person down or assign one of the two folks that are here to be the incident commander so that they can coordinate the emergency response appropriately and direct the local resources that are on the ground, and reach back into the provincial resources, as required. It's very, very simple—

**The Chair (Mr. Amarjot Sandhu):** Thank you. I apologize to cut you off, Mr. Mayor. We'll come back to that in the second round.

We'll go to the independent members now. MPP Blais.

**Mr. Stephen Blais:** Mayor Dilkens, if you wanted to finish your answer there, by all means, go ahead.

**Mr. Drew Dilkens:** Thank you, sir.

That really is the answer: It just requires someone to take the incident command lead, who can reach back into the provincial government and draw on the resources that are required and coordinate the on-the-ground resources that are already here.

**Mr. Stephen Blais:** You mentioned that \$12 million from Caesars—making up for that is about a 3% tax increase. So the \$30-million deficit you're projecting—that's 8% or 9% or 10%, give or take?

**Mr. Drew Dilkens:** Yes, it would be almost unpalatable to put that type of property increase forward, and that's not even considering inflation or anything else. It's really not something that could be sustained in any way.

**Mr. Stephen Blais:** And you typically do a property tax change around inflation or CPI?

**Mr. Drew Dilkens:** Yes, we try to, and that has been my objective—to keep it at or below the rate of inflation. That's the pathway that we've been on for many, many years here. Frankly, because of that diligence and financial

planning, we've been able to weather the storm better than some of our other neighbouring municipalities.

**0930**

**Mr. Stephen Blais:** If we project out to the end of the year and given that there has been no commitment by the province to support municipalities in their operating expenses, do you have the reserves? Would you use capital reserves to cover off the deficit, or have you given any thought to how you might cover that this year?

**Mr. Drew Dilkens:** We've looked at a number of different tools, and of course, going through and getting surpluses from accounts is one thing. Just as an example, one of the savings that we were able to find that you probably wouldn't think about—but when I tell you, it will make sense—is that on our Green Shield benefits for staff, when the pandemic was at its height, people couldn't go to the doctor, the chiropractor, the dentist, and so the claim draws against Green Shield have been next to nothing. We're realizing about \$3 million in savings in services that were never able to be rendered. That works to the benefit of trying to draw down on that global number.

But we do have reserves. We have started collecting our funds for asset management—best practices from the province that they've set in place. So we are able to look at that, but I would submit that our ability to draw heavily on that to fill the hole is extremely limited.

**Mr. Stephen Blais:** I appreciate that. I think that's the case for most cities.

You mentioned that your Green Shield claims are down and the logic of that, as you explained it, is there. But would the wave not go in the opposite direction as people go back to work? They're going to have to catch up on all of their medical expenses, and so you might have a larger draw on it once you open back up?

**Mr. Drew Dilkens:** We'll probably see a bit of a spike, but at the end of the day, I think there will just be capacity constraints in the system—that a dentist can see only so many people a day. It will be hard to catch up entirely, so we're projecting to the end of the year—and it's a guess—frankly—that we would be \$3 million to the plus.

**Mr. Stephen Blais:** You mentioned that you've instituted backdoor boarding on transit and, as a result, you're not collecting fares. What has that done to the revenue of your transit agency? And how does that affect your ability to plan either route changes or enhancements or other options into the future?

**Mr. Drew Dilkens:** That's a really good question.

In the last year, we passed a transit master plan, which we started implementing at the beginning of this year through the 2020 budget process. Our ability to move forward, obviously, is limited. I would expect that ridership—

**The Chair (Mr. Amarjot Sandhu):** Three minutes.

**Mr. Drew Dilkens:** —will remain low for a period of time. We're down about 83% versus normal at this particular time.

**Mr. Stephen Blais:** That's the experience and the information we're getting from a lot of municipalities.

I wanted to move quickly to Cameron. Cameron, thank you for your presentation. I was on Ottawa's youth cabinet, longer ago than I'd like to admit, so thank you for participating in that and also for coming in this morning.

You talked about removing the HST, and I think you mentioned a couple of sectors, but I didn't catch it. I was hoping you could just mention that again.

**Mr. Cameron Miranda-Radbord:** Retail, food services are areas that have been really badly hit by the pandemic. They, especially when you look at communities around schools or malls—which are already suffering and were suffering outside of the pandemic—all of those industries, need youth in order to be economically sustainable. When we start coming back and when we're able to shop there again—and I don't think HST is necessarily what you should consider, but encouraging youth to return to those sectors and continue to patronize them is really vital.

**Mr. Stephen Blais:** What is the biggest concern that young people have, coming out of where we are, right now? Is it about work? Is it about school? Is it about socializing?

**The Chair (Mr. Amarjot Sandhu):** One minute.

**Mr. Cameron Miranda-Radbord:** That's a really good question.

I think it's about not knowing. I think it's about not knowing as far as university goes, as far as where they're going to be able to work, whether their family is going to be able to make ends meet. All of that is really compounded by the fact that they're not able to indulge in the things that they normally would, and so there isn't really a sense of comfort for them. Facilitating an economic return that's really bold and strong is going to be able to alleviate a lot of that.

**Mr. Stephen Blais:** Thank you. I'm not sure if MPP Hunter has any questions.

**The Chair (Mr. Amarjot Sandhu):** Thirty seconds.

**Ms. Mitzie Hunter:** Cameron, can you continue to talk about the concerns for you? What about mental health?

**Mr. Cameron Miranda-Radbord:** That's something that has been affecting my generation a lot before the pandemic, and I'm sure it will continue to affect us now that it's happening and afterward. I think that when you're not able to have a part-time job, when you're anxious about whether or not your family is going to be able to stay in your apartment, because the city of Toronto budget is going to be cut by a billion dollars, that either compounds or increases a lot of the anxiety or poor mental health that you might have.

**The Chair (Mr. Amarjot Sandhu):** We'll move to the government side now for their time of questioning. MPP Smith.

**Mr. Dave Smith:** I'm going to start with Drew. You mentioned that Caesars Windsor has given you about \$12 million a year. Do you use that for operations or do you use that for capital expenditures?

**Mr. Drew Dilkens:** Everything will funnel into the operating account, and then we would assign from the operating account. We've got to make sure the operation

runs smooth, firstly, and then we take capital dollars from the operating budget. There used to be, when the casino first opened, very strict constraints on the way that money could be spent, but through renegotiation the money is now available to spend any way we see fit.

**Mr. Dave Smith:** Most municipalities that I know of that have casinos have made the decision that it should be on capital expenditures, not on their operating, because capital is something that benefits everybody long-term.

We're in negotiations with the federal government right now with respect to support for municipalities. The feds have come forward, and their belief is that all of us need to have some skin in the game. They're looking for it to be one third municipality, one third province and one third federal government. We don't believe that's fair for the municipalities because, quite frankly, it's going to be very difficult for you to come up with that money.

Would you agree with our thought process that the municipality shouldn't have to come up with a third and that we need to make sure that we keep working with the feds to get a better deal for you?

**Mr. Drew Dilkens:** Absolutely. I want you to get the best deal possible for the province of Ontario, and I want the best deal possible for my city and for municipalities in Ontario. Even at the notion of municipalities having to cover a third of the share, it would be very difficult for us to fill the hole. Even, as was suggested, if we can look at reserves and things like that, it would be very difficult to draw that much money from a reserve without impacting future years. You can push the ball down the road a little bit, but it's going to come back at some point and we're going to have to pay the piper. The contention that municipalities have is that there are higher levels of government that have lower costs of borrowing than we do.

Of course, some people have said, "You could just take on debt, issue debt, and take care of your situation, as sort of a one-time thing you could do and you could draw that out over 10, 15 or 20 years." In any event, even if we were to entertain that, we'd have a higher cost of borrowing than other levels of government, and we'd be the place at the bottom that you would consider doing that, to wrap that up.

So there's no doubt that we need support, and I want the best deal for my province and I want the best deal for my city.

**Mr. Dave Smith:** How much time is left, Mr. Chair?

**The Chair (Mr. Amarjot Sandhu):** Four minutes.

**Mr. Dave Smith:** I'm going to switch gears then. I'm going to turn to Chuck.

Chuck, I've heard some conversations from different people in the construction industry that if we could go to bonding instead of letters of credit, that would create more working capital and, ultimately, it would mean that we'd have more housing come online. Do you want to weigh in on that?

**Mr. Chuck McShane:** Yes, that's absolutely correct, MPP Smith. When we do the math right now, generally on a million-dollar-service subdivision, there's a \$250,000 letter of credit that is put forth for that subdivision that the town holds on to until the subdivision is assumed.

**The Chair (Mr. Amarjot Sandhu):** Three minutes.

**Mr. Chuck McShane:** That's just on a million-dollar subdivision, which could be 14 or 15 lots. When we get into larger subdivisions, those numbers get upwards into \$10 million, \$12 million, \$15 million or \$20 million, and those are letters of credit.

There are some municipalities that are starting to use bonding. What happens with that, Mr. Smith, is that instead of tying up \$20 million in working capital, the bonding would tie up 25% of that working capital. The municipalities are still covered, and now we've opened up 75% of that letter of credit, which creates the working capital.

When we go across the province, we have over a billion dollars in letters of credit in the residential building industry right now. If those letters of credit were changed to bonds, we would put \$750 million, minimum, back into working capital so that new projects could come online. Everybody on this call knows the banks certainly aren't banging on anybody's door to lend them money right now. So if that working capital could be opened up, it will create jobs, create more housing, create more affordable housing and housing affordability. That's a big, big issue that does not cost the province, the municipality or the federal government one dime.

**0940**

**Mr. Dave Smith:** It just sounds like it's a better process all around.

Mr. Chair, how much time is left?

**The Chair (Mr. Amarjot Sandhu):** One minute.

**Mr. Dave Smith:** One of the things I've heard from the northern development committee that I'm on has been around apprenticeships. Some of the northern construction companies have asked us, is it possible to have two employers sponsor an apprentice? That way, they're able to share the working time, basically, for them.

Do you think that there would be any benefit if we had multiple employers being able to share an apprentice? Would that help in your industry at all?

**Mr. Chuck McShane:** Absolutely. This idea has been floated around for a while now. Certainly, with the smaller companies that want to take on an apprentice but might not have as much work, I think that would work very, very well. Yes, I think it's a great idea.

**Mr. Dave Smith:** The example that we had: a couple of smaller companies that could give somebody 20 to 25 hours a week but not full-time, and if they were able to share it, they would have the apprentice two or three days each week and work back and forth that way.

**Mr. Chuck McShane:** Yes, I know. I think it's a great idea. It gets the new apprentices into the workforce. Whether they're youth or people who are coming out of jobs that they've lost during this pandemic and looking to get into the trades and being retrained, I think it's a great—

**The Chair (Mr. Amarjot Sandhu):** Thank you. Sorry to cut you off.

We'll start the second round with the independent members now. I'll start with MPP Schreiner.

**Mr. Mike Schreiner:** I really want to thank all three presenters for coming in and providing such valuable information.

Chuck, I want to direct my first question to you. You talked about the importance of a home renovation tax credit to incentivize renovations, and also it has the added benefit of combatting the underground market. Could you just expand on that a little bit—the benefits of that program and how some of the financing of it could be just what you would capture from combatting the underground market, I would assume?

**Mr. Chuck McShane:** Absolutely. So if it was the HST, you would get it back as a rebate. In a lot of cases with the underground economy, the government loses that anyway. We have people out there who want to bring their house up to the proper environmental—heat loss calculations and everything else, new windows and whatnot, and may not be able to afford it. That 15% renovation tax credit would certainly help them decide to do that, put legitimate companies in those houses and on those renovations—the person who does the roof, the person who does the soffit and fascia and the windows and the carpet and whatnot. It keeps that cash out from underneath the table, and in fact, would create jobs and put more cash into the provincial coffers in the long run.

**Mr. Mike Schreiner:** Could you talk a little about how homeowners can utilize that through energy-efficiency renovations to reduce their utility bills, which I know is a big concern for a lot of people out there?

**Mr. Chuck McShane:** There's changing your windows and your doors; having, once again, a heat calculation done on the home; putting more insulation into the attic; changing your furnace to something that's more efficient; changing your air conditioner to something that's more efficient; your taps in your house. There are just so many different items that could fall into that that would certainly help boost more areas of the economy, as well.

**Mr. Mike Schreiner:** Do you have a sense of what the job multiplier is on those kinds of public supports?

**Mr. Chuck McShane:** I'm sorry; say that again?

**Mr. Mike Schreiner:** Just in terms of the job multiplier—do you have a sense of how many jobs those kinds of tax credits can help incentivize?

**Mr. Chuck McShane:** Legitimate jobs?

**Mr. Mike Schreiner:** Yes.

**Mr. Chuck McShane:** Well, we'll still have the same amount of legitimate jobs. I would guess that there's probably a good 15% to 20% of renovation nowadays—and that's not just on the house. It could be landscaping. It could be new sidewalks or new stairs or to make places accessible. I would say that probably 15% to 20% is under the table at this point in time.

**Mr. Mike Schreiner:** I appreciate that.

I think MPP Hunter has a couple of questions, as well.

**The Chair (Mr. Amarjot Sandhu):** MPP Hunter. Three minutes.

**Ms. Mitzie Hunter:** I do want to say thank you to all the presenters for the important conversation we're having today to inform the plan for recovery for Ontario.

I want to return to Mayor Dilkens. From your very detailed presentation and the very swift action that you've taken to preserve services and to make municipal contributions—changing practices, for instance, not too concerned about the immediate cost—but at some point this is going to catch up as you are looking at your scenarios. I'm wondering about the one-third contribution from municipalities, the province and the federal government, and if you believe that that model does present what municipalities would need in terms of funding, funding predictability, and also the flexibility to apply whatever funding comes from the federal government and the province to your prioritized needs.

**Mr. Drew Dilkens:** Thank you very much for the question.

I think if the notion is that municipalities have to contribute one third of the whole, it would be very, very difficult for us. Obviously, I'm going to say to you that we want it 100% covered, but I suppose there may be a level of contribution from the municipalities that would be appropriate. Certainly, one third would be very, very difficult.

When I see things tracking in the way they're lining up, it looks like the federal government has come forward saying that there's \$14 billion, but there seem to be a number of strings attached to that, and certainly it doesn't seem to be getting a lot of traction at the provincial level in any province in terms of how that's going to cascade down to municipalities.

**The Chair (Mr. Amarjot Sandhu):** One minute.

**Mr. Drew Dilkens:** I think this year, there is likely to be some resolve. It's just a matter of when and how much. The real issue for municipalities, after we get over this hump, is, what do we do in future years? We know things are going to change, and we know that will have a significant impact on municipal budgets.

From our perspective, whether it's our airport operation, whether it's our tunnel operation, whether it is the casino—all of which pay revenue or dividends back to the city of Windsor that we use for operating and capital purposes. Going forward, the picture is difficult to project or predict, but we know it's going to be very difficult and likely, once we get over this hump, municipalities are still going to need some transitional support from the federal and/or provincial governments in order to be able to sustain themselves and work towards the new normal.

**Ms. Mitzie Hunter:** That's great. Thank you, Mayor.

My last word is to Cameron on the youth emerging stronger from this pandemic. What do you want to see?

**Mr. Cameron Miranda-Radbord:** I think that, as Mayor Dilkens said, in all areas, there needs to be support, and I think of the groups that need support, youth are among many—

**The Chair (Mr. Amarjot Sandhu):** Thank you. Sorry to cut you off.

We'll have to move to the government side for their second round. MPP Skelly.

**Ms. Donna Skelly:** My first question is to Mr. McShane. Mr. McShane, I was a city councillor before I got into

provincial politics, and undoubtedly the most common complaint I heard from just about everyone was about the amount of red tape dealing with municipalities. Builders were very frustrated with the timelines associated with getting anything done; in particular, the application process and permits.

Are there any suggestions from your industry, something specific that I can bring to our government, to address the barriers that are put in place by municipalities and drag out the application process and the building process—which really, in the end, are costing the homeowner more money, because time is money.

**0950**

**Mr. Chuck McShane:** Absolutely.

I'm going to start by thanking you, MPP Skelly, as well as your colleagues. Mr. Clark and his office have been working very, very hard on a lot of reforms when it does come to the Planning Act and the ease of planning, as well as following guidelines.

We have been speaking with the Ontario planners' association. We've had some very, very good discussions.

So many applications end up going to council when they're basically a stamp. They follow the official plan. They follow all the guidelines. It's all been put through staff who are educated in this, and there should be a number of approvals. But if there are no changes and setbacks or whatnot, that should be stamped and pushed through instead of sitting in council's hands for four, five, six months. If it's a very simple, clean-cut application, it should be moved forward quickly.

As well as the permitting system—it's different within different municipalities. We find that some might not have enough people in their building department. We're willing to work with them. But to wait for a permit that is mandated by provincial legislation, which means it should be turned around in 10 working days—for them to come across and we don't get them for 30 days definitely does cost a lot of money. How do we change that scenario? I work with the municipalities down here, asking them, "What can we do to make your jobs easier?" We need these permits turned around.

Basically, they've all been very receptive, and I think most are. I'm sure the mayor from Windsor would agree that the amount of money that comes in through the building industry certainly helps the local economy and does increase your tax base. The sooner we get these units into the ground, the better it is. We need to get rid of the "we're against you; you're against us." We need to all work together on this, and that's the big thing, MPP Skelly.

**The Chair (Mr. Amarjot Sandhu):** Three minutes.

**Ms. Donna Skelly:** I would like to follow up with you off-line. I will get your contact information. I would like concrete examples of how we can expedite the process, whether tracking it with a time-stamp and a bar code—what do we need to do to expedite it?

To Mayor Dilkens: Mr. McShane mentioned that he'd like to see a temporary freeze on DCs and that it shouldn't impact municipalities. I might challenge him on that. How do you feel about that?

**Mr. Drew Dilkens:** We may disagree.

**Ms. Donna Skelly:** I thought you might.

**Mr. Drew Dilkens:** We may disagree, but I guess flexibility is key. There are some projects, I think, that from a municipal perspective we are required to collect development charges on. We know that. We have the opportunity to grant back, in certain cases. But if there was more flexibility embedded in the process, whereby we can encourage specific types of development, it may be useful for municipalities to have that tool.

**Ms. Donna Skelly:** Mr. McShane, maybe you can address—I'd like to hear the two of you negotiate that. Is there a way that you think you could work on a process where DCs are frozen?

**Mr. Chuck McShane:** Yes, I believe we can work on something. I'll work with my colleagues in Toronto, and we can circle back around and come up with something for your review.

**Ms. Donna Skelly:** Mr. Dilkens, you know you're going to be facing a massive debt and have already stated that to come up with a third would be almost impossible, in terms of a bailout. Yet, if we lose the DCs, that's just going to—

**Mr. Chuck McShane:** I understand what you're saying. However, development charges are to pay for development. If the corporation, the municipality, is out all that money, that should not be put on a new home purchaser's back, and obviously, it's legislated that that's not the case. What we do is, we increase the tax base, we pay for development and we help fund infrastructure projects for growth.

**Ms. Donna Skelly:** That's valid. You're right.

Mr. Dilkens, would you agree?

**Mr. Drew Dilkens:** I can't object to his last statement, for sure.

**Ms. Donna Skelly:** Mayor Dilkens, what do you predict your debt to be this year, coming out of COVID-19?

**The Chair (Mr. Amarjot Sandhu):** Thirty seconds.

**Mr. Drew Dilkens:** The deficit will be about \$30 million, all things being equal, and it's projected to the end of the year.

**Ms. Donna Skelly:** Are you looking at any cost savings? You mentioned the benefits, but beyond that, what other cost savings is the municipality looking at?

**Mr. Drew Dilkens:** If you asked me where we started, it was \$52 million, and after our internal review we were able to find \$17 million in savings, which included the \$3 million on the Green Shield benefits side. Then we received just over \$5 million for the delivery of homeless services—additional services for the homeless population—and so we're down to about \$29.7 million, which I rounded to \$30 million.

**Ms. Donna Skelly:** And if you had to absorb that, what type of a tax increase are you looking at—

**The Chair (Mr. Amarjot Sandhu):** Thank you. Sorry about that.

We'll move to the opposition side now. MPP Gates.

**Mr. Wayne Gates:** My question is going to be to the Niagara Home Builders' Association and to Chuck.

Chuck, in Niagara we know that one of the main industries is tourism, and it may have been the hardest-hit by COVID-19. We've lost upwards of 40,000 jobs in Niagara. Fortunately, we are gradually reopening and seeing some of these jobs come back, but we know we face challenges with consumer confidence for many months ahead.

Do you believe there will be an impact on the residential housing market in Niagara and on future development decisions of Niagara builders?

Also, what are some of the steps that the province could take to assist those facing permanent layoffs due to COVID-19, with retraining and entering the skilled trades?

**Mr. Chuck McShane:** Yes, of course, Wayne, there will be long-term impacts. We know that we certainly won't be getting back to the numbers that we had within the tourism industry. You've got both feet into that every day. It definitely does affect consumer confidence.

Down the road, unless we retrain these people and get them back into other occupations—you know the skilled trades are very well versed in that; you know they're very good-paying jobs. We might not see as much of an impact if we can get them into these trades and some of these other jobs. There should definitely be a program to help train these people.

But, yes, I do hear it from some of our builders and developers. Right now, like I stated earlier, we're down to 70% of what we were building before, and we're supposed to be one of the biggest growth areas in Ontario in the next 10 years. Without that consumer confidence, without the good-paying jobs that would be lost, it's really going to hit our region hard.

**Mr. Wayne Gates:** I understand that one of the issues that builders are facing in Niagara, and possibly right across the province, is an issue with tightening lending restrictions for banks and financial institutions. One of the solutions you have proposed is the use of performance bonds with municipalities, to allow builders to build new projects.

Can you expand on how this would work, from the builder's perspective, in other jurisdictions where this is happening?

**Mr. Chuck McShane:** It basically is a little bit more paperwork. I think the biggest thing that we need to do as an industry is, we need to get more education out to our municipal partners—the mayors and clerks and whatnot—to just explain how it works. They don't lose anything, they don't lose any protection, with bonding. Bonding happens all the time. Some municipalities are using them for huge infrastructure projects.

**The Chair (Mr. Amarjot Sandhu):** Three minutes.

**Mr. Chuck McShane:** Nobody can tie up \$100 million in letters of credit on a \$100-million contract. When we give the flexibility that doesn't affect municipalities financially, when we give the flexibility to those companies to do that, we just create more work. That's 70% minimum that can be moved forward.

We had one company here in the area—Wayne, you heard it from him: \$50 million in letters of credit tied up that could be used elsewhere to create more jobs.

It doesn't affect anybody, and it doesn't cost anybody anything.

**Mr. Wayne Gates:** Thanks, Chuck. I'll pass it on to my colleague.

**The Chair (Mr. Amarjot Sandhu):** MPP Stiles.

**Ms. Marit Stiles:** Thank you to all the presenters today.

I really appreciated all the presentations, but I was particularly excited to hear from our youth representative in Toronto. I really appreciate you being here, and your comments were excellent.

I know you got cut off earlier. I wanted you to just expand a little bit more on what you see, Mr. Miranda-Radbord, as the impact of the pandemic now on students, on youth, and what you see in terms of—I thought you made a good point about it—the economic impact of supporting our cities and our youth.

**Mr. Cameron Miranda-Radbord:** Yes, it's huge. We're losing part-time jobs. We're losing the services that we really care about. We're losing access to education, potentially, because we don't have that money anymore. It's touching every part of our lives in a way that's scary for me and, I know, scary for a lot of my peers, and so we need all the support we can get.

**Ms. Marit Stiles:** We really pushed hard in this committee—

**The Chair (Mr. Amarjot Sandhu):** One minute.

**Ms. Marit Stiles:**—to try to ensure that education, particularly, would actually be included as part of economic renewal. Would you mind just speaking a little bit more on what families—I know you're speaking from a youth perspective, but about the impact on the economy of having education basically shut down?

**Mr. Cameron Miranda-Radbord:** Not being able to go to school means that folks, especially women, aren't able to go to work, because they have to stay home and supervise their kids. You're also looking at, especially if we're paying a third of our debt, thousands and thousands of child care spaces being lost, so potentially thousands of people not being able to go into work that way. It is a huge impact. Before the pandemic, we needed more child care and more services for working moms. We need them more than ever now.

**The Chair (Mr. Amarjot Sandhu):** That concludes our time. Thank you to all three presenters for your time and for your presentations.

This committee stands in recess until 1 p.m.

*The committee recessed from 1003 to 1300.*

**The Chair (Mr. Amarjot Sandhu):** Good afternoon, everyone. Welcome back. We're meeting for hearings on the municipalities, construction and building sector as part of the study of the recommendations relating to the Economic and Fiscal Update Act, 2020, and the impacts of the COVID-19 crisis on certain sectors of the economy.

Before we move on to our next group of presenters, I would like to do an attendance check. MPP Tangri, if you could please confirm your attendance and if you're present in Ontario.

**Mrs. Nina Tangri:** Yes, I am here, and I'm in Toronto.

**The Chair (Mr. Amarjot Sandhu):** Thank you. MPP Singh?

**Ms. Sara Singh:** Yes, it's MPP Sara Singh, and I am present here in Brampton, Ontario.

**The Chair (Mr. Amarjot Sandhu):** Thank you.

ONTARIO ABORIGINAL  
HOUSING SERVICES  
CITY OF LONDON  
CITY OF BRAMPTON

**The Chair (Mr. Amarjot Sandhu):** We'll move to our first presenter this afternoon: Ontario Aboriginal Housing Services. Please state your name for the record, and you will have seven minutes for your presentation.

**Mr. Justin Marchand:** Aanii. Hello. My name is Justin Marchand. I am Métis of Algonquin, Mi'kmaq and French descent, among other backgrounds. I'm currently the executive director of Ontario Aboriginal Housing Services.

Thank you to the Standing Committee on Finance and Economic Affairs for providing this time to speak regarding how we can work together to advance Ontario's economy, provide opportunities to strengthen Ontario's finances, support full economic participation by all people, all while simultaneously demonstrating that we are a generous society that believes we are here for the people.

Our comments today are made from the perspective of an Indigenous, non-profit housing provider. We own and manage almost 2,500 units of a mix of housing, including rent-g geared-to-income, supportive housing, affordable housing and market housing to people of all backgrounds right across Ontario. In addition, we provide various other housing-related supports, and in total, it's an honour for our entire team to serve over 10,400 people every day.

We can't do this alone. Our success is precisely due to our ability to work together in partnerships. Our partnerships start with the strength of our board, which is comprised of the Ontario Native Women's Association, Métis Nation of Ontario and the Ontario Federation of Indigenous Friendship Centres. We work with private sector partners, including over 3,000 small businesses across Ontario, two of the Big Five Canadian banks, and we have been a supportive member—and an award-winning member, I might add—of the local chamber of commerce in Sault Ste. Marie for the entire 26-year existence of our organization.

Our provincial office is located in Sault Ste. Marie, home to Minister Romano, and we have satellite service centres in Dryden, Timmins, Sudbury, Peterborough and Hamilton.

We do all of this work with one focus in mind: to provide safe, affordable housing for Indigenous people who are living in urban and rural areas of Ontario. We serve all people. In fact, 50% of our services help Indigenous people, and 50% of our services help non-Indigenous people. We're here to serve all people. It's in this context that these comments today are made with respect to helping to restore Ontario's economy and ensuring the

participation of all people. We can walk and chew gum at the same time, if you will.

We'll address three main opportunities. The first is "made in Ontario." Economists across the political spectrum almost universally agree that residential construction has one of the highest economic multipliers. The Ontario economy has an opportunity to benefit even more so because of our strong resource and manufacturing base, as well as our strong and skilled labour force. Residential construction is, by definition, a local economic activity. Whether it's local labour, skilled trade professionals, suppliers and supply chains, resources, manufacturing, local and regional transportation, financial services or infrastructure expansion and improvement, all of these contribute or benefit from what construction does.

The second: In terms of economic multipliers and leveraging private sector partnerships, the government of Alberta and the Northern Policy Institute both separately estimate the economic multiplier of construction to be approximately 1.4; we put in \$1 and we get \$1.40 back in economic activity. But that's just the start of the good news.

Moving down a level, we know that through our partnerships with private lenders, such as Bank of Montreal, we can directly leverage Ontario's investments in housing by a factor of two to four depending on the need being served—so the government of Ontario puts in \$1, and through our private sector partnership, we put in four dollars. We take on the long-term risk and responsibility of turning that \$1 of public investment into a \$5 asset.

Our organization is helping push the housing sector's boundaries through private sector partnerships—

**The Chair (Mr. Amarjot Sandhu):** Three minutes.

**Mr. Justin Marchand:** Thank you.

So let's take that \$5 investment and turn that into—add the economic multiplier, and we have a \$7 impact for every single dollar the government invests in housing.

The third, in terms of supporting finances and economic participation through housing solutions: Having people who are experiencing homelessness access help through hospitals and the so-called health care system is not a proactive approach. This does not lead to appropriate long-term help. It leads to a revolving door of sick care. It's not financially prudent. Take a hospital visit at \$1,200, times 90 trips a year—that's a lot of money.

A number of studies point to the financial cost of homelessness to be well in excess of \$100,000 per year per person. Multiply these effects, whether it's taking care of youth in care or the justice system, and those other ministries become expensive housing solutions. What if we spend less than 5% of that and instead build proactive and appropriate housing? We can simultaneously support our people and reduce the strain on sick care and other social systems, all while acting in a more financially intelligent manner.

Ontario can emerge from this pandemic stronger. Let's make investments in our economy by intelligently allocating scarce resources and limit spending to the sectors that will lead to organizations that leverage these investments

for better outcomes for people and higher returns on investment.

There are over 400,000 Indigenous people in Ontario, and 86% live in urban and rural areas. Almost one in five do not have access to safe, affordable housing. Although Indigenous people account for 3% of Ontario's population, cities indicate that anywhere from 27% to 99% of people experiencing homelessness are Indigenous. The good news is that we know how to effectively address homelessness in a fair, just and financially responsible manner.

Thank you, meegwetch, for the opportunity for Ontario Aboriginal Housing Services to address the standing committee today.

**The Chair (Mr. Amarjot Sandhu):** Thank you so much. We'll move along to our next presenter, the city of London.

**Hon. Ed Holder:** Thanks very much, Chair. I hope that my communication comes through clearly. And if you can see me, I can absolutely see you.

**The Chair (Mr. Amarjot Sandhu):** Yes, we can see you, and we can hear you as well.

**Hon. Ed Holder:** Okay, that's your disadvantage—and my advantage, if I might say.

As the city of London, the 10th-largest city in Canada—let me say one thing, firstly: that I want to acknowledge the provincial government for the initiatives that they have taken to help us work through this pandemic. This is so unprecedented. This is so dynamic. It's a moving series of pieces.

Do you know what I have found in these 18 months since I've been mayor? It's that while I have been a federal member of Parliament and a federal minister in this country, I've never seen something so dynamic, so impactful, as it has been for all of us as we deal with the coronavirus—because if there's something I've learned at the local level, it's how much these things touch us all. Honest to God, all of us know how much this touches every citizen. By the way—and compliments to your committee—if we don't care about what happens at the local level, then nothing matters. You're here because it does matter. I say, as a former MP and minister, that I get it, and I'm [*inaudible*] in this role because I see that municipalities are the front line, but we're also the bottom line.

Our city of London has taken a very dynamic and active approach to addressing the pandemic. We've helped reduce financial pressures on residents by deferring tax payments and fees, which total some \$130 million. That is not a small number. We've found temporary housing for those who experience homelessness, to prevent outbreaks amongst our most vulnerable. And we've pulled together dozens of community partners.

One of the first things I did a number of months ago, as the pandemic became obvious, was that—we created the Mayor's Economic Impact and Recovery Task Force and the Mayor's Social Impact and Recovery Task Force to help, firstly, to understand and support those community groups and those organizations that help us build on the safety nets and provide feedback and support those most vulnerable. I honour those people.

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We've made every effort to reduce the financial burden on taxpayers and businesses by a number of cuts and the ability to reduce our predicted budget and our deficit significantly, and we've tried to maintain essential services. When I say this, Chair, I say this not in isolation; every municipality in our country, in our province, is dealing with this.

As we look to reduce our operating deficit, we as a city, and other municipalities across the province have had to delay significant infrastructure projects, so investments, which has had a twofold impact on our recovery.

**The Chair (Mr. Amarjot Sandhu):** Three minutes.

**Hon. Ed Holder:** Thank you very much.

We have had to be very sensitive to pay attention to municipal services that are most essential, and in so doing, our ability to participate in future provincial and federal stimulus has mattered. We've appealed to federal and provincial governments for some \$10 billion to \$15 billion across the country to support emergency funding because—do you know what? While we have acknowledged that the individual supports of taxpayers at student level, at citizen level, at business level, have impacted you—and I would say to you, Chair, I would say to all the members of this committee: Do not ignore those who have the bottom-line and the front-line responsibilities to deliver, because we are those who have that commitment to make that happen. And please, I would implore all of you to look to us, as municipalities, to deliver that front-line support. We will honour and acknowledge that support like you cannot know. It is a national, provincial crisis, but it happens because you support the initiatives that we're trying to do.

I will tell you, in London, Ontario, your provincial minister who is responsible for Elgin–Middlesex–London has been very supportive. He has been incredibly responsive to our requirements.

We need the broader support of the cabinet and the government, to say that not only London but the municipalities of this province matter, as they work with the federal government.

Let me leave that with you, Chair. Thank you very much. I'll be open to questions.

**The Chair (Mr. Amarjot Sandhu):** Thank you so much. We'll move along to our next presenter. We have Mayor Patrick Brown from the city of Brampton.

Mayor Brown, please state your name for the record, and you will have seven minutes for your presentation.

**Mr. Patrick Brown:** I'm Patrick Brown, mayor of Brampton. Thank you, Amarjot. I can tell by the introduction that you want to give me one minute longer than Ed Holder because of your sympathies to Brampton.

What a great committee. You have three MPPs from Brampton, and may I say, Kevin, Sara, Amarjot, you're all doing a great job for our city. It's good to see so many other old friends on this committee. I know you're working hard in the summer, given this pandemic.

There were a few points that I wanted to get across, when you're looking at the challenges we face with COVID-19. I know it's a health pandemic, but it's also an



economic firestorm. I would go further to say that it has become a real challenge for municipalities. We're on the front lines. I think all of you as public servants get that; you appreciate that. When you look at municipal essential workers, we're talking about unsung heroes—transit operators, waste collection, first responders, paramedics. If you look at some of the sacrifices that paramedics have had to make—I've seen them at work—and the PPE that they put on, the real interactions they have in a dangerous manner as we try to contain this virus—Brampton fire has taken on front-line roles with the pandemic, as well.

Look at public health. We know public health is funded municipally, and they're doing incredible work right now. They're coordinating a lot of the testing that's happening. You look at the pop-up testing; they're coordinating it with the province. The cost associated with managing a pandemic—Dr. Lawrence Loh and his team are working 24/7 right now. When I look at this pandemic and our response, municipalities are on the front line. My concern is—I speak regularly to our finance minister, Rod Phillips, who is a good friend, and he says help is on the way. Chrystia Freeland is on a call regularly with big-city mayors, which Mayor Holder and myself are part of, and they say help is on the way. But here we are, what is it, four or five months into the pandemic, and that help isn't on the way yet, and so I think there's a level of frustration. We're hoping that's coming soon.

I was talking to the Premier about it only a few days ago, and he told me that he's going to continue to push for it, but I want to stress to this committee that you know the cost. This is not about helping another level of government; this is about saying, "I have the back of essential workers." This is about you saying, very clearly from your committee, that you have the back of front-line essential workers, that you want to have the back of our first responders, our transit operators. These people go into work every single day, without hesitation, knowing that they're at a greater risk, and we can't shortchange them.

The reality is, that money will run out. We have done everything we can in Brampton. Just so you know, we've had to let go 3,000 part-time and seasonal staff. We're making difficult decisions, but even with difficult decisions, we're still going to be looking at a significant deficit, somewhere between 5% and 7%, which is in the \$15-million range. I know that some municipalities are facing a discrepancy that could be as high as 17%. So we've been very careful to keep our discrepancy between 5% and 7%. Under provincial legislation, we're not allowed to run deficits. That's your provincial legislation.

I don't want to be in a position in the fall where we have to say to public health, "We've run out of money."

**The Chair (Mr. Amarjot Sandhu):** Three minutes.

**Mr. Patrick Brown:** I don't want to be in a position where we have to say to transit operators, "We can't run our transit system." I know you don't want to do that either. I know, regardless of partisan perspective, that everyone appreciates the courage, the valour of these front-line workers. When you think about it that way, there needs to be a reconciliation. I know there are going to be

some discussions with the federal and provincial governments about the share of those costs, but what I wanted to come here today and say is that there has to be some rush on it. The reality is that we're getting to a point where we're going to be in breach of your own Ontario laws if we don't either let some of these essential workers go and not take care of the pandemic or run a deficit, which we're not allowed to legally.

You have to know that. You have to know the cost. There are a number of mayors you're going to hear from today, and I think we're all on the same page. We've been sharing data, sharing financial forecasts. I want you to know that from the city of Brampton's perspective, it's over \$15 million that we're looking at, and it's only for our essential workers. That doesn't even include things like the POA court, which we administer for the province. We're not collecting those fines anymore. There is example after example of where there are other challenges, but we're making it work in a very difficult manner. There is adversity that cities are facing, and we need the province of Ontario to step up and say, "We're going to be collaborative partners with Ontario cities."

**The Chair (Mr. Amarjot Sandhu):** Thank you so much. We'll start with the questions now. We'll start this round of questions with the government side. MPP Crawford.

**Mr. Stephen Crawford:** Thank you to all the guests for coming in. I'll start my first question with Ontario Aboriginal Housing Services, and then I'll move to the two mayors.

I just wanted to get a bit of a perspective in terms of how you can fit into the committee. The purpose of this committee is to look at economic recovery during COVID-19. We know, for example, that the hospitality and tourism industries, airlines and restaurants have had severe damage. A lot of people have taken a hit, but those industries in particular have been really hard-hit. How have you been hit hard? How has your organization, the people you serve, been hit?

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**Mr. Justin Marchand:** A couple of ways. We know from the public health statistics that individuals living in congregate settings and those experiencing homelessness are five times more likely than the general population to get COVID-19. When individuals don't have access to safe shelter, that affects not just their own individual health, but also the health of the public in general. Those sorts of settings, if not managed appropriately, can really, unfortunately, facilitate the spread of COVID-19.

We have also been hit in terms of our tenants. Those who are in the service sector, particularly minimum wage or low-paid service sector—Tim Hortons workers. Those who are barely earning a living wage are not able to pay their rent, so we've also been hit in that regard.

I assume we'll talk about some of the opportunities and how we can help get out of this sector. But those are two examples of how the people we serve have been hit by this pandemic.

**Mr. Stephen Crawford:** Yes, and that would be my second question: How can you participate in economic

growth while helping people at the same time? You mentioned, I believe, that there was almost a four-times multiplier—perhaps it was government putting in \$1 and then your organization or organizations putting in \$4. Could you just expand on that?

**Mr. Justin Marchand:** From a simplistic point of view, if the government can focus their investments on organizations that are willing to leverage that expenditure—for example, if the government puts in \$1, we can leverage about four additional dollars through private sector partners, like the Bank of Montreal, and build a \$5 asset.

Economists know that there is a huge economic multiplier to local construction. The benefits of local construction—hiring construction companies, trades, labour, suppliers, transporters, what have you, creating the additional infrastructure for the communities, for the cities that we live in—are just a huge economic multiplier, and it's one of the fastest ways to get money on the ground, to get a verifiable return for the government. So to answer your question, in short, with a \$1 investment from the province—

**The Chair (Mr. Amarjot Sandhu):** Three minutes.

**Mr. Justin Marchand:**—you can turn that into \$7 of economic activity through investments that our organization makes.

**Mr. Stephen Crawford:** Now I'd like to move on to the two mayors, from Brampton and London—both great communities. In terms of infrastructure, I know you're probably aware that our government has committed a pretty substantial investment over the next decade. We've got the largest investment in Ontario's history in infrastructure. We've got a number of programs in place right now through the ICIP.

Perhaps both mayors could give me their perspective on where we need infrastructure right now. With the ICIPs, we have the green program, we have the culture and recreational streams—which we're still working on as we speak, and some of them are at the federal government for approval. Are there areas you see that (1) we really need; (2) can have an economic impact; and (3) given the municipalities' poor financial conditions right now, do you have some cash to throw into this as you do with the other programs as well?

I'll let you two speak to that. Thank you.

**Mr. Patrick Brown:** I'm happy to start off, Stephen.

I would say that we would welcome a stimulus program. If you look at how Canada responded to the 2009 global recession, the infrastructure stimulus program was very helpful, and I think municipalities would be well positioned to move on that quickly.

We have operating and capital budgets. With our operating budget right now, we're facing shortages where we could run out of funding for our essential workers. In our capital budget, there is manoeuvrability to invest in a cost-share manner on infrastructure projects. I know, from a Brampton perspective that MPPs Yarde, Singh and Sandhu would be well aware of, we've got a list of shovel-ready projects that we've publicly listed, from the LRT extension to Riverwalk to the Queen Street rapid transit route.

Those would be meaningful projects that would create jobs and help modernize the city. So we would welcome that program coming to fruition.

**The Chair (Mr. Amarjot Sandhu):** One minute.

**Hon. Ed Holder:** I would agree with the mayor of Brampton on those shovel-ready projects that matter.

I can also say this: From a London perspective, what we anticipate is that if the government of Ontario is prepared to make those commitments to ensure that we, as a municipality, and other municipalities across the province are able to take advantage of incentive-based growth opportunities—I think that really stands us in great stead. We have to take advantage of the program potential that is out there, and I think if there's a limitation, it's that we don't see the opportunities as available as they might well be. I would say to you, Chair—

**The Chair (Mr. Amarjot Sandhu):** I apologize to cut you off, Mr. Mayor. We'll come back to you in the second round.

Now we'll go to the opposition side for their time for questioning. MPP Kernaghan.

**Mr. Terence Kernaghan:** My question is for Mayor Holder.

Mayor Holder, London has been clear in their request for provincial operating funding assistance. So far, no assistance has flowed from the province. What are the financial shortfalls faced by the city, and what services are at risk?

**Hon. Ed Holder:** Well, here's a snapshot of our financial impact up to August: We estimate that we have a \$21.8-million shortfall. As part of that, what we've included is \$3.5 million in deferred capital expenditures, but ultimately \$21.8 million of lost opportunities, lost tax revenues. So what we're looking at—with the application of the 2019 surpluses and layoffs and other service reductions, we've reduced our expected deficit to some \$14 million to the end of August.

I would say to you that London is doing its share and doing its part to impact as best as we can the financial impacts of COVID-19. We're all in this together, and we get that. So what we're asking the provincial government is to help support those deficit situations that would benefit us so that we could just move our markers forward. That's all we're trying to do. We are not more or less important than any other municipality. We just want to play our part. But we need the provincial government's support to allow that to happen. To do that, I've explained the financial impacts, but what I need to do is also say to you that we need some help at the provincial and federal level to make that matter.

**Mr. Terence Kernaghan:** I'd like to thank you very much for your leadership with both the economic and social impact and recovery task forces. They've been brilliant.

MPP Armstrong sends her regards.

At this point, I'd like to pass it over to MPP Sattler for questions.

**The Chair (Mr. Amarjot Sandhu):** MPP Sattler.

**Ms. Peggy Sattler:** Thank you, Mayor Holder, for presenting to this committee.

You just mentioned in your last response that through the very, very hard work of city council, you had been able to reduce the projected deficit to around \$14 million to the end of August. Given the reality that cities are not allowed to run deficits, what else will have to be cut in order to not carry forward that \$14-million deficit that you're currently looking at? What would you have to do if the province did not come to the table with some direct financial assistance?

**Hon. Ed Holder:** My personal sense is that—

**The Chair (Mr. Amarjot Sandhu):** Three minutes.  
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**Hon. Ed Holder:** I personally believe that we are not going to be ignored at the provincial level. I'm not sure that the continued budget cuts are not conducive to recovery, but I will say this: What we truly need is to have the support—and I have indications from the provincial government that we will get that support—from the provincial government to assist our municipality.

Every municipality is a creation of the provincial government; we all know that. We can or cannot do what we are not authorized or legislated to do as a function of provincial government.

What I would not appreciate is any direction from any party that would suggest that we could somehow consider deficit financing as the response. It is actually the antithesis of what we need to do for municipal and provincial recovery. We need to stand on our own, based on our own ability to deal with this, with the support of the provincial and federal governments; honest to God, we do.

And I would say this, MPP Sattler: Do not ever suggest, and I know you're not, that the answer is that we could somehow—

**The Chair (Mr. Amarjot Sandhu):** One minute.

**Hon. Ed Holder:** —run a deficit to make that work for us, because it will not work at any level of municipal government. I'm open to other levels of discussion, but I would say, let's stop that right there. It is not helpful to those levels of government at the municipal level that work hard, and I mean really hard, to run their municipal governments well.

**The Chair (Mr. Amarjot Sandhu):** We're almost out of time, so we'll move to the independent members now. MPP Schreiner.

**Mr. Mike Schreiner:** I want to thank all three presenters for bringing such valuable information and contributions to our discussion. I'm going to direct my first question to Justin, about housing, and then to the mayors.

Justin, you provided some pretty compelling numbers. Every dollar invested has a multiplier impact of \$7 on the local economy—and I'm assuming that doesn't even include the \$100,000 in savings if you take somebody off the streets and put them into a home. So I would argue that your \$7 multiplier is probably even greater than \$7.

Given all of those benefits, what can the province do to support organizations like yours to help us address the housing crisis that we're facing?

**Mr. Justin Marchand:** In the last economic crisis in 2008-09, it was actually the federal Conservative government that doubled the investment in the social infrastructure fund that allowed us to make additional capital investments.

Of course, with 80,000 Indigenous people in Ontario not having safe, affordable housing, that investment wasn't enough.

But again, without sounding like it's never enough, I want to present it as an opportunity. There is an opportunity to create those partnerships to leverage the provincial dollars.

And you're quite right that in those numbers I only included the immediate short-term benefits to the province, something that is absolutely verifiable. Of course, as you know, the operating costs for inappropriate services is really where the additional savings are.

**Mr. Mike Schreiner:** Hopefully, this committee will take you up on your suggestions in that regard.

I just want to shift to Mayor Brown. I've been impressed with Brampton's community energy plan, your focus on transit etc.

There has been a lot of talk about how we can recover from this economic crisis in a way that could significantly lower our energy costs and therefore the amount of pollution we put out. Can you address some ways in which Brampton specifically could leverage recovery funds, especially infrastructure funds, in that way?

**Mr. Patrick Brown:** It's a good point. You should always look at opportunities and silver linings in any challenge. One thing we've tried to adapt in Brampton is to use this as a catalyst for better active transportation. Obviously, we acknowledge, like you have, that we have a climate crisis and we have to do our part, do everything we can for the next generation that will live in our city. If you look at the emissions from the transportation sector, they're significant. If we can alter behaviour, it will make a meaningful impact.

Because roads are not as busy right now, we have created active transportation corridors. Sara, Kevin and Amarjot would know them well. They're being well used right now. I hope that, when we talk about this infrastructure fund that MPP Crawford was alluding to, active transportation can be part of that. I would love to have funding available to really expand our active transportation network across the city. If you build it, they will use it. We've seen, from the limited example we have with the Vodden Street corridor, people use it. People love active transportation if you build it for them.

**Mr. Mike Schreiner:** I'll go to Mayor Holder and, if there's time, back to you, Mayor Brown.

Has London taken advantage of opportunities to expand dining districts and things like that out into the street just to help restart local business activity? And do your local businesses like it, if you've done it?

**Hon. Ed Holder:** Thank you for the question.

For those that have been involved in the restaurant and bar business, any expansion is exceptionally positive. We

are one of those communities that moved into stage 2 at the earliest stage, and now stage 3 as of this Friday. Is that positive? Incredibly so. But to imagine and assume that that's enough means you've never operated a restaurant or a facility like that—because when one operates at almost maximum efficiency, one worries that it isn't quite enough to make it work. So when you have limited operations, as we've had through this pandemic, we know that they're struggling. It's why, even in London—and why I invite people to come to London—we have said to our bars and restaurants, “We're not charging fees for coming in to expand your facilities in parking lots and in sidewalk areas. We're trying to make it easier for you to survive.”

This isn't even about growing. This isn't even about sustaining. This is about surviving. We're very mindful and respectful of how hard it is to grow a business and to sustain a business. So we're doing our very best to help and work with these operations, which is why, in the last week and a half or two weeks, when we moved into stage 2, when we could have more flexibility around our operations externally, we added several—60 or 70—facilities, at no fees, just to move into stage 2 and have patio facilities. Oh, my God, it's tough. That's never been my business. But I come from a small business environment and I know how tough it is for cash flow. So we're just hoping these businesses—we wish them every success. I would encourage every individual in Ontario to help—

**The Chair (Mr. Amarjot Sandhu):** Thank you. I apologize to cut you off, Mr. Mayor.

We'll have to start the second round now. I'll start with the opposition this time. MPP Yarde.

**Mr. Kevin Yarde:** My question is to the mayor of Brampton. I want to first of all thank him for all the hard work he's been doing over the last several months with this pandemic. I really like the fact that we're still keeping our eye on environmental initiatives, even though we're still in this pandemic.

My question to Mr. Brown has to do with the funding you gave us at the top of your speech—some numbers as to what we need in Brampton. Can you break down those numbers and let us know where those dollars would be going and how important it is to get those dollars?

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**Mr. Patrick Brown:** Great question, MPP Yarde.

I look at some of the areas that are municipal and regional responsibility that, of course, Brampton taxpayers contribute to. The paramedics are at a \$3.8-million loss; public health, \$4.8 million. In recreation, we've been hit, \$15 million. Transit, right now, is at \$22.6 million; by the end of the year, it should be over \$44 million.

It's why you hear some cities considering shutting down their transit systems. You talk about economic challenges; imagine not having a transit system. Our essential employers depend on transit. I've had the food-processing sector tell me that the one thing they need is for us to maintain transit, because that's how their workers get to work.

Those are some of the more significant numbers.

I also have some information about the POA court, which is that we're now looking at \$5 million, but by the year-end, it will be \$8 million. Those are provincial offences.

So we're bleeding revenue everywhere, and we're not allowed to run a deficit, MPP Yarde. I hope we're not put in a position where, in October, if funding runs out, we're going to have to cut back on essential, critical services.

**The Chair (Mr. Amarjot Sandhu):** Further questions?

**Mr. Kevin Yarde:** I'll give my second question to Sara Singh.

**The Chair (Mr. Amarjot Sandhu):** MPP Singh.

**Ms. Sara Singh:** Thank you, MPP Yarde, for the previous question. Thank you to all the presenters today.

My question is for Mayor Brown. I just want to reiterate, as my colleague did, all of the fantastic work that's happening in our city at a local level. I want to commend you and council for bringing forward initiatives to ensure that we are innovating in a time of crisis, as well, so thank you for that.

Just following up on MPP Yarde's question around potential impacts to services: Mayor Brown, can you please elaborate on what potential services could be at risk in our community? I know you have issued a press release on those potential cuts, but if you could elaborate on those, that would be very helpful for the committee.

**Mr. Patrick Brown:** The biggest loss right now is in transit, and I believe transit is a necessity for economic development. As you know, in Brampton, we've got so many essential workplaces, from the food and beverage sector to transportation logistics, to great companies—

**The Chair (Mr. Amarjot Sandhu):** Three minutes.

**Mr. Patrick Brown:** —like Amazon and Canadian Tire, and so transit is something that I'm quite worried about.

We talked about a \$4.8-million loss for public health. If they come back to us and say, “We can't pay our bills for the next two months. We need the city and the region to provide additional funding,” and we're not allowed to run a deficit, what are we going to say to them? These are front-line heroes dealing with the pandemic.

As I've said to Minister Phillips and Deputy Prime Minister Chrystia Freeland, don't make us say no to people who are sacrificing their own health and their own safety to keep our communities safe.

**The Chair (Mr. Amarjot Sandhu):** Further questions, MPP Singh?

**Ms. Sara Singh:** Sure. Just following up on that, Mayor Brown, can you please elaborate on the necessity of this funding? I know you've mentioned that you've been told by Minister Phillips that help is on the way, and yet we hear from municipalities across the province that help simply hasn't arrived. Can you elaborate on how dire the need for this funding is in our communities?

**Mr. Patrick Brown:** We're going to run out of funding for these essential workers. Yes, it's dire. Here we are in the summer, and we're getting to the point in the fall where there's going to be a funding shortfall. I hope it's not at the

eleventh hour that we get a deal between the province and the federal government.

Honestly, right now, I feel like these essential workers are in the middle, and they're being bounced back and forth. I don't care what negotiation happens and how you get there, but the Prime Minister and the Premier have to get to a deal when it comes to these essential workers.

I think Mayor Holder might want to say something too.

**Ms. Sara Singh:** Yes, please, Mayor Holder, feel free to provide a perspective from London in terms of the impacts you're facing and how important this funding is to you, as well.

**Hon. Ed Holder:** I'd like to follow up on Mayor Brown's comments. When we look at the end of August and we are running some almost \$22 million of unexpected, unallocated, unfunded expenses, I would say to you that some two thirds of that are transit-related. We're looking for any support that we can get.

When you're the municipality, I feel in some respects—we're on the bottom of the poop pile some days. So while we know and acknowledge, respectfully, that we have support for appropriate organizations, individuals—those who can be named. But do you know who can't be named? Brampton can't be named by individual. London cannot be named by individual. Winnipeg cannot be named by individual. So what tends to happen is that, in my experience on this, it's the Alphonse and Gaston routine. So when you speak to the federal government, they say, "Well, what does the province say?" When you speak to the province, they say, "What does the federal government say?" I'm getting somewhat weary, as I know others are getting weary, of—

**The Chair (Mr. Amarjot Sandhu):** Thank you.

**Hon. Ed Holder:** Do I think we're going to get acknowledged? I think we will. But I look to the time when we get to the top of the pile.

**The Chair (Mr. Amarjot Sandhu):** We'll move to the independent members now. MPP Blais.

**Mr. Stephen Blais:** Thank you all for your presentations.

Mayor Holder, thank you for coming in this afternoon. You mentioned in your presentation that you thought that provincial support would be there, despite there not being an announcement yet. We heard yesterday that the minister and the Premier are waiting because they don't feel that there should be any restrictions on the transfer of money from the federal government.

Do you think the province will do a block transfer to municipalities based on per capita or some other formula, or do you think that they'll put strings on their money as they normally do?

**Hon. Ed Holder:** Let me thank you for that question.

I would say that we, as municipalities, don't care. What ultimately does matter is that we have the financial survivability to make it work. So whether it is some block funding or individual funding or focus on transit to start and other things—I've already suggested earlier that transit is the biggest single piece of this, but there are a lot of pieces to this. Pat would say the same thing.

There are a lot of pieces to this that make this work. So from our standpoint, I would imagine that what we are looking for is some signal from the two levels of government that they are working hand in glove to ensure that we, as municipalities in the province of Ontario, can make this work, because the other options are disastrous, and we are not prepared to accept that.

**Mr. Stephen Blais:** I appreciate that. I think everyone agrees that municipalities need direct funding.

The federal government has offered \$14 billion. The Premier wants 38% for Ontario, which is a per capita transfer.

In your conversations with the Premier or the minister, have they told you what London might be able to expect?

**Hon. Ed Holder:** Well, let me say this: Whether it's per capita or whether it's ultimately what we need as a bottom-line municipality, we understand what our needs are as we extend the gap to the [inaudible] as we can best project. In fact, our own council knows what it is to the end of August. In September, they're going to re-present to us, our administration, as to what the challenge is going to be to the end of the year as they best guess. But what would help hugely is for the province and the federal government to say, "Let's just do the right thing." That's all we're asking of both levels of government.

**Mr. Stephen Blais:** I appreciate that. Thank you.

Mayor Brown, thank you, also, for your presentation. It was nice to see the little one there for a moment.

You talked about \$44 million in transit and the importance that that has for the economic recovery and so many important businesses in your community.

Can you talk a little bit about the compounding factor in transit revenue losses this year, compounding into the future, as you're not able to plan route changes, expansions, leading to revenue shortfalls that expand and progress into the future?

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**The Chair (Mr. Amarjot Sandhu):** Three minutes.

**Mr. Patrick Brown:** It's very worrisome that the chair of the big city mayors of Canada, Don Iveson, was talking a few weeks ago about whether he would have to shut down Edmonton transit. I hope we never get into a position where we have to shut down Brampton Transit. We've had so much success. We're at record amounts every single year with more people using public transit.

If you talk about the goals that we have for a society that's less dependent on the car, you need to have public transit that you can depend on. If we have to shut down transit, think of the consequences of that. People will be forced to borrow more, get a car, lose their job. There are so many unintended consequences, and that's why we don't even want to look at that nightmare scenario. We want to be able to make sure that transit continues to run throughout the year. I hope the government appreciates how critical transit is for our economic recovery. If you speak to the chambers of commerce, if you speak to our major employers, they will all tell you that having a transit

system to get their employees to work is absolutely necessary.

If I could just underline, Stephen, it is not without risk. I've had five transit operators test positive in Brampton—five transit operators. They're at a higher risk, and we owe it to them to make sure that we continue to take the precautions to keep them safe. We've put Plexiglas up around them, and we've had rear boarding. We've got to continue to take those precautions, and I don't want to be in a position where we have to abandon this critical service.

**Mr. Stephen Blais:** I agree; I think transit is fundamentally important to the recovery.

The \$44-million loss: What kind of fare increase would you have to do to recover \$44 million?

**Mr. Patrick Brown:** Well, there is no way, because I think you'd actually lose ridership. If you increase fares, there's going to be a compound effect of losing more riders, so it's a negative cycle.

We were actually going the opposite way in Brampton. We're such believers in public transit that, coming in September, there was going to be free transit for seniors.

**The Chair (Mr. Amarjot Sandhu):** One minute.

**Mr. Patrick Brown:** Our 2040 vision says that we want to have free transit for everyone as a public good, just like health care and education. This is a setback. We've had to delay the implementation of the free transit for seniors.

I think it would be a negative cycle if we had to raise fares across the board and potentially shut down routes. We've already closed some of the routes that were not as integral. We will lose ridership, and you will damage public transit; you'll damage faith in public transit.

I really don't even want to consider those scenarios, because I think it would be adverse for the city and for the environment.

**Mr. Stephen Blais:** I'm not sure if MPP Hunter has any questions.

**Ms. Mitzie Hunter:** Chair, is there time?

**The Chair (Mr. Amarjot Sandhu):** We're out of time, sorry.

**Ms. Mitzie Hunter:** Okay. Thanks to all the presenters.

**The Chair (Mr. Amarjot Sandhu):** We'll go to the government side for their second round of questioning. MPP Khanjin.

**Ms. Andrea Khanjin:** Thank you to all of the presenters who came to committee today.

I want to point two of my questions to both Mayor Brown and Mayor Holder. Both of you have experienced being in the federal level of government through the recession and the stimulus funding that came out for that, so you know how important it is for us to really rally together to urge the federal government to give municipalities more funding. Of course, Premier Ford has been leading the charge with advocating on behalf of all the provinces and municipalities to get more funding.

I wanted to hear from you two as to what municipalities can do to really up the ante on the need and join AMO to put the pressure on the federal government, and how the province can help.

**Mr. Patrick Brown:** I'm going to start off by saying that what I think was special about 2009 and how quickly that program got introduced is Prime Minister Stephen Harper and Dalton McGuinty came from different political perspectives—I don't think anyone would say they were ideological soulmates. But I remember at the time the Prime Minister saying how easy it was to work with the government of Ontario, that they were very collaborative. They said, "At a time of a national crisis, we're going to put partisan allegiance to the side and we're going to get things done for the public."

The Premier has told me that he is championing our cause to the federal government and that not all provinces are aligned on this. I just hope that we get a deal soon. I understand that they're talking about whether it's a 75-25 split or a 60-40 split. But however long it takes, I think the Premier and the Prime Minister owe it to Canadians to make sure they can show to us that in a time of crisis, they can work together. I think you'll see that Canada's big city mayors will continue to express the urgency of this situation to both the Prime Minister and Premiers.

I think most mayors will say that Premier Ford has told us he gets it. I think there are some challenges with other Premiers who may not appreciate why we need a national deal as immediately. If you can't get a national deal, do an Ontario-Canada one without waiting, because we can't wait even further. If Saskatchewan doesn't want a deal or another province doesn't want a deal, they can utilize federal funding in a different way. But I think, in Ontario, we're all on the same page that this is a critical need.

**Ms. Andrea Khanjin:** Mayor Holder, did you want to comment?

**The Chair (Mr. Amarjot Sandhu):** Mr. Holder is not there. I think he has lost connectivity.

**Ms. Andrea Khanjin:** I'll keep going with Mayor Brown, then.

You mentioned the \$44 million in transit and how a lot of your essential workers are in the transit business and how that's also a potential place of stimulus.

I wanted to get your thoughts on the P3 model. There are 37 projects that got funded in this province this year: 17 were transit, subways and highways; 16 were in health care and community services. When you talk about all levels of government working together, P3s can really be a way to get everyone to be on the same page for the greater good. What are your thoughts about that being a potential solution?

**Mr. Patrick Brown:** I think when it comes to infrastructure stimulus programs, that's something we would be very open to. When it comes to the LRT extension, there are groups we have spoken to about potential partnerships.

**The Chair (Mr. Amarjot Sandhu):** Three minutes.

**Mr. Patrick Brown:** If there's a creative way to get this done—I look at an organization like LIUNA, who have said that they're interested in P3s. I think there are a number of credible organizations out there that would be willing to put funding into infrastructure, and so that's something that is certainly on the table. Like I said to MPP

Crawford when he talked about this, we would welcome a stimulus program. It would be good for Ontario and good for Canada.

**Ms. Andrea Khanjin:** Lastly, you talked about “if you build it, they will use it.” Can you comment on the impact transit-oriented development could have on more mobility hubs and communities?

**Mr. Patrick Brown:** I think whenever you’ve seen development aligned with transit, it’s been very popular. The fact that you can live, work and play in the same area, that you’re less dependent on a car—when you have a condo building go up near a transit stop, any real estate agent will tell you that that’s an advantage.

We’ve identified places in Brampton on our LRT extension where we believe that would be a perfect fit for development that’s centred around transit. I’d say it’s fair to say that we were excited about some of the comments made provincially about transit-oriented development because we think we’d be a good fit for it.

**Ms. Andrea Khanjin:** Thank you for your time, and happy early birthday to your son, Theo.

I wanted to pass it over to Mayor Holder, now that you’ve joined us. Did you get the tail end of that question, Mayor Holder, when I first started, about working with the federal level and—

**Hon. Ed Holder:** No, I did not.

I would tell you that since it’s my birthday, I think that trumps the mayor of Brampton’s beautiful baby—maybe it doesn’t; I don’t know.

**The Chair (Mr. Amarjot Sandhu):** One minute.

**Hon. Ed Holder:** Could you rephrase the question?

**Ms. Andrea Khanjin:** I am going to pass it over to my colleague Jim McDonell.

**The Chair (Mr. Amarjot Sandhu):** MPP McDonell.

**Mr. Jim McDonell:** Thank you for coming out. It’s good to see Mayor Brown from Brampton, an old colleague. It’s always good to see you.

We heard the Liberal member talk about the feds stepping up for 30%, but per capita in this country is above 40%, or almost 40% for Ontario. We have an issue with the federal stance that the municipalities should be contributing something, because we don’t think that you have the tools to raise that amount of money, where the feds—somewhat the province, but more the feds—have those tools. Can you comment on the federal ability to cover some of these COVID-19 costs?

**Mr. Patrick Brown:** I think the federal government has the best ability, of course, because they collect the most tax dollars on the dollar, to assume some of these costs.

When it comes to operating—because we can’t run a deficit; you’re right—it’s very difficult for us to assume any portion of these losses. When it comes to infrastructure—

**The Chair (Mr. Amarjot Sandhu):** Thank you. I apologize, Mr. Mayor. That concludes our time for the presentation.

Thank you to all three presenters for appearing before the committee and for your presentations.

1400

GREATER OTTAWA  
HOME BUILDERS’ ASSOCIATION  
TOWNSHIP OF ASPHODEL-NORWOOD  
TORONTO AND YORK REGION  
LABOUR COUNCIL

**The Chair (Mr. Amarjot Sandhu):** We’ll move along to our next group of presenters. First we’ll start with Greater Ottawa Home Builders’ Association. Please state your name for the record, and you will have seven minutes for your presentation.

**Mr. Jason Burggraaf:** My name is Jason Burggraaf. I’m from the Greater Ottawa Home Builders’ Association. To the Chair and the members of the committee, good afternoon.

GOHBA is the proud voice of over 350 companies operating in the residential construction industry, employing 50,000 people and generating \$6 billion in economic activity in the Ottawa area. We create well-paying, highly skilled jobs in professions as diverse as carpentry, farming and urban planning.

I want to thank the government and all parties for this opportunity and for the work you’re all doing in your communities to respond to the pandemic. It’s very positive that we can all work together on Ontario’s economic and jobs recovery, given the unusual and difficult circumstances that we find ourselves in.

I also want to thank the provincial government for declaring residential construction an essential business on March 23, as part of the state of emergency orders in responding to COVID-19. We publicly supported the government’s move to combat COVID-19 at the time, while still enabling the completion of all newly started new homes and renovations. This was important, as an average of 500 to 600 families a month move into a new home in Ottawa. Most often, they are leaving a home that another family is moving into or leaving an apartment that will be filled by somebody else. Many of them didn’t have alternative accommodations if they weren’t able to move into these new homes at the time. In addition, of course, there are thousands of renovation projects across the city that were in various states of completion. All of these renovations improve and/or expand the livable space of someone’s home, which proved to be more precious then, and it’s precious now.

Our members in Ottawa have worked closely with our provincial association to keep tradespeople, building inspectors and everybody on-site safe. Our members immediately introduced enhanced health and safety protocols, including new signage and tracking, distancing trades, changing work schedules and minimizing the number of people on-site at any given time. In an environment that wasn’t, and still isn’t, business as usual, I’m very proud of our members’ response and our ability to keep job sites safe. The health and safety of everyone on site is our absolute priority. To the best of my knowledge, we didn’t have a single COVID-19 case attributed to work in

the residential construction industry in Ottawa. In fact, we worked hard to promote the safety measures our members undertook so that everybody—government, the public and tradespeople—can feel confident moving forward.

COVID-19 certainly did impact housing activity in Ottawa, but overall, we've done much better than others. Our association, working with officials in the city of Ottawa, was able to prevent a mass slowdown in the sector by keeping job sites safe and, for the most part, keeping approvals and permits running through the pandemic. I have to acknowledge Steve Willis, general manager of planning, infrastructure and economic development, and our chief building official, Frank Bidin, for their dedication in keeping Ottawa's residential construction sector open and running over the past few months. It certainly wouldn't have happened without their will.

One of the biggest impacts of COVID-19 was on our renovator members, who did experience a near-complete shutdown. They had to lay off employees, suspend or cancel contracts. They are the ones who are having the hardest time reinvigorating their sector, because it requires working in people's homes and, simply, not everyone is comfortable with that.

In the same vein, our biggest concern for home builders right now is returning to mandatory after-sale warranty work. Tarion has announced that repair periods will resume on August 27, but some builders could be in a very difficult position if they have trades that continue to refuse to work in occupied homes. It's a situation that GOHBA has continued to monitor closely as it evolves.

However, I am confident that, going forward, the new housing professional renovation industry is well positioned to lead the post-pandemic economic recovery. It was our sector that led Ontario and the whole country out of the 2018-19 financial crisis. With the right public policy responses from the provincial government, home construction and renovation can lead the recovery and generate not only tens of thousands of jobs in our sector but numerous spinoff jobs through our supply chains and other sectors of the economy.

Locally, we're already seeing positive signs: new projects in both suburban and infill settings continue to sell out—

**The Chair (Mr. Amarjot Sandhu):** Three minutes.

**Mr. Jason Burggraaf:** Thank you.

Now I'd like to move on to our association's recommendations, which you will hear echoed today and tomorrow by my counterparts across the province, as they certainly have workability province-wide. First, we applaud the government's moves to streamline approvals when cutting red tape as part of Ontario's economic and jobs recovery plan. In addition to those measures, we would like to emphasize three recommendations.

First, our support for a home renovation tax credit: Not only has a home renovation tax credit been successful in the past at stimulating the economy, but it also takes work out of the underground economy, meaning taxes are paid at the provincial level, and it can help address the government's environmental and climate change priorities by improving the energy-efficiency performance of homes

and reduce greenhouse gas emissions. A home renovation tax credit would also help the renovation sector recover from the hit it suffered during COVID-19—as I said, a hit it's still struggling with—and will encourage Ontarians to invest in their number one asset and a foundation of their financial security, their homes.

Second, the province should accelerate major infrastructure projects based on clearly defined priorities. Obviously, the most critical project in Ottawa is stage 3 and stage 4 LRT. LRT is the defining feature of how Ottawa will grow and evolve, and we are seeing significant investment and economic activity along the lines of phase 2, which is currently being constructed.

Third, a key recommendation that our provincial counterparts at OHBA have submitted, and that members in Ottawa strongly support, is a modernized approach to surety bonds as financial security for municipalities. Currently, the city of Ottawa only accepts letters of credit, which, as a security tool, directly reduce the financial capacity of the developer and prevent future investment opportunities.

**The Chair (Mr. Amarjot Sandhu):** One minute.

**Mr. Jason Burggraaf:** Every dollar tied up in a letter of credit to a municipality is a dollar unavailable for immediate, job-creating construction. In order to improve investment liquidity across Ontario, we'd also like to see the province require all municipalities to accept surety bonds as a financial tool to secure municipal agreements. This would continue to provide the municipality with the financial security they need and would have no impact on provincial expenditures—again, no impact on their expenditures—but would provide new liquidity and investment resources, which are exactly what we need right now to generate private sector construction jobs to support Ontario's economic recovery.

With that, our members look forward to being partners with you and leading the economic recovery by creating new jobs and building new homes and new communities.

Thanks very much for your time, and I look forward to any questions you may have.

**The Chair (Mr. Amarjot Sandhu):** Thank you so much. Our next presenter is the township of Asphodel-Norwood. Please state your name for the record, and you will have seven minutes for your presentation.

**Ms. Candice White:** My name is Candice White. I'm the CAO/clerk/treasurer for the township of Asphodel-Norwood. Thank you for the opportunity to speak with you all today to discuss the road of economic recovery for the municipal sector.

The township of Asphodel-Norwood—just to put it in context, as we're not one of the larger players in the province; that's for sure. We're a small, rural municipality, with a population of approximately 4,300 people, nestled in Peterborough county, but bordering the northern boundary of Northumberland county—so a nice little rural spot tucked on the Trans-Canada Highway.

Today, I want to speak to you about two issues that have emerged for rural municipalities due to COVID-19 and our thoughts on possible solutions for the committee to



consider. First, we'll speak on the road to recovery for rural municipalities and their communities; and secondly, I'll take a few minutes to speak to rural health care and how COVID-19 has added an interesting element to an already existing concern to small communities and the rural parts of the province.

We've all been through a tough time in the last four months, but I would like to take the opportunity to thank the province for the transparency of the Ontario action plan, as well as the forethought that has gone into the proposed Bill 197. Thank you for that.

But first, I want to speak to the road to economic recovery for municipalities. We consider it to be a three-pronged approach, and put that forward to the committee to consider:

(1) A reaffirmation of commitment to current funding programs for a minimum of five years: Those commitments include the Ontario Municipal Partnership Fund and, potentially, the Ontario Community Infrastructure Fund formula-based funding.

(2) A lump sum payment to each municipality to offset operational deficits incurred due to the pandemic, to flow ideally by the fourth quarter: I'm sure this is not the first time you've heard about this in the last few days, but I will give a rural perspective to that point.

(3) To revitalize the economy by continuing to commit to funding streams—but I do have a twist on a potential funding model that rural municipalities may benefit from.

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First, I'll talk about the commitment to the current funding programs. In order for us to recover from an unexpected financial upheaval, such as a pandemic, we need predictable funding from the province. To achieve predictability, a municipality needs a five-year forecast of allocations. This primarily includes, of course, the Ontario Municipal Partnership Fund, but also would be relevant to the formula-based Ontario Community Infrastructure Fund. We thank the province for the early allocation notices for the 2020 OMPF, as the confirmation of these funds were vital to our budget presentations, as we adopt operational and capital budgets in January of each year. We would like to take the province's commitment to early release of the allocation notices one step further and ask you to consider developing a five-year approach to this fund. This will ensure that municipalities can continue to prepare financial forecasts for capital projects based on requirements of the asset-management plans.

As the pandemic is already creating financial uncertainty across the board, and we're running the majority of municipalities in the province—and we're no different; we'll run at an operational deficit. To have those funding streams that are already in place remain secure and not come back into question leading into 2021, like they did in 2019 and like they did again in 2020, and ensuring that those models are sustained so that we don't have to be focusing on all revenue streams across the board would definitely assist rural municipalities.

**The Chair (Mr. Amarjot Sandhu):** Two minutes.

**Ms. Candice White:** Fortunately, a TAC committee exists for the OMPF, so that mechanism is already in place.

A lump sum payment to each municipality to offset operational deficits: We are advocating today, as well as to AMO and to our MP, for each municipality to receive a lump sum to offset operational deficits. This will allow us to assist with our own deficit. As well, a second prong to this is to flow monies to service providers within the communities. Each municipality is going to have its own complement of service providers that have been affected by the pandemic, such as service clubs, cultural clubs, youth groups and sporting organizations, and asking those volunteer-based organizations to apply to the province individually—they struggle with navigating those systems. If the monies were to flow to the municipalities, each of us knows our community and how to get those funds in the right hands at the right time, and who needs them, so we can get them on the ground and so the residents are actually experiencing the benefit of those funds sooner rather than later. That would be ideal.

Thirdly, take a look at the ICIP funding model that is already in place, and consider segregating that into a population-based approach and implementing a stream that takes a look at municipalities with a population base of less than 25,000. This would ensure that there is a fair and consistent playing field when you're looking at a competitive application process, so the analysts who are reviewing these applications are actually reviewing comparators. There's a big difference in asset models and programs that are offered, and in order to get these funds back in to revitalize the community, and for us municipalities with less than 25,000, having a stream that's targeted for us in the rural sector would definitely benefit us faster than the current model that's in place, where each municipality application is reviewed on its own merit. But the eligible categories currently outlined in the ICIP are relevant—the green stream; community, culture and recreation; northern and rural stream. The northern and rural stream and the green stream are the two that I would focus on for rural municipalities, and potentially having a stream with a population of 25,000 or less.

I thank you for the opportunity to speak today and, of course, would be open for questions.

**The Chair (Mr. Amarjot Sandhu):** Thank you so much. Our next presenter is Toronto and York Region Labour Council. Please state your name for the record, and you can get right into your presentation.

**Mr. Mohammed Hashim:** Thank you very much. My name is Mohammed Hashim. I'm a senior organizer at the Toronto and York Region Labour Council. With me is John Cartwright, president of the Toronto and York Region Labour Council.

The labour council represents 200,000 members who work in every sector of the economy [*inaudible*].

Through COVID-19, there's an unprecedented level of anxiety for all of us; however, in this trying time, we have all depended and relied on the stability of public services. Never in my life have we ever relied on public health

officials in particular and those managing long-term-care homes to step up and deliver like they have in the last three months.

Both of these services, when delivered publicly, have been saving our society, particularly in contrast to the private home and long-term-care delivery system. Too many lives have been lost because of cost-cutting and generally cutting corners in long-term care for profitability.

We have seen members of the public service step up like never before. At the city of Toronto, when we saw a surge of people come into shelters, the city quickly [*inaudible*] workers from social services [*inaudible*]. Those demands have not subsided, but the need for social services is also surging. Where hundreds of people were taken out of the social services department into shelters to help over there, they're now needed back in their own departments, and yet there's not enough money.

Mayor Tory is expecting a reduction of 19,000 city of Toronto staff, which would be disastrous to [*inaudible*]. We could see libraries shut down, community centres closed, child care subsidies eliminated for tens of thousands of families, and those are just the start of the cuts.

As we open up, transit will need to be more frequent so people can ensure we keep physical distancing. We cannot open up the way it was before. Anyone who has seen the crowding at the Yonge and Bloor subway station, the heart of our transit system, can tell you that if we go back to the way it was, we will likely be moving toward disaster. We have to learn to live with COVID-19. That means more transit, not less.

This government has made substantial investments in public transit. However, at the same time, the TTC does not have the capacity to maintain its workforce; 1,200 transit workers have already been laid off in the last few months as ridership fell. But as we open up again, we will need to depend on public transit, and we're going to need more of it. The city will not just need new transit money, but will face tremendous pressure just to maintain operations.

The TTC used to be a world-class transit system when the province stepped up and supported the operating costs of the TTC. We recommend going back to the model of 50-50 for operating costs between the municipality and the province.

We implore this government to make significant investments in all sectors of the municipal government. Let's let the municipalities figure out where they can best be allocated, because priorities are shifting and money is best delivered locally by the communities that know each other. We have heard that the federal government also needs to step up, and we've implored them to do the same as well. But ultimately, the responsibility for the stability of some of these services will fall upon the shoulders of the province and the city. This is a time to make more public services, not less, because at the end of the day, they are the ones you depend on the most.

I'll pass it on to John Cartwright, president of the labour council. And we're here to take any questions afterwards, as well.

**Mr. John Cartwright:** Good afternoon, members of the committee and guests. The labour council was founded in 1871 by working people to advocate for a more just society, for social and economic justice. After the Second World War, the issue of racial justice became very much a part of this labour council, and as we've seen in the streets across Ontario and North America in these last number of months, that issue must also be addressed when we think about a recovery to a better world. And then finally, the issue of climate is something that I'm going to spend a little more time on.

Mohammed noted how crucial we've all found the role of public services. I'm a [*inaudible*] carpenter and started my trade at the age of 18. But I also understand how much public sector workers and front-line professionals and those who support them in the back are crucial—

**The Chair (Mr. Amarjot Sandhu):** Three minutes.

**Mr. John Cartwright:** —to the healthy society that we have. We want to make sure that after the COVID-19 recovery comes through, we are no longer facing a climate emergency. Some of the steps you [*inaudible*] are very, very important around that.

You need to look at green building standards that are much tighter than currently exist in the province and mimic what the city of Toronto has started to do on green building standards, but put them into the code.

There needs to be a massive energy retrofit program for all buildings, public and private. I would say that if there are any tax credits going to anybody, it needs to be completely [*inaudible*] to energy efficiency and reduction of the carbon footprint of buildings.

We need to look at urban sprawl and understand that that is also a contributor to tremendous problems within a low-carbon future, but when we're thinking about the buildings we build, we also need to look at the building materials. Ontario used to have a massive, vibrant building-materials part of our manufacturing sector, and today many of those materials are imported from overseas. If this government cares about local jobs and Canadian jobs, they would ensure that the recovery on the building and construction side is connected back to locally supplied materials.

**1420**

If we're going to imagine a building industry that will grow and be part of this, that building industry has to be more reflective of the population as a whole, [*inaudible*] benefits or ensuring career opportunities to young, racialized kids, to people—to women and others—who are equity-seeking groups, need to be part of that future.

The C40 mayors have come out with a global statement on recovery. They state that the recovery must improve the resilience of our cities and communities. This is absolutely crucial. We can't go back to a normal that saw a tremendous increase in the racialization of poverty and inequality, but also unsustainability of our urban spaces across this province. And we know that climate action is a crucial part of a more just and equitable Ontario.

**The Chair (Mr. Amarjot Sandhu):** One minute.

**Mr. John Cartwright:** We hope that you'll take some of these recommendations to bear. Thank you.

**The Chair (Mr. Amarjot Sandhu):** Thank you so much. We'll start the first round of questions with the independent members. MPP Hunter.

**Ms. Mitzie Hunter:** I want to thank all the presenters.

I want to pick up where the labour congress left off, with John Cartwright's vision. I really support that, where you stated imagining a building industry that is more reflective of the whole population. I include women in that, of course, and people of all backgrounds and abilities. Are there concrete recommendations that you would present to the committee to achieve that? I think one of the things that COVID-19 has done is really exposed some of the inequities in our system as it was, and there is an opportunity to change it. What are some of the things that we can do to achieve that?

**Mr. John Cartwright:** Well, this government, to its credit, does understand that apprenticeship is an important part of future careers for Ontarians. We want to ensure that the construction industry sees that as an opportunity, rather than a burden on it, to reach out to people from diverse communities, to offer and support them coming into the trades, as well as the non-trades in the industry, the professional, administrative and tech work that supports—for every couple of people on a job site, there's somebody else in an office doing the design and the contract and so on.

Community benefits agreements are one way in which this can be undertaken. The government, through Infrastructure Ontario and Metrolinx, has done some of those programs. Elsewhere across the country, governments are seeing the wisdom in that. And at the corporate level, of course, most major corporations are understanding that a diversity and inclusion program, supported by training of people who are doing hiring or similar work, is a crucial corporate accountability, and not just a responsibility but also a competitive advantage in the years to come.

**Ms. Mitzie Hunter:** My next question is for Mohammed, specifically around transit and transportation. It has definitely taken a hit when it comes to the measures that we experience for staying at home and working from home, and we don't know how long those behaviours are going to hold. There has been concern raised in this committee for not losing ground, in terms of transit, so operating what we've got, and of course investing in new. Can you talk a little bit more about the advantages of continuing to make those investments, as we move forward?

**Mr. Mohammed Hashim:** Yes. Of course we know that COVID-19 is here to stay, so while it is here to stay, we need to ensure that there are enough buses for people to be able to safely socially distance—and for subways not to be completely overcrowded—because the economy is going to start reopening and people are going to have to get back to work. We can't allow the transit system to just go back to normal. We're going to need a better frequency of buses; we're going to need more subways to be operational and on time.

That doesn't mean that the demands we are going to face now are going to be there forever. They're probably going to increase, as we already have been seeing in

Toronto right across the board. For years, there has been a massive shortage of transit.

**The Chair (Mr. Amarjot Sandhu):** Three minutes.

**Mr. Mohammed Hashim:** There's definitely a necessity to build more of it. This government has realized that and is investing in a number of different projects that are good. However, we can't just let the ball be dropped right now because we're seeing a small decline in ridership. It's a bump. We need to see it as a bump, and we need to be able to invest more in transit, both on the operating side—part of the operating side that has created such a strain on the TTC is because there has been such a lack of support from the province on the operating costs of transit. That wasn't always the case, and we need to go back to make sure that transit funding is inclusive—an annual investment from the province, not just reliant on municipal revenue and tickets at the box.

**Ms. Mitzie Hunter:** I do want to go back to the Ottawa home builders, just to emphasize your support for the renovation tax credits. I'm sure there's also an environmental component to that, but it's also about stimulating those jobs and economic activity that is needed at this time. Do you want to talk a little bit more about the benefits of that?

**Mr. Jason Burggraaf:** What we've seen, especially in a lot of lessons from the federal government's home renovation tax credit back in 2008, is, there was a significant reduction in the underground economy alone with that. Stats Canada showed it took \$800 million out of a \$2-billion underground economy. But beyond that, right now, we are looking at a number of initiatives to improve the energy-efficiency performance of existing houses.

**The Chair (Mr. Amarjot Sandhu):** One minute.

**Mr. Jason Burggraaf:** Because of that, we need to convince homeowners that renovators are ready to do the work, that they have the knowledge and the skills. It's the question of how you get a homeowner to make that investment. The city of Ottawa is working on a number of pieces, as well, to get homeowners to do that. This is the piece we need homeowners to embrace.

**Ms. Mitzie Hunter:** Candice, I know we don't have a lot of time, but do you see gender-balanced opportunities for women in that space as well?

**Ms. Candice White:** Definitely. I second everything that Mr. Cartwright has put forward, even though we are in a rural setting and obviously it's a much different demographic than those of my urban counterparts. But we are starting to see a shift, even in the rural sector, and we fully support the apprenticeship programs at our local colleges and universities. As a municipality, we do take on students in those programs to assist, and we'd like to see the province continue, because that is the key—from our perspective, from a rural perspective, is definitely the apprenticeship program, because transit is an issue, so they're not able to get back and forth to the larger centres. So apprenticeship programs are definitely something that—

**The Chair (Mr. Amarjot Sandhu):** Thank you so much. We'll come back to that in the second round.

Now we'll go to the government side. MPP Piccini.

**Mr. David Piccini:** Thank you very much to all the presenters. I appreciate your depositions today.

It's no surprise that I'm going to start with Asphodel-Norwood, a municipality in my riding of Northumberland-Peterborough South.

Candice, thank you very much for your presentation. In your presentation, you gave a couple of great recommendations and you spoke about OMPF and OCIF. For the benefit of all of my colleagues here, can you walk us through—I know we've spoken about these two programs—the changes you have seen the government make to date and what we can continue to do to provide more predictability for our municipalities?

**Ms. Candice White:** Of course. The Ontario Municipal Partnership Fund TAC committee, I believe, was established a number of years ago. It was revitalized back in 2018 and has made great strides in reviewing each component of that program and ensuring that the intent of the program has been established, with special consideration to the five components that make up the OMPF. But a shift needs to continue towards the original intent. We started the conversation, we made great strides in the conversation, but the conversation hasn't concluded yet. COVID-19 interrupted that conversation, but we need to go back to the five root OMPF tiers—for lack of a better term, “tiers”—the assessment equalization grant, and the northern and rural component. That's why the OMPF was originally created. We started to get down that path to take a look at how it has travelled throughout the years; we need to bring it back to those rural and northern settings. That's imperative.

**1430**

The OCIF formula was established back in 2016, and we just ask that that continue. We've got allocation notices to 2021. We ask, if that's going to continue, that we see the next five-year lump sum and not one year at a time. Although it hasn't been in existence very long, I think it's a sustainable model that we can look at to use as a base for other funding models. It's a formula. It's predicted. You don't have to apply for projects. You don't have to have shelf-ready projects. You have flexibility with the funding, so the municipalities can get it on the ground and get the dollars into the economy faster, because it's not application-based.

**Mr. David Piccini:** Do you recall, in recent memory, having these sorts of conversations and that predictability with as much advance notice as you do today?

**Ms. Candice White:** No. We have definitely had more advance notice, but we want to ensure that that continues. The 2020 allocation notice for OMPF came in in record time—we've never seen it that early before—which allowed budgets to be adopted in a timely manner. But moving forward, we would like to see that actually extended so that we have predictability in our base funding, because we're probably going to have to dip into reserves that would fund capital projects to offset operational deficiencies.

**The Chair (Mr. Amarjot Sandhu):** Three minutes.

**Ms. Candice White:** We need our base-funding model from the province for capital and operations to be predictable for a five-year term for the asset-management plans.

**Mr. David Piccini:** Just building on the infrastructure piece: I loved your recommendation about streams for populations of 25,000 or less, which would be great news for areas like ours. My question is, relative to some of the larger projects in the ICIP program, which you brought up—I know that 7th Line was one that Asphodel-Norwood was successful in getting provincial approval for, two months after submitting the project.

Talk to me about the challenges. It was a year until we got the federal approval, something that has come up throughout the course of these depositions in the last few days. Can you talk about what effect that has, when you get a two-month approval from the province—it's a quick turnaround—and then it takes another year before we get the go-ahead from the federal government? Because of COVID-19, we're working so closely with the feds. What message can I pass to Minister Phillips to take to the federal government from small communities like ours?

**Ms. Candice White:** Well, to be blunt, the money has been allocated. It has been assigned to the fund, so that's the hard part. To me, the easy part should be making that fund a priority, taking a look at the applications, getting them assessed, getting them approved and getting the dollars infused into the economy, because they're not doing any good sitting in a bank account. That's the goal—to get them infused.

We had contractors lined up, construction contractors lined up, the engineering and consulting firms lined up to ensure that we could get that project up and running in a timely manner. We had allocations in the 2020 budget for it. That essentially is now going to have to be shifted into a reserve with a reallocation in 2021. It's not going to get cheaper; each construction year sees a cost of inflation. There's going to be an increase in the cost of having that project completed as time goes on. So there's a financial impact, an efficiency impact and an economic impact to the delay, for sure.

**Mr. David Piccini:** Just because of the remarkable diversity in the panels of presenters we have—so delays mean labourers are without work; delays mean home builders and developments are stalled as we build this critical infrastructure, and it means construction costs go up. I really appreciate you touching on that.

I'm going to turn things over to my colleague MPP Stan Cho.

**The Chair (Mr. Amarjot Sandhu):** MPP Cho.

**Mr. Stan Cho:** Chair, how much time do we have?

**The Chair (Mr. Amarjot Sandhu):** Thirty seconds.

**Mr. Stan Cho:** Well, we'll probably resume this in the second round—

**Mr. David Piccini:** Sorry.

**Mr. Stan Cho:** No, that's no problem. But maybe food for thought for the next round to Jason—would it be beneficial for you to have more than one employer sponsor an apprentice; for example, to have two companies share an apprentice? Maybe you can continue that answer in the second round.

**Mr. Jason Burggraaf:** It certainly would, but I would also like to focus on non-apprentice trades, as well. Half the workers on a residential construction site are not apprenticeable trades.

**The Chair (Mr. Amarjot Sandhu):** Before we move to the opposition for the first round, I would like to do an attendance check. MPP French, if you could please confirm your attendance.

**Ms. Jennifer K. French:** Yes, I am here in Ontario, at the Legislature.

**The Chair (Mr. Amarjot Sandhu):** Thank you. MPP West?

**Mr. Jamie West:** I'm here in Ontario. I'm in Noëlville.

**The Chair (Mr. Amarjot Sandhu):** Thank you. MPP Lindo?

**Ms. Laura Mae Lindo:** I am here, calling in from Kitchener.

**The Chair (Mr. Amarjot Sandhu):** Thank you. We'll start with the questions now, from the opposition. MPP French.

**Ms. Jennifer K. French:** I'm going to split this first round with my colleague in Ottawa.

I want to thank all the presenters for their presentations. It's nice to see some familiar faces, and I appreciate hearing your voices.

I am going to start with Candice. Candice, I've been hearing from my own municipality, which is connected to the broader Durham region. We hear from rural communities and recognize that much of what you're saying is being echoed across the province, so I'm hopeful that the government is listening and hears it.

When it comes to shovel-ready and/or shovel-worthy projects, I think that's something I'd like to hear a little bit more from you—what it means to not just have the economic stimulus but that sustainability, and these projects—what it would mean to smaller communities. It's not just about getting people back to work; it's part of building that future for your community. I'd be glad to hear what that looks like for you and also if you could mention cash flow or cost recovery in some of these pieces.

**Ms. Candice White:** Definitely. When you look at it from a COVID-19 perspective, the challenges that that has presented to us are that—it has refocused us, so the dollars that we would have had available to help shovel-ready projects or shovel-worthy projects, as you put it, ready to go, have been put at risk. Those dollars were assigned to those critical infrastructure projects for us as a rural municipality based on the asset-management plans that the province has mandated us to create, so we've created these programs and these plans that dictate our infrastructure replacement for critical assets over the next five-, 10-, 20-year benchmarks. Then we have the difficulty of having to fund those in those same increments, so if we don't have the sustainable funding—and now we have this upheaval of the pandemic basically derailing the operational and capital flow of 2020, so we have to revamp that.

For us, we're looking at 5% of our tax base that we would have to offset into 2021, which is basically delayed

and cancelled capital projects across water, waste water and public works. Any road infrastructure projects that we had planned have essentially been put on hold in order to fund that deficit in hopes to keep the reserves that we have in place to fund 2021-22 capital, shelf-ready projects—that they're not put at risk, as well. Trying to contain the impact of this pandemic to as few years as possible is the goal, but we're not going to be able to do it on our own; that is for sure.

**Ms. Jennifer K. French:** We've heard local and specific examples, some of them gut-wrenching—because you imagine the potential for smaller communities or larger communities.

I'll pass it over to MPP Harden.

**The Chair (Mr. Amarjot Sandhu):** MPP Harden.

**Mr. Joel Harden:** How much time do I have?

**The Chair (Mr. Amarjot Sandhu):** Three minutes.

**Mr. Joel Harden:** Thank you very much.

Thank you, MPP French. Thank you to all the presenters. It's nice to see my friends John and Mohammed.

My question, because I have to pay respect to my fellow Ottawa dweller—Jason, it's nice to see you too. It was great to hear you talk about the fact that our industry in the city has had zero COVID-19 cases. I'm wondering if you could spend just a little bit more time, for the benefit of everybody here, to elaborate on why you think that has happened. What has been working really well in our COVID-19 testing and security at our work sites?

**Mr. Jason Burggraaf:** Certainly, access to PPE was a big thing. For the jobs that are on-site that allow for spacing—there are very few jobs on a residential site that have two people together, working on something, and it's only very limited times. The bigger thing that also came in was, of course, improved signage, awareness of trades—and it was the will. People wanted to work, and they understood that in order to work, they had to implement these protocols and follow them faithfully.

**1440**

The other thing that I think we're really quite good at is tracking on- and off-site. Anyone who visits has to provide their information, has to sign off that they're not sick, so that we can do that contact tracing after the case, if need be.

**Mr. Joel Harden:** Just on a related note: I'm mindful that a lot of the work your members do in getting the infrastructure built gets used by organizations and enterprises. The big debate we're having in the province of Ontario now is on the issue of commercial evictions and the moratorium of the government—I think it's a good idea to put on, commercial evictions is hopefully not going to be a drag on future building, because there could be a chill if organizations feel, in a cash-short time like they're in now, they might not qualify for that.

**The Chair (Mr. Amarjot Sandhu):** One minute.

**Mr. Joel Harden:** From a building perspective—because you guys are building the stuff that other people will then move into—did you have anything to contribute to that debate about what we should do to help enterprises right now, who want to move into units that you guys

create, but who may be cash-short now given commitments they've made previous to COVID-19?

**Mr. Jason Burggraaf:** It's not in my wheelhouse, commercial stuff. We just do strictly housing for living. To be honest, I'm not the expert to speak to that.

**Mr. Joel Harden:** Fair enough.

Last but not least, over to my friends at the Toronto and York Region Labour Council: You have the rest of my time if there's anything you forgot to emphasize. I'm really glad to see you here.

**Mr. John Cartwright:** Thanks, Joel.

Although we are in the city of Toronto and the huge financial crisis there, particularly because of the cost of public health services as well as social services, we also represent York region municipalities, including Vaughan and Markham, which are big, and smaller ones like East Gwillimbury. When you build a society, and yes [*inaudible*] about bricks and mortar, and the vast majority are good trades, by the way. It is also about the social infrastructure that you're creating. And the crucial role of the provincial government, stepping up—

**The Chair (Mr. Amarjot Sandhu):** Thank you. Sorry to cut you off. We'll come back to that in the second round.

Now we'll go to the government side again. MPP Cho.

**Mr. Stan Cho:** There's some more time this time around, Jason, so I'd like to go back to you. Certainly, we've heard from many of your colleagues throughout the province through various home builders' associations, and the topic of supply and demand has come up quite a bit. I had the privilege to visit the Ottawa area in our pre-budget consultations earlier this year. I was a little surprised to not find so many Leafs fans out in that area, but certainly not as surprised to hear about some of the challenges when it comes to the supply-demand imbalance throughout housing in this province.

Do you want to expand on that a little bit more—what the challenges are and how supply-demand, that imbalance, you feel could be remedied, and what outcomes that would have for the housing sector?

**Mr. Jason Burggraaf:** Ultimately, at least certainly in Ottawa, we're very blessed to have a significant demand on housing, and there's a significant population increase. What happens of course is, there's a very limited supply of housing in relative terms, so the competition for the housing, both in new housing and in resale, goes up. That's why you see price wars that happen, especially on the resale side. People are forced to choose housing that is alternative to what they desired. Either it's in a different neighbourhood or it's not quite the house they were expecting or, as we've seen increasingly in Ottawa too, people are moving farther out, even out beyond the Ottawa area into our surrounding municipalities, like Arncliffe and Kemptville and such—not to take away from those wonderful communities, but we'd like to keep people here in Ottawa. So the provision of housing and the range of supply of housing—not just homes, but townhouses, semis, all sorts of ground-oriented homes, especially, the kind that families are looking for—is really crucial.

The government has taken good steps in terms of removing a lot of red tape towards that and also supporting

that in terms of the Planning Act. We think the horizon has changed a bit in how much service land needs to be available. Then, of course, we work with the city on the official plan for the provision of housing and what kind of units will be laid out over the next 25 years.

**Mr. Stan Cho:** Thank you very much for that response. I think I've hit a hot button here with my colleague, so I'm going to pass the mike back to MPP Piccini.

**The Chair (Mr. Amarjot Sandhu):** MPP Piccini.

**Mr. David Piccini:** For Jason and Candice: You hit me here on the topic of housing supply. In rural Ontario, in areas like mine, we see a lot of folks cashing out in Toronto, coming out to rural Ontario and moving into a much bigger home, and then starting to complain when they smell manure or something and they didn't realize that they live next to a farm—and the realities. That's not to say that those folks don't deserve their slice in rural Ontario, but what I'm increasingly seeing is our blue-collar workers and folks in rural Ontario increasingly getting squeezed out of the market.

My question to you both is, what can we do to reduce some red tape here to ensure the full continuum and that we build rental units?

**The Chair (Mr. Amarjot Sandhu):** Three minutes.

**Mr. David Piccini:** I know in the latest bill it talks about inclusionary zoning. It talks about measures the minister can take to mandate that rental units be constructed. But what more can we do to reduce red tape to get more housing in rural Ontario areas like ours?

**Mr. Jason Burggraaf:** I think the big thing about housing, rental housing especially, is, there is an awful lot of focus on the regulations around construction, when in fact you need to look at the owner-operators. What's impeding the person who actually pays the money to have that building built and then operated after the fact? In most cases—certainly it's been in Ottawa—that's not the company that builds it. They build it and then they walk away for whomever is actually going to run it. So it's kind of new. It's the tax implications; it's selling a building to finance the purchase or the construction of a new one. What are the implications there for the owner-operators—and to be honest, less about the actual constructor.

**Ms. Candice White:** It's slightly different on the rural side of things. What we're seeing, the red tape, in our area is definitely conservation authority-driven. We have worked diligently to streamline the process, right from the provincial mandate of the provincial policy statement and growth plan, right down to what's in the hands of the upper tier at Peterborough county, and then it comes down to the municipality. There are lots of levels of government and lots of pieces of the pie that that have been satisfied, so to speak.

Asphodel-Norwood is probably going to double in size in the next five years. We have worked really hard in order to ensure that we have capacity and infrastructure to take on the growth. It's not just taking care of the infrastructure in the ground; we need to be able to grow our infrastructure. We need to be able to reduce the red tape through all three levels of government and then appease

the conservation authority, who struggles to sign off on any sort of growth that could potentially cause even minor issues.

**The Chair (Mr. Amarjot Sandhu):** One minute.

**Ms. Candice White:** We are anxious to see how the review of that act is going to come down and the implications that's actually going to have on the growth in the rural areas—the Conservation Authorities Act. We're looking forward to seeing what the province is going to do to assist municipalities in getting these developments forward.

**Mr. David Piccini:** No further questions, Chair.

**The Chair (Mr. Amarjot Sandhu):** We'll go to the opposition now. I'll start with MPP Stiles.

**Ms. Marit Stiles:** Thank you to all the presenters. That was very interesting. We certainly appreciate it.

My questions are going to be to Mr. Hashim and to Mr. Cartwright from the Toronto and York Region Labour Council. I really appreciated your comments—I would sum it up as, we have a status quo approach to unprecedented times in what we're seeing these days, particularly with relation to transit and funding for municipalities. That's certainly how I've been seeing it too.

I want to focus a little differently. I would really appreciate your comments on how, as we're moving forward—one of the issues that we had asked that this committee consider early on was child care and schools. As we get closer to September, it's increasingly clear that economic recovery is not going to happen without a return to schools and to child care, and a safe, healthy return to those things. I wonder if you wouldn't mind commenting on what that means for your members. I also want to acknowledge that I know many of your members are working in the education and child care sector.

**Mr. Mohammed Hashim:** I'm a parent of a six-year-old, who is going to be sending his kid, or not sending his kid, back to school. So the anxiety of not knowing what's going to happen is really drawing upon us because we need to figure out what our family plan is going to look like in the fall.

When we talk about child care, there are three real issues that I think need to be touched upon. One is, there's public and non-profit child care that have a standard, and there's private child care that has a different standard, and many a time we've seen the wages across the board for private child care are significantly less. Therefore, the investment that private child care providers are putting into children is less than what the public or non-profit sectors are providing. What we're really afraid of is the impact that will have and whether that impact will be similar to how we've seen the same system play out in long-term care.

1450

The second thing is around low-income parents. A lot of low-income parents have home daycare, so they're handing off their kids to community members they know, and that's where they're looking after them. What are the standards that we're going to have to seek safety in those places? That's where the province is going to need to really step in.

The last thing that's really the most important is subsidies. If the municipalities don't have any more money to give out—even in Toronto, we're going to see tens of thousands of people who will be without subsidies to be able to pay for their child care.

John, did you want to add anything to that?

**Mr. John Cartwright:** I think it really speaks to the necessity of robust public services. We've now discovered that, oh, my goodness, the province was going to cut back a billion dollars' worth of public health. Now they've realized that these people are heroes. They've cut back on wages and pay equity for long-term-care workers. "Oh, my goodness, these are heroes." We should honour them and support and make it a much stronger public service, because the private guys have been busy cutting corners and soaking hundreds of millions in profit out of the system. Child care is—

**The Chair (Mr. Amarjot Sandhu):** Three minutes.

**Mr. John Cartwright:** My kids are long grown up, but they all went to public child care, and it is really crucial. And on the publicly funded education side, making sure that the front-line workers—teachers and education workers—are part of the conversation about how the schoolboards open and accept children is going to be what makes a difference between success and failure.

You have to engage front-line workers and tap their knowledge, whether it's on green buildings—and we are training our workforce around green construction, demanding a high level, and we need the government of Ontario to step up and improve those standards of green building—or around social services and the funding of those social services. And I go back to the operating of transit; I go to the issue of taking housing out of the speculative market and investing in co-op and non-profit housing so we can deal with the huge crisis of affordable housing in the big cities in Ontario and across this country.

**The Chair (Mr. Amarjot Sandhu):** Further questions? MPP West.

**Mr. Jamie West:** Mr. Cartwright, I want to thank you for your presentation—both you and Mohammed.

Earlier, the comments that you made around infrastructure—and just because of time, I'll try to tighten it up—the use of made-in-Ontario building materials, attracting non-traditional workers to trades jobs, really reflect the comments that we heard yesterday from industry and from other organizations. So it's great to see the labour industry absolutely aligned on this, and I'm trying to highlight that for the government so they really grab hold of that.

As a former carpenter—you talked about the time working as a carpenter—can you share the value of trade work in terms of opportunities, especially for workers who would not consider these really good jobs?

**Mr. John Cartwright:** Well, greater Toronto has the most productive construction workforce in North America—

**The Chair (Mr. Amarjot Sandhu):** One minute.

**Mr. John Cartwright:** —because we have a long history of strong support for mandatory certified apprenticeships, and that includes civil trades—carpenters and bricklayers and drywallers and tapers—and immigration, wave

after wave of people have come here looking for a better job, and they've merged into that. So it's crucial to them that it's not just a skill set—you're a handyman; you're doing something because it's the cheapest thing somebody can do—but you've got a full trade you can take anywhere.

We've also recognized a terrible instance of hate crimes in the construction industry recently, with nooses left on job sites. I'm so proud of both the union leadership and the contractor side, who stepped up and said, "That is not [inaudible]. We will shut down hate in the construction industry." Everybody who wants to earn a decent living, building our cities and our province, is welcome here, regardless of race, creed, colour, place of origin, orientation, gender. That's how we build a better Ontario—standing up together for social solidarity and on the values that are so [inaudible] working people and this province and this country.

**Mr. Jamie West:** I think that's a great way to end it. Thank you, John.

**The Chair (Mr. Amarjot Sandhu):** We'll move to the independent members now. MPP Blais

**Mr. Stephen Blais:** Thank you, everyone, for your presentations this afternoon.

Jason, it's very good to see you again. There didn't appear, in Orléans—as you know, one of the fastest-growing parts of Ottawa—to be much, if any, real slow-down in construction through COVID-19. Is there any lag that needs to be caught up on, and how is the industry planning to accommodate that in the fall?

**Mr. Jason Burggraaf:** In Ottawa, we had a particular situation because there was supposed to be a planned DC increase. Because that was supposed to be April 1, a number of permits were taken out ahead of that date, so it just worked out timing-wise—certainly in Ottawa; I can't speak for every municipality—that there were a number of permits taken out, and therefore you had a permit ready to continue construction there.

Of course, houses that are permit-ready are houses that have already been sold half a year or a year ago. There was concern that if this had extended for a long time, site work prep, environmental assessments and that sort of thing would be impacted. If so, it's often a thing with an endangered species and you might have the spring season to evaluate, and you needed to have that work done in a certain time frame, otherwise it would push off the work to later on.

That's the only real question if we have a second wave of something like that—that that kind of work can stay open, because those people are physically distanced. They're not working in close quarters. That would prevent a real lag in housing.

**Mr. Stephen Blais:** Thank you for your comments about the renovation tax credit. I was wondering how that could be applied to new home builds. There are often many upgrades at the point of purchase that could have environmental benefits as to the efficiency of your home etc., and I'm wondering if you think there would be an advantage to coming up with a program to incentivize at the point of purchase those kinds of upgrades.

**Mr. Jason Burggraaf:** Yes, that would absolutely work. A number of builders obviously offer upgrades for that purpose. The one other area that I would expand that on, beyond the environmental, is actually aging in place—if you are making modifications because you're getting older and you're moving into a home like that. That would be the one place that I would like to see a renovation tax credit also address—because those two buckets are the biggest opportunities for renovations looking forward.

**Mr. Stephen Blais:** The builders in Ottawa play a key role in some of the infrastructure development, either through their DC contributions or if they also own construction companies. If the city of Ottawa was in a difficult financial position as a result of there not being upper-tier or upper-level support to recover from COVID-19, how do you think that would impact the home building or the infrastructure—

**The Chair (Mr. Amarjot Sandhu):** Three minutes.

**Mr. Stephen Blais:** —that needs to be built to support home construction?

**Mr. Jason Burggraaf:** We're basically seeing it now. With any infrastructure, there's a DC component to which the private sector is contributing, but then there's also a public component that's supposed to be evident. So you have a number of road projects, say, that are on the back-ground study for 10-year projects. The DC money is there, has been collected and is still being collected, and the public portion of it from taxes isn't necessarily there, so that project gets pushed off.

We're seeing that today. We actually just had a call with city hall today to work on what projects are being put off, what is going to be pushed on beyond a 10-year horizon and how we address it. We're seeing that effect now, and you'll see projects just being pushed down the line because of the influence of COVID-19.

**Mr. Stephen Blais:** And there's a cyclical effect. As roads and parks and bike lanes aren't built, the neighbourhoods become less attractive to market, then you end up with a slowdown, and that creates other economic challenges in the industry and more broadly.

**Mr. Jason Burggraaf:** Absolutely.

**Mr. Stephen Blais:** The government is also proposing some other changes to community benefits programs in other legislation, and I just wanted to get a sense of the builders' thoughts on those changes.

**Mr. Jason Burggraaf:** In Ottawa, we're generally happy with those changes. There were a number of comments after the initial round, after the initial draft, and now that the city has the opportunity to have a certain regime within the greenbelt and then a regime outside in the suburban communities, that tends to work better for that type of building—the parks dedications, those types of things. It's not a one-size-fits-all by any means, so it's good to have that opportunity to have different applications.

1500

**The Chair (Mr. Amarjot Sandhu):** One minute.

**Mr. Stephen Blais:** You were talking in response to one of the questions about apprenticeships—you mentioned something beyond that, and I missed your answer. Could you repeat that?



**Mr. Jason Burggraaf:** Essentially, about half of the workers on any given site aren't apprentices, and they aren't apprenticeable jobs; say, a framer and a framing crew. Framing is one portion of carpentry; it's not the whole thing, but that's the portion that a residential site needs. So support for people who want to do non-apprenticeable trades is also critical.

**Mr. Stephen Blais:** Thank you very much, everyone, for your presentations.

I don't have any other questions, Mr. Chair.

**The Chair (Mr. Amarjot Sandhu):** That concludes our time, as well. Thank you to all three presenters for your time and for your presentations.

REGION OF WATERLOO  
CITY OF MISSISSAUGA  
RESCON

**The Chair (Mr. Amarjot Sandhu):** We'll move along to our next group of presenters. First, we'll start with the region of Waterloo. Please state your name for the record, and you will have seven minutes for your presentation.

**Hon. Karen Redman:** Good afternoon. I'm Karen Redman, chair of Waterloo region.

On behalf of the region of Waterloo and our over 600,000 residents we represent, I want to thank you for this opportunity to present today alongside co-panellists from the city of Mississauga and the Residential Construction Council of Ontario—and a special thank you to MPP Laura Mae Lindo and MPP Catherine Fife, who I know participate on this committee and represent our region.

Ontario municipalities are working flat-out at the local levels to get our residents through this crisis. During the height of the pandemic in Waterloo region, we turned recreation centres into homeless shelters, provided free transit to essential workers and coordinated free emergency child care for health care workers and other essential workers in our community.

We witnessed drastic cost-containment measures that we took in order to offset revenue shortfalls while the pandemic-related costs increased. Like many municipalities across Ontario, these included laying off staff, pausing non-essential services and reducing transit service to reflect demand.

You will hear directly from Craig Dyer, our chief financial officer, that our projected deficit is not due to discretionary or frivolous expenditures. We have kept essential services running when our communities needed them most, including fire, ambulance, public health, clean water, and road infrastructure.

Over to you, Craig.

**Mr. Craig Dyer:** Good afternoon. My name is Craig Dyer. I'm the chief financial officer for the region of Waterloo. Thank you for the opportunity to speak today. I'm going to focus my comments on the impact that COVID-19 has had on the region's 2020 financial position and our 2021 budget.

What we've experienced since March has been a significant reduction in revenue, particularly with respect to

the delivery of public transit. Service was provided for free in April and May, and we're currently running at about 40% of our normal ridership. However, transit service reductions have necessarily been modest in order to ensure physical distancing, to get essential workers to work and to support the reopening economy. Similar to other large municipalities, transit fare revenue has been our most significant impact.

That being said, our financial position has also been impacted by increased costs with respect to public health, long-term care, paramedic services and our homelessness and shelter programs, and we've experienced revenue losses in other areas. Overall, we're currently projecting a 2020 operating deficit in the range of \$15 million.

Here you can see on the one hand, working from left to right, the revenue loss that we've experienced; the additional costs that we've incurred, offset in part by some additional provincial funding; and our cost containment measures that we've put in place, overall resulting in approximately a \$15-million deficit.

While we do have a tax stabilization reserve, it's likely insufficient to fund the full amount of that deficit given our previous commitments. So the region is considering service cuts in order to further offset the 2020 deficit, and we'll be bringing recommendations forward to counsel for their consideration in the next few weeks. I would also note, with respect to our 2020 experience, that any deficit that is not funded in some other way this year will have to be brought in to the 2020-21 operating budget.

**The Chair (Mr. Amarjot Sandhu):** Three minutes.

**Mr. Craig Dyer:** It must be funded in the 2020-21 operating budget, which will just put further pressure on property tax payers as we head into next year.

As we look ahead to 2021, we expect COVID-19 will continue to impact the region's finances, particularly in the area of transit, long-term care and public health. We expect it will take some time to return to the pre-COVID-19 levels of transit ridership, but we need to maintain transit service levels as previously described. Overall, we're anticipating a non-property-tax revenue loss of about \$16 million. To put that into context, that's about a 3% property tax increase just to deal with reduced revenues. We also need to maintain our investments in infrastructure to support growth and economic recovery in the region.

Finally, municipalities can't budget for a deficit, nor can we borrow to fund a deficit—and we don't want to. We think one of the great strengths of the municipal sector is the balanced-budget requirement and that we only borrow for capital works. This is good for taxpayers, it's good for investors in municipal bonds, and it helps to promote credit strength and long-term financial sustainability.

In summary, in 2021, we expect to experience lower revenues, higher costs, potentially lower assessment growth and increased demand for services, in addition to potentially having a deficit to fund. And with limited revenue sources available to municipalities, our choices are going to be to either increase taxes and user fees, or to cut services. There will be great pressure from the public, quite reasonably, to not do either of these.

**The Chair (Mr. Amarjot Sandhu):** One minute.

**Mr. Craig Dyer:** No one is asking us to deliver a lower level of service, but our ability to fund services will be under intense pressure in 2020-21.

Finally, the pandemic has illustrated the disconnect between public expectations of municipal service delivery relative to our ability to fund an ever-broadening list of services.

Our requests for the province are for a financial assistance program to help us in 2020 and 2021, and to undertake a longer-term review of the provincial-municipal funding and service delivery relationship with respect to various cost-shared services.

Over to you, Karen.

**Hon. Karen Redman:** As many Ontario municipalities are scheduled today, you will be hearing a recurring theme: Strong municipalities are the key to our province's economic recovery. We need to know what support for municipalities is on the table so we can come out of this pandemic even stronger. Answers are needed now to avoid public service reductions, property tax and user fee increases and delays to capital infrastructure investments.

Thank you for the consideration. We look forward to your questions.

**The Chair (Mr. Amarjot Sandhu):** Thank you so much. We'll move to our next presenter: city of Mississauga. Please state your name for the record, and you can get right into your presentation.

**Ms. Bonnie Crombie:** Good afternoon, Mr. Chair and members of the committee. Thank you for inviting me today. My name is Bonnie Crombie, and I am the mayor of the city of Mississauga. I'm joined today by our CAO, Paul Mitcham; by our director of finance, Jeff Jackson; and also by my chief of staff, Rob Trewartha, who will be sharing his screen.

Let me begin by thanking the Ontario government for working with municipalities through this crisis and for the measures that you have taken to date. We thank you. We've made use of the tools that you have provided, including allowing electronic meetings, that have permitted our council to continue to meet virtually 15 times already since the beginning of the pandemic. I also want to thank the government for your advocacy across Canada, and with the federal government in particular, to secure funding for municipalities. We need emergency assistance now.

1510

As you have no doubt heard from municipalities across the province, the financial situation in our communities is dire. Our budgets are not designed to manage a pandemic, and our revenue tools do not allow us to address the mounting financial losses from this crisis. Like all levels of government, Mississauga has taken action to provide relief to our residents and our businesses. We closed our facilities. We operated free transit to protect the drivers and riders. We deferred over \$700 million in property and other taxes to assist with short-term liquidity pressures in the community, and we deferred rent at city-owned facilities. These are just a few of the many measures that we have taken.

But our actions have a cost. The impact of the pandemic on the city of Mississauga in 2020 alone is estimated to be \$107 million. We have worked to offset these losses, including laying off 2,000 temporary staff and instituting a hiring freeze, as well as cutting all discretionary spending. These measures and others have helped us find \$47 million in savings. We are doing our part, but the bottom line remains that we are facing unrecoverable losses in 2020 of over \$60 million. This excludes the losses at the region of Peel, which will also impact the Mississauga tax bill. Over the next three years, our total gross losses are expected to be \$140 million.

For context, to make up this deficit would be the equivalent of shutting down transit for eight months, our libraries for two years, or the entire city for one and a half months. These are not feasible options and would stifle economic recovery. But without federal and provincial emergency assistance, we are seriously looking at deep cuts that we will have to make. In Canada, the Federation of Canadian Municipalities has calculated the losses across the municipal sector to be a total of \$12 billion.

As you know, cities derive the majority of our revenue from the property tax base and user fees and, to a lesser extent, from government grants and transfers. We're still expected to operate essential services like housing, transit, fire and emergency services, police, public health, and much, much more. When we have no revenue to do so, we enter into deficit.

At the end of the day, there is only one taxpayer. If cities don't receive operating relief, it will not only impact our service levels but our people as well, many of whom are struggling to make ends meet. If Mississauga's losses were to be covered by the property tax base alone, this would represent a 12% increase. Either we raise taxes significantly or we cut—

**The Chair (Mr. Amarjot Sandhu):** Three minutes.

**Ms. Bonnie Crombie:**—the services that those people need. We're on the horns of an impossible dilemma. Both the provincial and the federal governments have the fiscal firepower to provide financial relief, and we need you to do so.

Cities are the economic engines of this country. Mississauga generates \$60 billion in GDP. We're home to 450,000 jobs and 94,000 businesses. We drive the economy, the income tax, the sales tax and many other federal and provincial revenues. The investments we make in providing services and building infrastructure allow our economy to run smoothly. If we don't receive emergency funding soon, we will likely be forced to delay or cancel capital projects and use that funding to offset our operating losses. A strong recovery cannot happen without strong cities.

Before I get into our recommendations, I'd be remiss if I didn't mention a uniquely Mississauga issue: the GTAA PILTs—payments in lieu of taxes. The country's largest airport and the largest landowner pays us PILTs each year on a passenger count but not cargo. This formula has not changed since 2001. Revenues are paid with a two-year lag, meaning the effects of 2020 will not be felt until 2022

and beyond. Passenger decreases are not capped, but increases are, at 5%, so we will feel the pain of 2020 with the GTAA, but when passenger volumes increase by more than 5% in the coming years, the maximum the city will ever receive is 5%. We are projecting a conservative 60% loss of passengers in 2020. Based on the two-year lag, this could mean another \$18 million in losses in 2020 and \$17 million of losses in 2023 to the city. We anticipate a \$162-million loss over the next two decades if changes are not made, and it could be higher. Combined with other project losses, the pandemic will not be just a one-year shock, but will have an echo effect for many years, possibly the next 15 years.

As we have for decades, we are asking for that PILT formula, payment in lieu of taxes, to be amended to include cargo, and remove the 5% cap. Only the provincial government can change this; not the city or the GTAA.

**The Chair (Mr. Amarjot Sandhu):** One minute.

**Ms. Bonnie Crombie:** In closing, Mississauga's recommendations are as follows:

(1) Provide immediate emergency funding to offset non-recoverable municipal losses as a result of COVID-19 on an equitable basis.

(2) Approve ICIP projects and get infrastructure money flowing as soon as possible.

(3) Increase the amount of gas tax funding made available to municipalities to offset transit losses.

(4) Review legislation and regulations, and eliminate administrative requirements to ensure municipalities are not unduly burdened.

(5) Convene discussions with municipalities to discuss new revenue tools for cities to deal with our new realities, as well as address the fiscal imbalance in the federal framework.

(6) Develop long-term, predictable and permanent infrastructure funding formulas for municipalities so we can address our mounting capital deficits and get infrastructure built.

We want to be your partners in the recovery from COVID-19 and build Ontario, but we cannot do so by dramatically increasing property taxes or slashing services or delaying capital projects. We need your support. We need the support of the federal and the provincial governments.

Thank you for allowing me this opportunity to speak with you today. I'm happy to take questions.

**The Chair (Mr. Amarjot Sandhu):** Thank you so much.

Our next presenter is RESCON. Please state your name for the record, and you can get right into your presentation.

**Mr. Richard Lyall:** Good afternoon, Chair Sandhu, and esteemed members of the finance and economic affairs committee. My name is Richard Lyall. I'm president of RESCON. I am joined by my colleague Paul De Berardis, director of building science and innovation. We are delighted to have this opportunity to provide you with insight into how the residential construction industry was impacted by COVID-19.

RESCON represents over 200 residential builders of high-, medium- and low-rise buildings in the province. Our goal is to work in co-operation with governments and related stakeholders to offer realistic solutions to a variety of challenges facing the industry, which also have wider societal benefits. The focus of RESCON's work is on technical standards, labour relations, industry research and innovation, health and safety, regulatory reforms, and training and apprenticeship.

When COVID-19 hit, our industry had to pivot and address the pandemic's impacts swiftly, decisively and comprehensively. We did just that. Since the start of the pandemic in Ontario, the construction sector has been a leader in the province, an example of an essential service that has been able to remain largely open while preventing the spread of COVID-19 in the workplace.

RESCON and its members have always considered the health and safety of workers a top priority. RESCON led the early development and implementation of COVID-19 protocols for residential construction sites in partnership with our networks, such as the CDAO and ORCCA. Our sector was the first one in Ontario to produce sector-specific guidance documents to prevent the spread of COVID-19. Those guidance documents were approved by both labour and management and served as a blueprint for the development of the province's 170 sector-specific guidance resources.

As part of our response to COVID-19, the industry also implemented additional health and safety parameters to ensure that construction operations are maintained in a properly controlled work environment, including staggering shifts, maintaining physical distancing and other measures implemented through on-site joint health and safety committees that are necessary to meet the COVID-19 guidelines set by the Ministry of Labour.

Our efforts have continued, including a focus on contact tracing. Through this holistic health and safety approach, in collaboration with the provincial government and organized labour, the industry was able to stay working and keep workers safe.

Our success in addressing COVID-19 is in no small part due to the government's swift and methodical approach to the pandemic. From the beginning, the government took the necessary approach and made difficult choices, always with an eye to Ontarians' well-being as a top priority. Due to these actions and sacrifices by millions of Ontarians, of course, now we are fortunate to be on the road to a slow recovery and return to a new type of normal.

**1520**

Since our industry stayed largely open, it helped mitigate the impact. A long-term shutdown, of course, would have been a disaster. Time lost in our industry is not time you can make up easily. Although our sector is now fully reopened, the site impacts of COVID-19 will be with our industry for some time based on supply chain considerations and current industry forecasts. Currently, most builders are running at about 75% to 95% productivity; that's from a low of 40% to 50% at the beginning. Some factors impacting productivity include social distancing

measures, as well as staggered shifts, clearance to get on-site, lining up and limiting people on-site. Generally, we expect productivity to be impacted until a vaccine is found or safety measures evolve and allow for greater productivity.

The lower productivity will have a direct impact on housing supply; for example, statistics for residential construction show that 97% of pre-construction projects are delayed, with 32% delayed over six months; and 83% of below-grade low-rise projects and 85% of high-rise projects are delayed three to six months.

**The Chair (Mr. Amarjot Sandhu):** Three minutes.

**Mr. Richard Lyall:** These statistics reflect the fact that, although the industry has bounced back, there is still room for improvement before things return to pre-pandemic productivity levels.

The legislative and regulatory policies that the government has put in place such as extending construction hours must remain as they are necessary for the health and safety of workers and the advancement of construction projects. Specifically, extending construction hours has enabled work site managers more flexibility to stagger shifts, limiting the number of people in close proximity.

Research shows that in times like this, we need to have an efficient construction industry and we need to streamline our approvals process. Thus, we are also encouraged by last week's introduction of Bill 197, the COVID-19 Economic Recovery Act. The proposed changes within the bill are necessary to expedite building approvals and cut unnecessary red tape, which will go a long way in addressing and stimulating Ontario's housing supply.

Additionally, the harmonization of the national and the provincial building codes is critical. Uniform standards provide consistency and predictability, as opposed to the current reality of often varying municipal requirements, which adds redundancy and delays and adds to the cost of housing, both new housing and for renters. RESCON supports the notion of adhering to an already high standard in the OBC, which regulates construction requirements at the provincial level. Municipalities need not develop their own unique construction requirements.

Streamlining approvals can also be facilitated by the modernization and digitization of the current paper-based processes, moving towards an electronic permitting system, as exists in other jurisdictions already.

**The Chair (Mr. Amarjot Sandhu):** One minute.

**Mr. Richard Lyall:** A properly implemented e-permitting system can remove bottlenecks, increase transparency, accountability and link all necessary approvals agencies. Prior to COVID-19, our research consistently found that building approvals timelines are significantly longer than they should be. Residential site plan approvals take two years when, under the Planning Act, it should be one month. The World Bank places Toronto, representing Canada, at 64th out of 190 countries in the ranking for dealing with construction permits; the US ranks 24th. In a study between 2006 and 2016 of 172 tall building projects, for example, a rezoning application in the city of Toronto would take three and a half years. That's not acceptable.

This delays and has limited our capacity to supply enough housing to meet demand.

Timelines can and must be improved in a post-COVID-19 landscape. Failure will have a devastating impact on our ability to even try to catch up, much less meet the growing demand there's going to be, assuming our immigration targets, which we have every reason to believe are going to be met. As such, the proposed legislative changes in Bill 197 make sense. We need—

**The Chair (Mr. Amarjot Sandhu):** Thank you. I apologize to cut you off. Your time has come up now.

We'll start with the questioning now. I'll start with the opposition for the first round.

**Ms. Laura Mae Lindo:** Thank you to all of the presenters.

I'm going to focus my attention on my friends from Waterloo region. Hello, Karen and Craig; it's lovely to see you both.

One of the pieces that stood out for me: Craig was mentioning the ever-broadening services—and the presenters right before you actually talked about, when you're building affordable housing, you're doing more than just the bricks and mortar; you're also having to think about the investments in the social life that people are going to have, so that you can encourage people to move there.

I have watched you folks in the region have to take on this deficit because of the investment that you have to put into the emergency services. I thank you for that, because that is part of what we have to do to keep folks safe. I also know that we're all aware in Waterloo region of some of the calls from communities that weren't necessarily centred in the way that communities had been built before. For instance, we've got Indigenous community members in Victoria Park, and they've asked for a ceremonial space. We've got the ACB Network, who has raised issues of having space that's dedicated for Black community members etc.

One of your two asks—one was the need for financial assistance programming; the second was the review of the provincial and municipal funding relationship. I wonder if you could speak a little bit to the committee about those changing needs and the importance of having provincial support to invest in those social services, so that you can in fact do what is needed for the community. Right now, there's a lot of talk about a new normal, and I just think it's an opportunity for you to explain why the provincial support in that area is so important.

**Hon. Karen Redman:** I'm going to start off; I'll let Craig do the numbers part, the hard part.

If I can just profile the fact that this pandemic also has offered us an opportunity to be a flatter organization—to be more flexible. When we were renting hotels to put unsheltered people in, we also brought in mental health workers and we brought in health workers. What we found at the end of our time at the pandemic—and we have closed them down now—is, we need to reimagine that shelter system. We look at affordable housing, and people are interested in tiny homes in shipping crates. We're

offering up regional land that could be developed in partnership.

So there are some lessons learned, that we can do things differently and better, and that is going to have to change and break down some of those silos of funding and some of the strings that are attached to how we fund in order to make the outcomes better for the people we serve.

Craig, I don't know if you want to talk about the actual numbers.

**Mr. Craig Dyer:** Thank you; yes. With respect to the request from the region for the review of the provincial-municipal funding relationship: I would say this relates to the increasing burden on property taxes for services such as affordable and social housing, child care, the shelter system, income support, public health, paramedic services.

**The Chair (Mr. Amarjot Sandhu):** Three minutes.

**Mr. Craig Dyer:** There have been many studies that have shown that the property tax is just simply not well-equipped to fund these types of programs. In most cases across the country, these types of programs are funded by provincial revenues. That's not the case in Ontario. We're in a situation now where social housing represents our fourth- or fifth-largest budget item. In addition to doing our traditional services—roads, waste, recreation and parks, and things like that—we now have and have had for some time a wide range of social equity programs that have province-wide objectives and that mainly serve an income-redistribution function. That just puts huge pressure on the municipal tax base to do what we need to do from a service-delivery perspective and the perspective from investing in capital assets. It just makes it that much harder to fund those other services.

**Ms. Laura Mae Lindo:** I think Mayor Crombie may have also mentioned something about this around—you folks are the first line of contact for community during this pandemic, and I know that the asks are coming in fast and furious from community members to have the social programming that they need, just as we've talked about in Waterloo region.

I don't know, Mayor Crombie, if you want to add what you're hearing on the ground and what investments you need to see from the province.

**The Chair (Mr. Amarjot Sandhu):** One minute.

**Ms. Bonnie Crombie:** Yes. Mississauga, region of Peel etc. have learned to become nimble and innovative in the way we provide programs and services.

1530

The new normal will not be normal, but I think that what has become apparent is what Craig has been messaging to us, and that is, the property tax is not reliable and it's a very regressive form of tax. It is not the way to build world-class cities. We need reliable, predictable and sustainable funding going forward. It's not any way to manage our operating or our capital budgets.

You know that when we need to build any sort of aspirational project, we have to go cap in hand to the federal or the provincial government and ask them for that transfer. Well, here we are in a similar position, in a deficit; we're in a pandemic, where we're asked to provide

essential services, including fire, police, paramedic, transit drivers—of course, they are essential as well. We have PSWs at the region of Peel. Who did I miss? Fire, police, paramedic and transit workers etc. We're providing essential services, and yet we have no revenue streams. We've been made acutely aware of the way cities—

**The Chair (Mr. Amarjot Sandhu):** Thank you. I apologize to cut you off. We'll come back to that in the second round.

We have to move to the independent members now. MPP Hunter.

**Ms. Mitzie Hunter:** Thanks to all the presenters today.

When you think about this pandemic, the federal government is responsible for the border protection for all of us; provincially, it's health care and making sure that we stay safe and alive. But when I think about the municipalities, I think about the municipalities being at the nexus here. Not only are you responsible for all of that in terms of the well-being of people, but you're also at the nexus of the recovery, because without the municipalities having that confidence, it won't translate across our public.

As we're here and we're listening to the advice that all of you have given, of all sizes across this province, my question—and I will extend it first to Mayor Crombie in Mississauga, and then go over to Waterloo region: What do you want to see in terms of matching your sense of urgency and your need for flexibility and for creativity to provide the solutions that you know your residents need?

**Ms. Bonnie Crombie:** MPP Hunter, are you speaking with respect to our operating or capital budgets, building our cities, or paying down our current deficit levels—because they're all intertwined.

**Ms. Mitzie Hunter:** Right. Your financial need—we've talked quite extensively and deeply about that today.

**Ms. Bonnie Crombie:** On a greater scale, we really have to think about the funding formulas for cities. I know Craig was mentioning that as well. Certainly, we are asked to build 21st-century cities with 19th-century tools, and it's no longer reasonable. Here we find ourselves facing a pandemic, we've deferred all our revenue, and we're still the ones responsible for essential services.

Federal and provincial governments come forward usually offering some sort of capital funding for stimulus programming, shall we call it. You have to recall, first and foremost, that that capital funding—the gas tax money that we've all received, the ICIP money, the PTIF money from the federal government—can't be put towards our operating deficits currently. But at the same time, we want you to be very aware that when that stimulus money does come in—and of course we will need it to help our growth and help rebuild, allow our economies to recover and start to grow again—what we want to do is address the needs in our community.

We all have 10-year capital plans. We all have our priority capital projects. The federal government comes forward—let's pick on them—with, “We want to build you something shovel-ready. What have you got? How about a new soccer stadium?” Well, boy, that would be nice to have, wouldn't it? But I have roads that need to be

paved. I have buses I need to purchase. I have trails that need to be maintained. I have diesel fuel to purchase. We need to go off the needs list and have the ability to plan properly in our communities—not over the shiny new objects that sometimes we're offered.

**The Chair (Mr. Amarjot Sandhu):** Three minutes.

**Hon. Karen Redman:** Municipalities are best placed to help restart the economy. The infrastructure programs that Mayor Crombie is talking about are the job generators.

One of the things that Waterloo region is very proud of is that we have an LRT. I think we're outstanding in North America, for a community our size to have light-rail transit. We work in concert with other municipal governments through the innovation corridor. We know that the connectivity between Toronto and Waterloo region in the high-tech sector and the investment and the talent that will start going back and forth when we're not all in this pandemic are key to our economic long-term recovery.

That long-term view is only possible when we do have partnerships with the provincial and federal government. Bonnie talked about ICIP; ICIP is great, but our municipality is not going to have their one third, so that cost-sharing when we're looking at jump-starting the economy and how well poised we are because we do have priority programs that are shovel-ready and shovel-worthy—we're not going to be able to come up with that third.

Craig, do you want to jump in?

**Ms. Mitzie Hunter:** Craig, I'm going to have to give it to my colleague Stephen Blais, but he might come back.

**The Chair (Mr. Amarjot Sandhu):** MPP Blais.

**Mr. Stephen Blais:** Craig, if you wanted to kick in whatever that was, that's fine.

**Mr. Craig Dyer:** Thank you. I would say that we're more than halfway through this fiscal year, and so CFOs across the province are looking at both the deficit for this year—and an early look at the 2021 budget. We've been doing that now for at least a couple of months, and so the immediate need is for some type of financial assistance program. Otherwise, municipalities will be making service cuts, I would say, over the next couple of months, because we can't wait until the fall or later this year. There will be no opportunity to make changes to offset this year's deficit, so those decisions are going to happen imminently, hence the need for an imminent decision on funding for municipalities.

**Mr. Stephen Blais:** I appreciate that, and I'm 100% with you.

You mentioned that you had \$20 million in containment that you've already done. What is that comprised of? Have you already made service cuts? Is that layoffs? How did you get to \$20 million?

**Mr. Craig Dyer:** It's a combination of, I would say, some reductions to transit service—not significant, and certainly not significant relative to the drop in ridership—not filling vacant positions, hiring freezes, managing discretionary expenditures through a phased strategy—

**The Chair (Mr. Amarjot Sandhu):** Thank you. Sorry to cut you off.

We'll have to move to the government side for their time of questioning. MPP McDonell.

**Mr. Jim McDonell:** I want to thank everybody for coming out today. The presenters had some good thoughts.

I have a question for Chair Redman. You talked about some of the changes in the way you do business and the benefit of this shakeup through the COVID-19 pandemic to find new ways of doing things. I'm just wondering if you could elaborate a little bit more on that and some of the roadblocks that are there that we as a province could look to get out of your way, if you have any suggestions there as well.

**Hon. Karen Redman:** I really appreciate the question.

I think, actually, that I might go back to the shelter system, because the unsheltered people and people living on the margins of our community were probably disproportionately impacted by COVID-19. We rented a hotel, we turned recreational facilities into shelters, but what we provided was 24/7 programming. What we provided was mental health workers on-site and outreach workers, as well as front-line health care workers. What we found was that people were in much better shape at the end of the pandemic than when they went into it.

It didn't solve all the problems, but if the province wouldn't treat the funding for mental health and health services and public health separately from the shelter system—it's much more than bricks and mortar. It's the same as supportive housing. We have to be able to have those supports in and be able to build common areas where people can meet with their caseworkers. Those are the kinds of things that lead to better outcomes. So if the province, when it's providing funding, would also look at that—I don't know if it's operational or support funding, but it's a much bigger return on the investment than you have if you're just doing it separately.

**1540**

**Mr. Jim McDonell:** That makes a lot of sense—and changing the way we're doing things is obvious.

We heard from the two municipalities about the need to get support, and we agree; we don't believe that municipalities can make up the shortfalls. We think that the revenue tools you have, as well as the revenue tools the province has, are quite limited. We've been calling on the federal government to come up with a plan that doesn't require the municipalities to provide a third or a percentage of this recovery.

As we've heard, you're already stretched. How much can you raise your property taxes? Between us and Quebec, we have the highest property taxes in Canada just because of the structure, what property taxes pay for. It's a historic issue, but it's something that needs to be addressed if we're going to attract industry and get this province moving forward again.

I know that we've provided the region of Waterloo with \$3.3 million under social services relief funding. I'm interested to learn what help that was, and just some of the lessons learned from that extra funding and where we need to go with it.

**The Chair (Mr. Amarjot Sandhu):** Three minutes.

**Mr. Craig Dyer:** The region is certainly grateful for the funding that we received through the Social Services Relief Fund. It has almost all been spent. We expect that that money will run out at the end of August. But we're not expecting that the need for the service will abate at the end of August. So a look at additional funding would certainly be helpful.

The other funding that I know we've received is some small amounts with respect to long-term care, and we have commitments on funding for public health and paramedic services, although we've yet to receive a specific allocation or figure that we can bank on for this year. So getting some clarity around those particular areas, which were announced as part of the March 25 economic update, would be most helpful.

**Mr. Jim McDonell:** Over to RESCON: We know that the industry was impacted terrifically by the pandemic, but measures put in place allowed it to rebound. There are delays, but it could have been much worse, and of course, we've seen others that have been more impacted.

Can you discuss some of the lessons learned and what we could do if there's a rebound or a second wave, to help the industry survive and help us relieve our housing supply problem?

**Mr. Richard Lyall:** Good question. I think we're well prepared for a second wave if it comes. Our industry has a long-standing tradition and experience in health and safety and utilizing masks and things like that. We did pivot. We did create new protocols in a week. We have had some considerable experience with it now. There are still some improvements to come. We're looking forward to that contract tracing app that's going to be unveiled. I think that's going to help a great deal—

**The Chair (Mr. Amarjot Sandhu):** One minute.

**Mr. Richard Lyall:** —although we do have our own tracing abilities. I think we'll be okay.

**Mr. Jim McDonell:** You talked about some of the red tape. Are there any other issues in red tape that need to be removed, as we look for ways to get out of the way of developers and people trying to solve some of the province's problems?

**Mr. Richard Lyall:** I think the most important factor here is the need to modernize and digitize our process. We're behind other advanced jurisdictions. That's not a shot at anybody. We really need to establish a province-wide, common platform and interoperability systemically, and it's absolutely doable. It's a big job, but we can do it. There's really no cost, and it will actually, I think, benefit municipalities in terms of their revenues, by accelerating—

**The Chair (Mr. Amarjot Sandhu):** Thank you. Sorry to cut you off.

We have to move to the independent members now for their second round. MPP Schreiner.

**Mr. Mike Schreiner:** I want to thank all three presenters for coming in. I'm going to direct my first question to Mayor Crombie, but I want to preface it by saying that we've heard you loud and clear on emergency funding, heard everyone loud and clear—to not require a one-third

municipal share in infrastructure funding. I'm certainly going to be advocating for that.

I wanted to ask you about new revenue tools. You talked about how you're trying to build a 21st-century city with 19th-century tools. What are some of the tools that you need to build that 21st-century city?

**Ms. Bonnie Crombie:** That's a great question, member. Thank you for that.

I just want to talk about some of the other things that have been mentioned.

In terms of red tape, we are now required to have a lifeguard at our splash pad because there are three inches of water. It costs us \$150,000. That's unnecessary red tape. There is a good example for you right there.

We need this short-term funding for our operating losses. We have made cuts, as you know. As I've already said, we've frozen hiring, eliminated discretionary spending. But we've made all kinds of investments in digitization, and that's why we're able to do this as well. Plus, we find savings each year through Lean—so \$60 million over the past 10 years. Mississauga is the poster child for finding savings. We're in good shape, but nonetheless, it's not enough; it doesn't go far enough.

With respect to new tools—this comes up on every one of the mayor's calls. Every time we have meetings with ministers and with Premiers, this comes up. Give us the suite of tools to choose from. Certainly, the City of Toronto Act, they are permitted all kinds of—whether it's vehicle registration tax, land transfer tax, parking tax, land capture etc. There are a number of tools that only the city of Toronto is permitted and no one else is. This is the first place to start, to allow some consistency across the province. There could be a retail sales tax, HST tax—1% could go to cities. There are a number of tools that can be used. Offer them to us, let us know, and we will make those decisions with our councils. Certainly, Toronto has a suite that no one else has access to. Let's start there.

**Mr. Mike Schreiner:** I just want to ask my neighbours in Waterloo region if you would like some different tools to address some of the revenue issues you face.

**Mr. Craig Dyer:** While certainly some of the tools that Mayor Crombie has mentioned would be helpful, my view from a practitioner's perspective is, the place to start is looking at the cost-shared programs between the province and the municipalities, what I referred to earlier in terms of income redistribution, social-equity type of programs that have broad social and province-wide interests. The municipal property tax is just not well equipped to fund those types of programs. I believe that would be the best place to start.

**Mr. Mike Schreiner:** Would you like to see some of those social services uploaded to the province in place of the province's tax base?

**The Chair (Mr. Amarjot Sandhu):** Three minutes.

**Mr. Craig Dyer:** I think that income and sales taxes are much more appropriate taxes to fund those types of programs than the property tax, yes.

**Mr. Mike Schreiner:** I think MPP Blais had a question, so I want to give him an opportunity.

**The Chair (Mr. Amarjot Sandhu):** MPP Blais.

**Mr. Stephen Blais:** A question for Mayor Crombie—thank you for your presentation. I agree with much of what you say about the fiscal imbalance and the need for a review of that relationship. I agree, also, that often the federal and provincial governments want to fund baubles and shiny new things as opposed to the nitty-gritty infrastructure of day-to-day life.

I'm wondering if you've recently done a long-term infrastructure renewal plan and where you may be—most cities have a deficit in this regard—for long-term renewal.

**Ms. Bonnie Crombie:** Certainly, we have a very well-thought-out 10-year capital plan that we update regularly. Ours is valued between \$900 million and \$1 billion over 10 years. Clearly, we do have a deficit. I've got my director of finance on the call; I'll ask him to speak to our deficit. We already know that our operating deficit—on the capital side we carry, I think, \$250 million, if I'm not wrong. Jeff, I'll ask you to respond.

Certainly, as was said, property tax is a very regressive form of taxation. We really need modernization. I would agree with Craig. Really, cities should be sharing in income tax and sales tax, and then we don't have to come begging to other levels of government.

Jeff Jackson and Paul Mitcham are here with me. Correct me, please, if I am wrong on our capital deficit side. I think it's in the order of \$250 million, and our plan is—

**The Chair (Mr. Amarjot Sandhu):** One minute.

**Ms. Bonnie Crombie:** —almost \$1 billion.

1550

**Mr. Jeff Jackson:** We actually have a \$900-million deficit of things that we know we need to do. Having said that, the asset-management plans that you refer to—the last one that we did was in 2014. We have an update next year, and we expect significant amounts that we will have to fund—things that we're not really 100% sure about yet, so I can't give you a definitive answer.

**Mr. Stephen Blais:** You mentioned that you had cost containment—I think it's \$60 million, give or take. How, generally, have you achieved that? Is it through service cuts? Is it through gapping, as we heard from Waterloo?

**Ms. Bonnie Crombie:** Gapping is a bonus for us. We've done it through a cost-containment program; certainly, cost avoidance. It used to be that our city manager would challenge departments to cut back 1%, but then we realized you can't cut your way to prosperity, so we moved to the Lean program. We're the poster child for delivering more cost-effective and more efficient ways of delivering programs and services. We have many yellow belts in our system. We reward our employees for coming up with cost-saving measures.

Over 11 years of budgets, we've reduced our budgets by \$57.6 million—

**The Chair (Mr. Amarjot Sandhu):** Thank you. Sorry, the time is up.

We have to move to the government side for their second round.

**Interjection:** No further questions.

**The Chair (Mr. Amarjot Sandhu):** We'll go to the opposition side. MPP Singh.

**Ms. Sara Singh:** Thank you, everyone, for the presentations. I think there absolutely is a common theme that we're hearing from municipalities across the province, and that is that you are in dire need of financial assistance.

My question is for Mayor Crombie—but open to also the region of Waterloo to chime in. We've heard from the region of Peel, I've heard from Mayor Brown in Brampton, as well, and I think folks are at a crossroads and really forced into a corner to make some very difficult decisions. The situation in Peel and Mississauga is that, for decades, we've been struggling to acquire our fair share of provincial dollars towards services. With the pandemic, those services are obviously further strained, and we saw a demand increase. Can you elaborate with respect to what that funding shortfall looks like in the region, and what potential services are on the chopping block?

**Ms. Bonnie Crombie:** Member, thank you very much for the question.

Many of the services you are describing with respect to the imbalance and a fair share for Peel, certainly with respect to mental illness and addiction funding, child care funding etc., are better addressed by the region of Peel, when Chair Iannicca is present.

From my perspective, we are being relied on to restart the economy, and cities are going to do so by cutting programs and services. We would look at cuts, first of all, to transit, and it's possible to fire and emergency services, libraries, our recreation programs. As I mentioned, the size of our operating deficit right now is the equivalent of closing down transit for eight months, shutting down the city for two months or closing down libraries for two years, so it's very significant.

MPP Singh, you are absolutely correct: Peel is in a deficit position because of an antiquated funding formula—where our population growth was unexpected and hence we are not funded to the levels that our population deems appropriate. Cities like Toronto, with huge growth as well—sorry, stagnant growth, rather, and not the same as in the growing areas in the 905. There was a period of time when we were actually transferring money to the city of Toronto. They are funded at much greater levels than areas like the region of Peel because the formula needs to be modernized to account for the growth in population. Many of the social services are not adequately funded, and certainly not at the per capita levels that they are in other regions like Toronto.

**Ms. Sara Singh:** As you're navigating this post-COVID-19 economic recovery, what type of funding support are you looking for, directly, from the province?

**Ms. Bonnie Crombie:** We're looking for operating revenue support. We need to address the deficits we all have. Toronto will be announcing a \$1.9-billion, almost \$2-billion, deficit. As you heard from me, ours is in and around \$60 million. So assistance with our transit would be appropriate—any assistance to help us on the operating side.

**The Chair (Mr. Amarjot Sandhu):** Three minutes.



**Ms. Bonnie Crombie:** Certainly, money is being promised. Gas tax money was advanced—in fact, \$19 million in gas tax money—but that’s on the capital side and it was accounted for. It’s not new money. It’s money that had already been accounted for, as well as the ISIP money and the PTIF money. This is money that we have already, largely, spent and are waiting to be repaid.

So it’s operating deficit funding that we’re looking for on an emergency basis, so that we don’t go into the recovery having to cut programs and services etc. and essential workers that our communities and our cities are relying on.

**Ms. Sara Singh:** No one wants to see front-line services like our paramedics or firefighters suffering losses.

What we keep hearing is that the government is indicating that help is on the way. Yet, time is running out. Have you received any indication from the government with respect to a timeline on when this funding will be flowing to municipalities?

**Ms. Bonnie Crombie:** Sadly, no. We do have very valuable conversations at the federal level, and we have as well at the provincial level with Minister Clark, and I have with the Premier—many of us have. I know that the Premier is advocating at the First Ministers’ table very strongly for cities. He’s trying to get a better deal for cities, is what I’ve been hearing. He wants to have a greater percentage come to cities than has already been promised. So unfortunately, no, we have no promises of any funding of any sort from any level of government to date, but we still remain hopeful.

**Ms. Sara Singh:** I’m going to pass it over to my colleague MPP West.

**The Chair (Mr. Amarjot Sandhu):** MPP West.

**Mr. Jamie West:** I want to thank all three presenters.

**The Chair (Mr. Amarjot Sandhu):** One minute.

**Mr. Jamie West:** I’m going to have a question for RESCON, but I just want to thank Mayor Crombie for saying, “We either get relief or we cut services,” because I think you speak for municipalities across Ontario. Especially in Sudbury, as well, that’s really what it comes down to: We cut services, or we get relief. I think that’s a great statement.

Richard and Paul, I apologize for the short amount of time. Your presentation was cut off at the end. Was there anything you wanted to say that you didn’t get to say?

**Mr. Richard Lyall:** No, we were right at the very end, so we’re good.

**Mr. Jamie West:** Okay. I have a question in terms of electronic permitting. I just wanted to know if there are any concerns around one database speaking to the other. Is there a standard file format that everybody uses? I apologize for not knowing in advance.

**Mr. Paul De Berardis:** That’s currently something that we’re partnering with other associations on and the University of Toronto on a research project, because currently there is no common data standard. So conservation authorities, planning departments, building departments all use their own set of—

**The Chair (Mr. Amarjot Sandhu):** Thank you. I apologize to cut you off. That concludes our time.

Thank you to all three presenters for your time and for your presentations.

REAL PROPERTY ASSOCIATION  
OF CANADA

ONTARIO HOME  
BUILDERS’ ASSOCIATION  
LONDON AND DISTRICT  
CONSTRUCTION ASSOCIATION

**The Chair (Mr. Amarjot Sandhu):** We’ll start with our next group of presenters. The first one is the Real Property Association of Canada. Please state your name for the record, and you can get right into your presentation.

**Mr. Michael Brooks:** My name is Michael Brooks. I’m the chief executive officer of the Real Property Association of Canada. I don’t know many of you on the line, but we’re a 50-year-old trade association of institutional owners of commercial real estate, every asset class, in most major cities coast to coast to coast. We include most pension funds in Canada, most major fund managers, almost all the TSX-listed real estate companies and REITs, and many large private companies. I’m going to call it professional real estate—although, in fairness to Joe and his members, very few of our members are in the suburban home-building business; we’re more income-producing real estate.

I thought I would cover in my now six-and-a-half-minute presentation—just give everybody an update on how buildings are doing generally, recognizing that for many of you these are GTA buildings, major-city buildings, across the country. I’ll talk about some pinch points and perhaps the way forward from our perspective.

The impact of COVID-19 on our industry has been varied. I think you have to segregate by asset class. The worst-hit have clearly been hotels, everywhere—single-digit occupancy in April, if they were even open—followed by retail shopping malls, which quickly eroded their retail base and then were forced to close, and retail generally, with the exception of essential services.

**1600**

Office and industrial properties have held up relatively well in terms of their rental flow, although there are pockets in both that have suffered. Retail, as perhaps the hardest-hit of the four major categories, except for essential services, has really been focused on the four F’s, if I can call it that: food, fashion, film and fitness. Those four categories have been very hard hit, forced to close. Some are still closed.

On the fashion side: Now that we have reopened malls and reopened some stores, the high-end fashion and the low-end is seemingly doing well, but mid-level is still struggling. Of course, we know that grocery stores have stayed open throughout, as have pharmacies. So any income-producing real estate with grocery stores and pharmacy—generally, those two tenants have done very well.

Apartment rent collections have been surprisingly good, but possibly propped up by CERB and UI payments. We're surveying all of our members' asset classes monthly. It will be interesting to see what September looks like if CERB is not extended past the end of August, even though we have CEWS going to the end of the year. We are already seeing, in the multi-family sector, considerable weakness near the universities, given the decline in international students.

The office sector is very much focused on return-to-the-workplace issues. I just got off a call with Minister Thompson. We're focused on making that return to the workplace safe, and all of our members are very much engaged in extra cleaning, security, line management, elevator management, looking at HVAC upgrades and ventilation upgrades for buildings, and technology that will enable them to understand how many people are in the building. We're certainly very much aware of international experience, because many economies are ahead of us. Asia is ahead of us, in many countries: Singapore; Hong Kong; South Korea. Particularly, northern Europe is ahead of us in terms of reopening.

**The Chair (Mr. Amarjot Sandhu):** Three minutes.

**Mr. Michael Brooks:** So there is much to learn from these other sectors.

I'll focus more on what I think are the three main areas that we need to address before you today. One is the urgent need to restore confidence—confidence to go outside your house, confidence to go to the mall, confidence to go to your place of work. That is very difficult, and it's very interrelated with transit, schools and daycare opening. We are following that guidance and that emergence in the province of Ontario, and that will impact when we can open up, for example, most office buildings, which are at somewhere between 0% and 20% occupancy as we speak.

We would certainly like to see the end of the evictions moratoria on residential and commercial properties. We do understand they're in place until August, but it's freezing capital. It's preventing owners from dealing with their tenants and probably preventing tenants from moving on into a new business plan or a new business model, if they need to do that.

Finally, we need to look at technology. We need to look at technology for remote approvals. We've all become way more digital than we ever have been before. This Zoom call—we wouldn't have done this six months ago. We've all become digital, working from home, and we have started to see how important it is for inspections to become digital. Visual inspection approvals for planning applications to become digital—that is a key area that we need to focus on as an industry to move us forward.

I'm happy to deal with any questions. There are certainly other specific asks that we would have around red tape reduction. But that's a very high-level view of our industry.

**The Chair (Mr. Amarjot Sandhu):** Thank you. Our next presenter is the Ontario Home Builders' Association. Please state your name for the record, and you will have seven minutes for your presentation.

**Mr. Joe Vaccaro:** My name is Joe Vaccaro. I'm the CEO of the Ontario Home Builders' Association. The OHBA is the voice of the residential construction industry in Ontario, representing 4,000 residential construction companies and members organized in a network of 27 local associations across the province. A few of my colleagues have already presented to the committee today.

OHBA members are very pleased and supportive of Premier Ford's strong commitment to a post-pandemic economic plan and the establishment of the Ontario Jobs and Recovery Committee. The OHBA has actually submitted two reports to this committee—one with our network association, BILD, and one stand-alone—where we have provided recommendations on how construction can kick-start the Ontario economy.

The OHBA commends the government on the steps taken so far to ensure worker safety during these challenging times, the new Ministry of Labour guidelines and increased job site inspections. OHBA members know this is not business as usual and will continue to enhance COVID-19 safety and sanitation protocols on job sites to protect workers, contractors, clients and their families. The decision to extend construction hours helps support this work, as members are able to better schedule smaller groups and still be able to deliver keys to people waiting for their new homes. We all want safe job sites, and we need to keep each other safe.

As an association, we've worked proactively with the provincial government and with other associations—RESCON, Ontario building officials, the Infrastructure Health and Safety Association—on best practices to help our members through the pandemic and the state of emergency. It has, without a doubt, been a very challenging few months, but we really are all in this together, and I am very proud of the response from our industry and from our individual members, to be proactive and keep our workforce safe and healthy.

COVID-19 has absolutely had a significant impact on residential construction. The effects are as wide-ranging as partial shutdowns of segments of the industry, the worst couple of months of sales on record, and uncertainty in consumer sentiment. I'd particularly like to highlight one area that is not getting much attention, but is still today very much a major issue, and that is supply chain disruptions. We've had disruptions throughout the spring, and as COVID-19 continues to disrupt overseas and our American supply chains, there is a lot of uncertainty about the coming months and what it will mean for various supplies and the ability of our members to complete projects, as they wait for windows, doors, furnaces and other supplies to complete homes and turn over those keys.

I would also like to highlight the underground economy. It has been a problem in the residential construction sector for many, many years. In fact, it's estimated that one third of this work is being done for cash, where consumers have no warranties, no recourse, no inspections, no permits, and workers have no protections from WSIB. We are hearing from our members, especially in the north and rural Ontario, that the underground economy has exploded during the COVID-19 pandemic.

Let's face the facts: A lot of people in different sectors are out of work, and many of them who are able to swing a hammer are busy building decks or putting up drywall. Unlike professional renovators, who have had to comply with emergency orders to halt work, the underground cash economy was able to gain an even stronger foothold as people are doing what they can to get by and make a few dollars. This is a real problem, and it needs to be addressed by the provincial government. OHBA has some recommendations on this.

I would highlight that immediately following the 2008-09 financial crisis, the federal government brought in the Home Renovation Tax Credit as a key component to their federal recovery plan. So we're not suggesting something new here, but something that has been tried, tested and true. We know that the Home Renovation Tax Credit works. In fact, it provided over three million Canadians with \$700 worth of savings and, as a result of that, generated an estimated \$4.3 billion in new residential investment. With the need for receipts to get this tax savings, the HRTC is not only a critical economic stimulus tool, but it should also provide a powerful and effective tool for combatting the underground cash economy and protecting the integrity of Ontario's tax system.

I want to also recommend a modernized approach to surety bonds as a financial security for municipalities. Subdivision agreements require—

**The Chair (Mr. Amarjot Sandhu):** Three minutes.

**Mr. Joe Vaccaro:** —the builder to provide a form of financial security for the necessary infrastructure work needed to bring development projects forward. The need for financial security by municipalities is a recognized and responsible practice supported by the industry and OHBA. However, the form of financial security is a growing concern. In the past, municipalities generally accepted surety bonds, but more recently, municipalities have moved to accepting letters of credit as the only acceptable form of security. As a financial tool, letters of credit directly reduce the financial capacity of the developer. This has a negative impact on that member's ability to further invest in other development opportunities. Every dollar tied up in a letter of credit to a municipality is a dollar unavailable for immediate job-creating construction.

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In order to improve investment liquidity across Ontario, OHBA proposes that the province require municipalities to accept surety bonds as an acceptable financial tool to secure municipal agreements. This change will continue to provide the municipality with the financial security they need and would have no impact on the provincial treasury, while creating billions of dollars of future financial liquidity. Regular liquidity investment is exactly what is needed to generate private sector construction jobs right now to support Ontario's economic recovery.

The province tells us that by 2031, more than two million more home believers will be joining Ontario communities. Housing will continue to be in demand, and building on the work of the More Homes, More Choice Act, by Minister Clark, we need to work together to make those home-believer dreams a reality.

Thank you all for your attention. I look forward to the questions.

**The Chair (Mr. Amarjot Sandhu):** Thank you so much. Our next presenter is London and District Construction Association. Please state your name for the record, and you can get right into your presentation.

**Mr. Mike Carter:** We are the London and District Construction Association, LDCA, and we are very pleased to meet the committee today. You are doing important work, and hopefully, we can be of some help.

Our team consists of Gerald deVries, who is the chairperson of the LDCA board of directors—he is an executive and co-owner of Blue-Con Construction. They do site preparation and underground work in southwestern Ontario. Additionally, there is Steve Dietrich, who is a director of LDCA and chairperson of the Council of Ontario Construction Associations. He is an executive at AGF-Rebar, as part of an international construction conglomerate that performs concrete and rebar work across Ontario.

And I am Mike Carter, executive director of the LDCA—who has been for many years the executive officer.

LDCA began in 1898 as the London Builders' Exchange, so we've been around for a while. We represent the industrial, commercial, institutional, multi-unit, high-rise residential and civil construction sectors. We easily refer to ourselves as ICI construction. We have 500 members representing all participant groups and their interests—so owners, developers, general and trade contractors, materials and goods suppliers and professional and allied services, e.g. architects. We serve Bruce, Elgin, Huron, Perth, Middlesex and Oxford counties. We typically employ 7,000 men and women, and we have a high level of seasonality and project-driven work.

Our members, understanding the broad COVID-19 risks, were and are generally very supportive of the efforts of all levels of government to deal with the COVID-19 crisis.

In general, ICI construction has been relatively less negatively impacted than other parts of the non-governmental economy. A portion of our members were not negatively impacted, but most were, to varying degrees, based on whether they were deemed essential workplaces or not. Construction executives are expert risk managers, and COVID-19 presents a significant risk that has been relatively efficiently and effectively absorbed by our industry.

On May 19, we fully reopened for business and have been frantically active, both in trying to catch up and moving forward. Industry is operating at near-to-full capacity, related primarily to our key constraining resource, labour, which is both skilled trades and supervisory.

How do we know we're at capacity? Well, there's less-than-normal interest right now in bidding for new projects, and bids are generally priced higher, which is a signal that we are nearing capacity.

Amongst our ongoing COVID-19 activities, two are of note. One is, we participate with the city of London's COVID-19 task force, and the other is the constant communications that we have with our members through formal surveying of their perspectives on COVID-19. For this

committee, there are two key outcomes from the survey results. Cash flows are being impaired: 70% of our members indicated they were experiencing cash flow interruptions, and 40% were expressing real concern about receiving payments.

**The Chair (Mr. Amarjot Sandhu):** Three minutes.

**Mr. Mike Carter:** In our most recent survey, members also expressed concern about the rapid and significant increases in government debt and deficits, and the ability of governments to get the economy fully reopened.

Construction possesses a unique set of attributes that can help the economy recover from COVID-19. We are private sector. Our COVID-19 workplace risks are well under control. We effectively and efficiently utilize human resources and can scale up and down with relative ease.

We have three main recommendations.

**Liquidity support:** Construction is comprised of businesses that utilize cash very efficiently. When payers slow or stop payments to payees, the ripple effects are immediate through the entire chain. We are starting to see significant rise in payment disputes and slowing payments, which to us is a clear indication that there are many liquidity situations. A federal loan program should be fully and aggressively implemented.

**Government real property investments:** We are very concerned about private development investment, going forward into 2021. Planned government investments in real property should be managed to begin to replace these lessened investments in 2021. For instance, the London rapid transit initiative must go ahead in 2021. Politics cannot be played with these types of investments, nor should they be crowding out other infrastructure investments that the cities would normally take. We also encourage the government to ensure “buy local” in all its forms.

We also think—as per both Mikes—that there needs to be process efficiency and effectiveness for government involvement in projects, from design concept to final inspections. They have become unacceptably long during COVID-19. Money has to be sent back to the city so they can employ the people back again, and they need to implement newer, advanced technologies to generally reduce the cycle times of all the government activities in real investment.

So we can help, we should help, and we should be looked to help.

We thank you very much for your time.

**The Chair (Mr. Amarjot Sandhu):** Thank you so much. We’ll start with the questions now. This round of questions will start with the government side. MPP Skelly.

**Ms. Donna Skelly:** Good afternoon, gentlemen.

My first question is to Mike. You have a long list of things that I wanted to address. You talked about the private investments. Can you expand a little bit on that? I was a little lost on the issue around private investment over public investment in property.

**Mr. Mike Carter:** We see that private investment in commercial and industrial developments is at risk. We see this right now sort of informally—because what we’re hearing is that there’s a deferral of go, no-go decisions on

investment. They are taking a wait-and-see attitude, which, I would gather, is rather prudent.

There is a backlog of known public investments—and I will focus on the London rapid transit initiative—that have been on the books for years. I know the London transit initiative is planned to get started in 2021. We really employ all levels of government to ensure that that type of investment, that is shovel-ready and can replace and can employ, is actually something that moves ahead and is not talked about as a missed opportunity in 2021.

**Ms. Donna Skelly:** So if it’s shovel-ready, what’s the holdup?

**Mr. Mike Carter:** You would have to ask the city of London, the province of Ontario and the federal government. Our contractors—Gerald deVries being one of them, very specifically—are ready to move.

**Ms. Donna Skelly:** I’m a former city councillor, and one of the ongoing issues that I dealt with with developers in the city of Hamilton was the length of time it took to get anything built, and the bureaucracy and the layers of red tape, just at the city level, for something as simple as a permit.

1620

Are there opportunities where we, as a government, can intervene and say, “You have to start expediting the process, because time is money”? Have you got examples of where we can—and I would also like, Joe, if you could weigh in on this. Where do you think we can intervene or at least encourage our municipal partners to address some of these burdensome pieces of red tape?

**Mr. Joe Vaccaro:** If it’s okay with everyone else, I’ll jump in here.

Municipalities need to move forward with pre-zoning areas where they know growth and development are going to happen. We have seen, time and time again, municipalities sit back and wait for the application when they know full well that that’s an area where future growth will happen. In the new planning regime here in Ontario, with all of the projections and information we have about growth in population and allocation, it’s pretty clear that municipalities have a good sense of where growth will happen. Getting ahead of that on the planning part would help.

On the permitting piece: I would say this government has done an excellent job of identifying—

**The Chair (Mr. Amarjot Sandhu):** Three minutes.

**Mr. Joe Vaccaro:**—the areas where permits can be improved. We’re seeing that with improvements to the Environmental Assessment Act; we’re seeing that with improvements with a number of pieces that are coming forward right now through the Legislature. So those are all positive pieces.

I will say that municipal partners generally agree; they want to get things done faster. They equally get caught up in a system that’s about process, not about outcomes. Moving to a more outcome-based system helps everyone move along.

Thank you for the question.

**Ms. Donna Skelly:** You said that municipalities should move forward on areas that they have determined are

obvious growth areas. Are you talking about putting in infrastructure, or when you say “move forward,” what—in the planning process?

**Mr. Joe Vaccaro:** I mean both in terms of planning process and zoning.

There was a great opportunity, once upon a time in the city of Toronto, when they decided to dig a huge hole along Eglinton to build a subway. There was an opportunity while that hole was being dug to actually improve the infrastructure services through that channel for the communities around it. Now we have developments coming forward which are actually reopening the road in areas to add their services, when this all could have been done in one place. It was an easy coordinating opportunity—I see my friend Michael Brooks is shaking his head—that could have been taken advantage of and was not.

Those are easy things that we should be doing, because that subway line will be generating density.

So let’s get the sewer system up and running properly, and all the other pieces.

**Ms. Donna Skelly:** And broadband.

**Mr. Joe Vaccaro:** And broadband.

**Ms. Donna Skelly:** Mike, can I get you to comment as well on those particular issues?

**Mr. Mike Carter:** I agree with everything that Joe said. Generally, on a more practical basis, if I listen to my architect friends a lot, there is too much interpretive prescription related to planning approvals that cities employ. It unnecessarily slows down—

**The Chair (Mr. Amarjot Sandhu):** One minute.

**Mr. Mike Carter:**—approval processes, causing re-reviews, rework; that end of day is probably not as productive as it could be during this COVID-19 situation.

**Ms. Donna Skelly:** How do you get around that?

**Mr. Mike Carter:** We’ve been trying for years. You’ve stumped me.

**Ms. Donna Skelly:** Joe, do you have any idea? How do you get around that? You say there’s too much interpretation.

**Mr. Joe Vaccaro:** Establish the rules and let the experts apply them, instead of establishing the rules, allowing the experts to apply them and then telling them that they’re wrong.

**Ms. Donna Skelly:** In other words, if you’ve got the certification, you submit it, and if you’ve got all the documentation in place, don’t allow the bureaucrat to come back with an interpretation. Is that what you’re suggesting?

**Mr. Joe Vaccaro:** Well, whether it’s a bureaucrat or—sometimes local councils like to play local architects, as well. So if these are the rules and we design to the rules, we conform with the rules and we are compliant with the rules, why are we now debating the size of the windows—

**The Chair (Mr. Amarjot Sandhu):** Thank you. Sorry to cut you off.

We’ll move to the opposition side now for their time of questioning. MPP Gates.

**Mr. Wayne Gates:** I’ll talk to the Ontario home builders. Joe, how are you?

You said the supply chain—which is really interesting to me—coming from China, which obviously has become a challenge, and coming from the USA has become a challenge. My question is, would your organization support—as I’m the manufacturing critic, which you can appreciate. Would you support having more of our supplies made in Ontario or made in Canada?

**Mr. Joe Vaccaro:** I would say to you, MPP Gates—it’s always good to see you, by the way—absolutely. The more we can do here, the better for our economy and for our supply chain. It’s a competitive environment, obviously, but I always say to people that the delay in China or Taiwan results in a delay in the assembly piece in the States. So even though we can get those commercial pieces—furnaces are a great example. We can get the furnaces from the States into Canada, but if the components are being built in China and they’re shut down, it’s a disruption that backs everyone up. We’re going to see that coming into the fall—a disruption on furnaces, windows, doors, locks—and we’re going to have to find a way to work our way through it.

**Mr. Wayne Gates:** This has worked extremely well in other years: the home renovation tax credit. That is a program that I think is right on the money because it gives people the opportunity to renovate, whether that’s fixing their windows or doing some of that stuff for the environment.

To your point: The one thing that I’ve really noticed over the last few months is that there seems to be a lot of people doing work underground. The fact that you need a receipt to get the credit would certainly help put a lot more people to work—and not only put them to work, but also paying taxes. That’s one that I think is really good. You can comment on that if you like.

**Mr. Joe Vaccaro:** Well, I would add one last piece to it, which is that it’s tried, tested and true. It makes sense. We have an incoming president from Sudbury, who commented to me that the lineup at the Sudbury dump on a Monday morning was unbelievable, and it wasn’t from professional contractors or homeowners; it was people picking up jobs along the way to make some money. I totally understand that, but it undermines the professional renovation industry. If we can build that industry up, there are great opportunities for skilled trades, re-employment, retraining, moving people into those in-demand jobs. So there are lots of advantages to that. It’s a small investment for a huge return for government.

**Mr. Wayne Gates:** I’ll let my colleague Peggy talk, and if there’s more time, I have one more question for you. Thank you, Joe. I appreciate it.

**The Chair (Mr. Amarjot Sandhu):** MPP Sattler.

**Ms. Peggy Sattler:** Thank you, Michael and Joe, for your presentations.

As MPP for London West, I was particularly interested in the comments from the London and District Construction Association, Mike, Steve and Gerald, so thank you so much for joining us. I was really glad to hear of your support for the London rapid transit project, and I would like to offer you this opportunity to make the case, once

again, to the Ontario government about the importance of that project going forward—not just what it does to support the jobs of your members, but also the benefits for the community with an investment like that.

**The Chair (Mr. Amarjot Sandhu):** Three minutes.

**Mr. Mike Carter:** I will pass the microphone over to Gerald deVries, who is actually a contractor, and probably has real, personal engagement in this.

**Mr. Gerald deVries:** I think this is just the greatest thing to come to the London area in a long time. It will create so many jobs as well as keep the local economy moving, as far as the [*inaudible*] real urgency with the bottlenecks, the traffic, within the city of London. I think this would do immense good to our local area within the city of London.

**Ms. Peggy Sattler:** Earlier today, we heard a presentation from Mayor Holder. He talked about the dire fiscal pressures on municipalities and the kinds of trade-offs they're having to make just to keep basic essential services going. Would emergency assistance to municipal governments like the city of London—do you think that would be helpful in enabling the city to proceed with something like the LRT?

**The Chair (Mr. Amarjot Sandhu):** One minute.

**Mr. Mike Carter:** Peggy, we were part of the task force that actually did a broad-based letter-writing campaign to all levels of government indicating the dire financial situation that municipalities are in. We fundamentally understand the problems that they are facing, and we do fundamentally agree that they need proper funding for many reasons—but certainly, selfishly, to ensure that the investments in infrastructure and homes goes through as rapidly as it possibly can. So yes, we've indicated our support formally for that. I'm not quite sure that the initial offer by the federal government is sufficient to actually do anything other than cause more pain.

1630

**Ms. Peggy Sattler:** How much time do we have left, Chair?

**The Chair (Mr. Amarjot Sandhu):** Thirty seconds.

**Ms. Peggy Sattler:** Okay. Wayne?

**The Chair (Mr. Amarjot Sandhu):** MPP Gates.

**Mr. Wayne Gates:** I don't know if I can get a question in in 30 seconds. Hopefully, I'll have at least a minute next time.

**The Chair (Mr. Amarjot Sandhu):** Yes, we'll come back to you in the second round.

**Mr. Wayne Gates:** Thank you.

**The Chair (Mr. Amarjot Sandhu):** We'll move to the independent members. MPP Schreiner.

**Mr. Mike Schreiner:** Thanks to all three presenters for coming in today and taking the time to provide us with such excellent information.

I want to start with Joe from the Ontario home builders. I'm just wondering if you guys have run the numbers on the renovation tax credit. I've seen numbers that would suggest that that type of tax credit almost pays for itself in terms of return on investment for government.

**Mr. Joe Vaccaro:** Yes, we did. We ran the numbers through a report we did a years ago through a firm called the Altus Group. What we came back to was that for every dollar in a tax credit to a consumer, you will generate somewhere between \$6 and \$7 in economic recovery, economic stimulus. That matches up with the news release that the CRA put out years ago around the federal tax credit, where it said that on the average saving of \$7 per family through the home renovation tax credit, it pumped \$4.3 billion into the economy. So that's sort of the number we're looking at—for every dollar in tax savings you provide through this tax credit, you'll get \$6 to \$7 back in legitimate economic stimulus to the economy.

**Mr. Mike Schreiner:** It's a pretty good ROI. I was just wondering how important you think it is to have an emphasis on energy efficiency, in particular, to help homeowners reduce their utility costs, which obviously has some environmental benefits as well.

**Mr. Joe Vaccaro:** I think a general tax credit helps everyone. We have seen from our research that generally, when people are doing renovation work—whether it's a kitchen renovation, a bathroom or creating an office space for themselves—the need to better insulate, get better windows is always part of the package. So you end up doing that kitchen renovation and you end up saying, “Okay, let me change the sliding door. I've got two windows in the kitchen.” And quickly you say, “Well, I might as well change all the windows in the basement” or all the windows on the back side of the house, and you kind of build out. The key here is that the tax credit, although it's not a massive savings, drives consumers to demand a warranty and a legitimate contractor, because they're going to make a sizable investment and they want protection for it. So it all works together.

**Mr. Mike Schreiner:** You probably know that protecting farmland, wetland, natural spaces and things like that are very important to me, being a member of the Green Party. I really was intrigued by your ideas around pre-zoning, because I think pre-zoning creates an opportunity to speed up the development process without threatening some of the things we want to protect and preserve. Can you elaborate on that as a more environmentally friendly way, potentially, of speeding up development?

**Mr. Joe Vaccaro:** Well, I think the key here—and we've seen this in the current government with their More Homes, More Choice Act—is the focus on transit-oriented communities and really encouraging municipalities to be part of that package in pre-zoning.

**The Chair (Mr. Amarjot Sandhu):** Three minutes.

**Mr. Joe Vaccaro:** Peggy mentioned the London plan. Part of that London plan will be an important infrastructure decision, but also important zoning decisions around the kind of communities you build around those pieces so the ROI is generated from both ridership and business. So all of those pieces come together. We have been long-time supporters of pre-zoning, and we continue to be, because we believe its focus is investment in areas we all agree should happen.

Back to what MPP Skelly said earlier: Once you have that focus, the conversations around building permits and

process become outcome-based, not process-based. “We’ve already decided we’re going to build here. Let’s talk about what we’re going to build and get it done as quickly as possible.”

I know my friend Michael Brooks would agree with that.

**Mr. Mike Schreiner:** Michael, do you want to have a chance, or do you just want to do a thumbs-up?

**Mr. Michael Brooks:** I would agree with Joe. Waiting for every development application and treating it as a craft is a huge waste of time. There’s a lot more investment that will flow to commercial real estate and residential real estate if you pre-zone it in advance, rather than forcing people to fight local council on every single site and fight at the LPAT on every single site. It’s reduced energy and resources, if I can put it that way.

If you pre-specify the green standards that you want, it’s a great offset. We’re seeing this in the city of Toronto with their green standard bylaw. You could do that everywhere, and because it’s fast for the developer to get a building permit, as-of-right zoning, they’re going to go with that stuff. Make it a quid pro quo.

**Mr. Mike Schreiner:** Also, I guess you could apply that to affordability.

**The Chair (Mr. Amarjot Sandhu):** One minute.

**Mr. Mike Schreiner:** Would that be the case? If you could speed up—time is money. Would that—

**Mr. Michael Brooks:** Absolutely.

**Mr. Mike Schreiner:**—an opportunity for affordability as well?

**Mr. Michael Brooks:** Absolutely. If the costs go down for a developer, and they have their 15% profit margin, or whatever they pro forma, yes, the end cost goes down. There is an enormous waste of money fighting battles at the LPAT.

**Mr. Mike Schreiner:** Yes, for everyone.

I just wanted to give the deputant from London a chance to talk about transit and how important it is for the federal and provincial governments to invest in transit for the construction sector.

**Mr. Mike Carter:** In London, the Rapid Transit Initiative will generate thousands and thousands of jobs for local construction industry folks, primarily in the ICI. Spinoffs will then be increased. Property development for high-rise residential, for commercial—

**The Chair (Mr. Amarjot Sandhu):** Thank you. Sorry to cut you off. The time has come up for independent members.

We’ll go back to the opposition members. MPP Gates, we’ll start with you.

**Mr. Wayne Gates:** Peggy, I’ll make sure I leave you lots of time.

I’m going to go back again to the Ontario home builders and my good friend Joe. The Ontario economy has been hit hard by COVID-19, and we lost upwards of 40,000 jobs in my riding of Niagara. Fortunately, as we gradually reopen, we are seeing some of those jobs come back, but we know we will face challenges with consumer confidence for many months ahead. How do you believe this will impact the residential housing market in Ontario and

the future development decisions of builders? In addition, what are some of the steps the province could take to assist those facing permanent layoffs due to COVID-19 to re-train and enter the skilled trades, which we need lots of?

**Mr. Joe Vaccaro:** MPP Gates, I would say that the challenge in Niagara is going to be that the people are still coming to your region; it’s still a destination for new housing, and so there is going to be demand there. The question now becomes employment and whether or not there’s enough local employment, or does the market change and become more of a semi-retirement marketplace? There was a clear shift happening there, where jobs were growing and people were going there not just to live, but to live and work. That will be the challenge there.

There’s a huge opportunity in housing. Our population is growing. There are millions of more home believers coming here. That’s the reality. We see it. With the assumption that COVID-19 will pass, that we will get through this, and that people continue to come to Canada as a safe place to raise their families and to invest, our expectation is that those population numbers will continue to grow. Within that, that means that if we have to build homes, we have to train new people. We have to give them new skills. There will be new professions—a great opportunity there. What it really comes down to is, more programs available to move people into apprenticeship or into the skilled trades work. Our members are happy to do that. They are proud to do that. You know this; I think all the MPPs would know this. Home builders, renovators, members are proud to train the next generation of tradespeople. That’s what they want to do. They just need some help to get through the paperwork and the registration and the support. We’re proud of that opportunity to build that generation up.

1640

**Mr. Wayne Gates:** I understand that one of the issues is an issue with the tightening lending restrictions from banks and financial institutions. One of the solutions you have proposed is to use performance bonds [*inaudible*] to allow builders to continue to build new products—for London as well, I’m sure.

After that, I’ll turn it over to Peggy.

**Mr. Joe Vaccaro:** Yes, we’ve raised the surety bond issue; I know my colleague raised it, as well. The surety bond issue really is an opportunity to give municipalities the protections that they need for infrastructure without undermining the liquidity of the developer. So when we talk about financing and waiting for approvals—the ability for a developer to finance three or four developments—first is having their money buried into one development as a letter of credit, which means that we can get more jobs up and running and we can get more housing to the marketplace. We can reduce the cost of bringing that housing forward. As someone once told me, financing is the key to any good project.

**The Chair (Mr. Amarjot Sandhu):** Three minutes.

**Mr. Joe Vaccaro:** And having this as a financial tool and a liquidity tool is not just good for our home builder members. I’m sure my friend Mike from London would

agree. Surety bonds, performance bonds are the way to go, but we need the province to make it clear that the municipalities must accept those performance bonds as a form of security, and then we can work with the municipalities to figure out what is the right kind of bonding system for them.

**The Chair (Mr. Amarjot Sandhu):** MPP Sattler.

**Ms. Peggy Sattler:** I had a quick question for Mike and Steve and Gerald about the recommendation around liquidity support. You talked about hearing from your members that cash flow is being impaired and there has been an increase in reported payment disputes. Can you elaborate a little bit more about what kind of liquidity support would be most helpful?

**Mr. Mike Carter:** I'll take that. Steve, you can jump in at any point in time.

We are an extremely cash-flow-efficient industry, as the home builders are also. We are not high-tech. We don't operate on 60% to 70% cash margins. End of year, we typically are 5% profit. So cash has to flow very efficiently for our members not to be harmed. And in construction, our sector of construction, it is generally a lot of cash flow going out, and you wait 30, 60, 90, 120 days to get paid. All the while, you are consuming your bank credit availability.

**The Chair (Mr. Amarjot Sandhu):** One minute.

**Mr. Mike Carter:** When those long-term payments are delayed and made even longer and you are already cash-flow banked out, you start to lose your ability to pay your employees, to pay other folks down the chain, and it happens very quickly.

Steve?

**Mr. Steve Dietrich:** Construction is very efficient, so profit margins are very low. It's not unseen that in busy or not so busy times, margins of 5%, 10% are there, so as soon as you take a 10% holdback, you're basically financing the project. And as you're doing the project, your profit doesn't come out until you've completed and you get past the lien period and collect the holdback money. As a result, to continue doing more and more work, you're putting more and more strain on the lines of—

**The Chair (Mr. Amarjot Sandhu):** Thank you. Sorry to cut you off. That concludes the time for the opposition.

We'll move back to the independent members. MPP Blais.

**Mr. Stephen Blais:** Thank you, everyone, for your presentations.

Mr. Vaccaro, we've heard a couple of times about requests for the renovation tax credit. I was wondering what your thoughts were on measures to do some kind of similar credit or perhaps something different for new home construction. What options might exist to incentivize new home construction?

**Mr. Joe Vaccaro:** I think that's a great idea. One of the things that we are seeing in the marketplace is, the cost of construction continues to go up. A consumer-based credit that goes directly to the consumer would be helpful for them.

One of the things we've been talking about is raising the HST rebate rate. Right now, the HST rebate for a new

home sits at \$450,000. That was set back in 2011. It was meant to capture 85% of the marketplace, to ensure that consumers who purchase a home in that range will get some HST rebate as a result of purchase. Moving that rebate up to be more reflective of where the market is taking the 85% would be very helpful for them. Again, it's a rebate that goes to the consumer, not to the builder.

So we have been engaging all governments since 2011 to talk about when it is time to deal with this rebate. When is it time to update it? The current threshold of \$450,000 is much too low. I think that would be where I would put my energy in terms of helping consumers who want to buy new homes.

**Mr. Stephen Blais:** You also mentioned the idea of pre-zoning, and this is something that we experimented with a little bit in the city of Ottawa, with secondary plans and community-design plans. Often, by the time we went through the process and got everything zoned, an applicant would come forward with some rezoning of their own that was drastically different than what was consulted on with the community. It created a lot of mistrust with residents etc. How do you get around that? How do you herd all potential applicants into buying into the pre-zoning process—and they don't have ideas of their own to maintain that trust?

**Mr. Joe Vaccaro:** I would say the challenge from local councillors is how they represent their constituents and their concerns while also facing the reality of what density looks like when you are building up transit. Sometimes those are in conflict and the councillor finds themselves in a difficult position between managing the reality of growth and a change in the community because of those buildings—because that's where they are building during discussion—and the belief of the community that we can have some change but not that much change. It's kind of where you're stuck.

The key to pre-zoning, in my experience speaking to my members, is, bringing in the landowners in the area who are going to participate in some sort of zoning exercise, and starting the dialogue with them early enough, to say, "What are your expectations here? What are your planning professionals telling you?" and then making it clear what's reasonable.

Having said that, there's always someone who wants to push the envelope, and part of that process is reasonably working through it.

**Mr. Stephen Blais:** If there were a policy or legislative changes that required this pre-zoning approach, would it then be reasonable to include some kind of prohibition on moving outside that process for a period of time, so you don't have those guys who are pushing the envelope?

**Mr. Joe Vaccaro:** If the pre-zoning discussion ends up with five storeys on a subway station, if that's what the community wants, that's unreasonable; it should be challenged. But if the pre-zoning lands in a place where it's reasonable—and that's where there's that test about the LPAT—you test the reasonableness of that decision: Was that decision a political decision or was it a planning decision? How do you measure those? I think that's where you end up.



I agree with you that, fundamentally, if you land in a good place of pre-zoning, there needs to be some integrity in that decision for a period of time to see where it goes. That's where I think if you engage the local landowners early enough in the system, you should reasonably be able to land in a good place. I'm always an optimist in these things.

**Mr. Stephen Blais:** That's wonderful to hear.

**The Chair (Mr. Amarjot Sandhu):** Two minutes.

**Mr. Stephen Blais:** Mr. Chair, I think MPP Schreiner has a question.

**The Chair (Mr. Amarjot Sandhu):** MPP Schreiner.

**Mr. Mike Schreiner:** I'll go to Joe. You talked about retraining in the trades. There's been a lot of talk about this being a "she-session," but oftentimes when we start talking about investments and building in trades—I'm always thinking of how we get more women into the trades so we can address that.

I'm just wondering, through the retraining process, if you've had any thoughts around how we can attract more women into the trades.

**Mr. Joe Vaccaro:** I come from a family of residential framers—three sons and a daughter—and we've all had to learn how to swing a hammer at some point in our lives, because that's the reality of a family business.

I have really enjoyed watching members as their businesses grow and generations turn over looking for talent. They have no gender blinders on this at all. They're looking for people who want to work hard, pick up a trade.

Is there a need for programming and supports in those areas for more inclusion and diversity? Absolutely. But I will say that our membership is open to it, and we are seeing more and more members engaging and welcoming anyone who wants the opportunity. Let's give them the opportunity. Let's train them. We need the workers. We want to be in that space. That's where the membership finds itself.

1650

**The Chair (Mr. Amarjot Sandhu):** We'll go to the government side now. MPP Crawford.

**Mr. Stephen Crawford:** Just following up on MPP Schreiner's comments on women in the trades: He raises a good point. It's something I believe in personally, and our government does. As you may be aware, earlier in the year, the Ministry of Labour put out an advertising campaign targeting women, and we've actually had quite a few more women contacting us and having an interest in that. We're very pleased to see that, and we want to carry that forward. We have great partners in the private sector and unions, like LIUNA and whatnot. I'm glad we're all in agreement on that.

I have a question for each of you, if I have the time, but I'd like to start off with Joe from the Ontario Home Builders' Association. Given the financial situation of the province and, really, all governments—municipal, provincial and federal—Ontario was the most indebted sub-sovereign government in the world prior to us taking office. Obviously, the debt is climbing. We've got to make sure our decisions make sense.

I did want to follow up on your idea of the tax credit. You are correct that the previous program—and I believe it was the federal government in 2008-09 that brought that out, and it was successful; I'm not debating that. But given that the home construction industry has been less affected by COVID-19 than, say, hospitality, tourism, airlines—these industries have been absolutely devastated. Would it not make more sense to put a tax credit in those areas which have been hit harder than your industry right now—if you were government and had to make that decision?

**Mr. Joe Vaccaro:** I appreciate the question. We've been asked this question by a number of government members, and it's a reasonable question to ask. What I would say back is this: Remember, this is a tax credit for that consumer. This is an opportunity to make sure you're not losing taxes when it comes to cash operators. The ROI is not just about what that consumer is now willing to invest in; it's also the ROI in ensuring that the investment is staying within the system and supporting legitimate operators, taxes and the rest of it.

That's our position. We believe this is an idea that actually makes the government money. It's also why my second recommendation around surety bonds is an idea that doesn't cost the province anything, but provides great financial liquidity in the system that will help more construction projects—

**Mr. Stephen Crawford:** Yes. Could you expand on that second comment?

**Mr. Joe Vaccaro:** Yes. The second one is the idea of ensuring that the province requires the municipalities to accept surety bonds as a form of security for physical infrastructure. Right now, in general, municipalities are only taking letters of credit. That undermines the developers' financial position because it acts as cash out of their pockets, versus a bond that can still cover \$1 million worth of infrastructure. The financing of a bond is 25% of that, so it leaves all sorts of liquidity for the developer now to look at not just one project this year, but they can now finance three projects. That's a change that would require the province to make a legislative amendment that says to municipalities, "Now you will accept surety bonds"—but that also allows municipalities now to figure out what's the right surety bond format for them to require.

That's why I thought today, in my presentation to this committee, I would talk about one thing that costs government a little bit of money but that we think will make you money back—a tax credit—and one thing that will cost the province nothing but creates a great liquidity opportunity for investment and for development.

**Mr. Stephen Crawford:** That's interesting. That's something that I think is worth exploring.

**The Chair (Mr. Amarjot Sandhu):** Three minutes.

**Mr. Stephen Crawford:** I'd like to move on to Mike from the London and District Construction Association. You touched on buying local, and our government just brought out a program in the last week about buying local. I'm not sure if you saw it or not. We're in a multi-billion dollar economy here in Ontario. If we can swing 1% or 2% of the people who are buying products right now that are

outside of Canada to buying Ontario products, that can have a dramatic impact on our economy and our local residents, who will have jobs here.

Could you expand on that from your point of view and the industry—what you were looking at? Is that part of it? Or are there other things that we could do to do that, to encourage investment? Keeping in mind that we are supportive of free trade—we're not going to put tariffs on things coming into Canada, but we want to encourage residents to buy locally.

**Mr. Mike Carter:** Before I answer that, just a response to what Joe had just indicated: It's a difficult challenge that you face as to where you want to target your dramatically constrained dollars. What construction has for you is certainty of return and outcomes. I'm not quite too sure you could say that about all other sectors, but we are very COVID-19 competent. You don't risk fallbacks in construction anymore related to COVID-19.

To "buy local": In our last survey, all of our members responded, and I think 50% expected that one of the long-tail outcomes of COVID-19 is an increased propensity for cities and for contractors to source and buy locally, because what all of us have experienced in construction—and Steve is an expert on this because they source rebar internationally—is that international disruptions have been very significant and severe and are still ongoing. They are still causing shortages, in no small part, I assume because all other jurisdictions—

**The Chair (Mr. Amarjot Sandhu):** One minute.

**Mr. Mike Carter:** —are dealing with COVID-19 in many different ways. So we think a proper risk-adjusted approach to this is to encourage local production of the materials that we consume as construction.

**Mr. Stephen Crawford:** To Michael from the Real Property Association; You mentioned some red tape issues. Are there one or two points that you want to get in very quickly?

**Mr. Michael Brooks:** Yes. The red tape issues have to do with the need to encourage more transactions, applications and investment, like Joe was mentioning. We've been fighting "highest and best use" property tax for years; in fact, they're fighting it in most provinces in Canada. That's what is crowding out a lot of small business along main streets when there are potential condos—

**The Chair (Mr. Amarjot Sandhu):** Thank you so much. That concludes our time.

Thank you to all three presenters for your time and for your presentations.

REGIONAL MUNICIPALITY OF NIAGARA  
WALKER AGGREGATES INC.  
CITY OF VAUGHAN

**The Chair (Mr. Amarjot Sandhu):** Moving along to our next group of presenters; First. I would like to call upon the regional municipality of Niagara. Please state your name for the record, and you have seven minutes for your presentation.

**Mr. Jim Bradley:** Chair and members of the committee, my name is Jim Bradley. I'm the chair of the regional municipality of Niagara. I have with me Mr. Ron Tripp, the region's acting chief administrative officer; Mr. Todd Harrison, Niagara region treasurer and commissioner of corporate services—they will be providing some details about COVID-19's impact on Niagara—and Daryl Barnhart, executive officer to the chair. These are the individuals in the room.

I want to start by thanking the committee for providing the regional municipality of Niagara with the opportunity to provide testimony on the impacts of COVID-19 on our community.

We are speaking this evening on behalf of not only the Niagara regional government itself, but also our 12 local municipalities. Our testimony is in support of more than 430,000 residents and 13,000 businesses who contribute in excess of \$17 billion to the province of Ontario's gross domestic product. I want to ensure that this committee knows that Niagara is facing this crisis together, as one region.

Due to our dependence on the tourism sector, including access to an open American border, the province's Financial Accountability Office has found that Niagara is the second-hardest-hit area in Ontario outside of Windsor. To paraphrase—and I am sure she wouldn't mind—Minister Lisa MacLeod, the tourism, foodservice and hospitality sectors were hit the earliest and hardest and will take the longest to recover.

In a normal year, the livelihood of thousands of businesses and residents rely on the \$2 billion that tourism generates. As you know, the effects of the pandemic mean that many businesses are struggling and some are forced to close forever, even after the lifting of some restrictions.

As municipalities rely almost entirely on property taxes to provide the needed funds for our vital programs and services, any significant reduction in this revenue source may have a catastrophic effect on the residents and businesses of Niagara.

**1700**

Additionally, Niagara region is no exception when it comes to the incremental costs related to COVID-19. When we account for the unforeseen expenses in our long-term-care homes—the region directly operates eight long-term-care homes—in public health and emergency measures, and in serving our homeless population, in addition to the costs experienced by our 12 local area municipalities, they projected that we will spend in excess of \$84 million by the end of this year. While we appreciate the announcement of additional provincial funding for some of these services, these investments will be insufficient to close the budgetary gap.

We also anticipate that some of the COVID-19-related costs will outstand well into 2021 and beyond. We're taking many steps to mitigate these expenses, but it appears we'll be left with only two options available to balance our budget, recognizing that we are not allowed to run a deficit, nor do we seek to run a deficit. Those options are the following: (1) drastically reduce service levels; or (2)

radically increase property taxes, or a combination. As you know, it is during times like these that residents and businesses rely more heavily on public services that can least afford more taxes.

I'll now invite Niagara region's acting CAO, Ron Tripp, to provide an overview of our cost drivers and mitigation strategies.

**Mr. Ron Tripp:** Thank you to the committee for the opportunity to speak with you today.

All of Niagara's urban and rural municipalities have been adjusting to the repercussions of COVID-19 on their local economies and their municipal operation budgets.

Compared to other jurisdictions, Niagara has fared relatively well in managing the number of COVID-19 cases. This can be attributed, in part, to proactive investments and effective application of IPAC measures in our regional long-term-care homes. However, with one in three of Niagara's long-term-care beds operated by the region, this comes at a considerable financial cost to the municipality for ensuring the safety of our seniors. The region is currently anticipating a funding shortfall of \$7 million of—

**The Chair (Mr. Amarjot Sandhu):** Three minutes.

**Mr. Ron Tripp:** —incremental costs for the region's 957 long-term-care beds. Recent provincial funding has been very helpful, but falls well short of what is truly needed when providing care to residents in a pandemic.

As one of the economically hardest-hit regions of Ontario, we have made additional efforts to mitigate the impact of COVID-19 on our residents and businesses. Niagara regional municipalities have made the collective effort to defer tax due dates by 30 days for the third and fourth installments, waive tax penalties and interest charges as well as water and waste water penalties and interest charges, waive municipal parking fees and late fees for general business licences and dog licences for 2020.

To support our local area municipalities, the region has offered concessions to provide some level of cash flow relief for their anticipated delay in tax and water billing, including waiving interest and charges on water, waste water requisition payments and general and special-purpose levies. As residents continue to stay home, business will continue to struggle, which in turn impedes local employees from returning to work, particularly those in Niagara's tourism, hospitality, retail and personal care sectors.

Together with Niagara and the homelessness-serving sector, a collaborative plan was developed to establish a dedicated site for people experiencing homelessness to safely isolate while waiting for COVID-19 test results, or for those who tested positive for the virus. To date, this COVID-19 isolation shelter has benefited our Niagara homeless population by supporting over 120 client stays, for a total of 688 isolation days, resulting in 25 placements to transitional or permanent housing. To ensure projects such as these continue, long-term investment in homelessness programs is essential. Revenue shortfalls will have an ongoing, long-term impact post-COVID-19 on our financial challenges, as—

**The Chair (Mr. Amarjot Sandhu):** One minute.

**Mr. Ron Tripp:** —municipalities experience a decline in provincial offences tickets, transit fares, event and recreation programs. In order to ensure that our communities remain safe and a second wave of the COVID-19 pandemic is avoided, the region and area municipalities have provided increased protections through intensified cleaning operations and the cost of more cleaning supplies for both regional and municipal facilities, as well as long-term-care homes, child care centres, transit, EMS and operations, to name a few; greater bylaw enforcement to ensure physical distancing—this has recently been compounded during the summer months, as our beaches are being overwhelmed with visitors; deployment of staff in order to redirect labour to areas in most need for the screening and cleaning; physical space changes for staff; purchasing of PPE for our front-line staff in long-term care, EMS and bylaw officers—

**The Chair (Mr. Amarjot Sandhu):** Thank you. I apologize to cut you off. Your time has come up now.

We'll move to our next presenter, Walker Aggregates Inc. Please state your name for the record, and you have seven minutes for your presentation.

**Mr. Frank Kielbowich:** Thank you to the committee for allowing me to speak. My name is Frank Kielbowich. I'm from Walker Aggregates.

Like most other businesses, upon COVID-19 striking like it did, we saw a great reduction in business, resulting in Walker Aggregates having to shut down two of its operations and slow down two of its operations, which ended up resulting in a total temporary layoff of about 25 employees for a six-to-eight-week period. Since the province announced the reopening of the economy and the construction sector, we did see an uptake in business, which required us to call our employees back at the beginning of June—so it has only been a couple of months that they've been back.

Our business is mainly supplying projects for road reconstruction, the construction industry in general, hot-mix asphalt and ready-mix concrete. We've seen ready-mix concrete return to about 80% to 90% of its capacity, mostly supplying the farming industry, poultry, livestock-type industry. It looks like the farmers are trying to get larger capacities or quotas to support their needs. Hot-mix asphalt is about 75% of what it typically is in the Niagara region. We're seeing a good volume of public infrastructure jobs, facilities, underground, with some of the regional road reconstruction projects that have been issued over the past two months earlier this year, leading up to COVID-19, and then while we were in the midst of COVID-19—continuing those jobs.

Some of the concerns that we had were: Who determines what "essential" is? There was a little bit of struggle that went on in the early stages of the pandemic, because in the construction industry, the definition of "essential" was being left up to the municipalities or the region or the producers/supplier. As an example of that, was it really necessary to pave a convenience store parking lot versus rebuilding a road or sewer or water main? I'm not chastising what was done, but just stating the facts.

I also think that the messaging on working from home needs to be conveyed more carefully. If we continue through the pandemic and get into a second wave, perhaps it will become more relevant again. But we find we're struggling with trying to bring people back to work, both within the quarries and asphalt plants and into the office. There is still a great amount of angst out there, even though we are following all health and safety protocols as laid out by the province and going above and beyond.

We are seeing an increased cost to performing business, much like Mr. Tripp alluded to—health and safety costs, cleaning costs, increased human resource costs; by that, I mean when personnel have some effects of a cold or flu, which may exhibit the signs of COVID-19. We are paying these folks for staying at home for a 14-day quarantine period, so we are seeing an increased cost due to that.

**The Chair (Mr. Amarjot Sandhu):** Three minutes.

**Mr. Frank Kielbowich:** Thank you.

And we're seeing an issue with the CERB payment. Although at the onset of the pandemic it was good, it's paying a lot of money and a lot of people do not want to come back to work because they're making more money sitting at home.

We are seeing increased trucking rates, so the cost to get material to the job site is going up due to trucking, and that's because there is a lack of trucks on the road, so it's a demand price situation.

1710

We're uncertain of our future. We're worried about the future and what Q3 and Q4 look like. We know municipalities can't run a deficit, so how are they going to offset these costs that they've had to incur to deal with the COVID-19 situation? Will the government forgive these costs? Will there have to be some sort of payback structure which could be—in the means of tax hikes or spending cuts? Or will municipal projects just come to a halt and that's going to cripple our industry?

The private sector remains slow. There is a lack of consumer confidence out there. We're seeing it right now and we see it coming further, later in the year.

There is some evidence that private work may start to resurge, but as I said, this lack of confidence due to what's going to happen with the second wave of the virus is concerning to everybody.

We appreciate the federal and provincial infrastructure funding projects. We hope that there's more to come.

That's all I have. Thank you.

**The Chair (Mr. Amarjot Sandhu):** Thank you so much. Our next presenter is the city of Vaughan. Please state your name for the record, and you can get right into your presentation.

**Hon. Maurizio Bevilacqua:** I'm Maurizio Bevilacqua, mayor of the city of Vaughan. First of all, let me express to you, Mr. Chair, my gratitude for inviting me to attend what I think is a very important meeting today as we all collectively deal with COVID-19.

I'd also like to thank every single member of the committee for their hard work and dedication to the important task of overseeing the financial and economic well-being

of our province. I would also like to take this opportunity to commend Premier Ford as well as Minister Rod Phillips, Steve Clark and cabinet for their ongoing commitment to working with local leaders throughout this global pandemic.

Creating an environment where infrastructure and development projects can get up and running faster in order to create jobs and stimulate economic growth is indeed one of our priorities and is what is required. The city of Vaughan is wholeheartedly committed to being partners in this recovery because we are in fact in this together, and that includes doing our part for the province of Ontario and our country, Canada. This journey to recovery, this war against COVID-19 will only be won if we collectively pull in the same direction; and that is to provide the best possible services and opportunities for the citizens we represent.

Ours was the very first city in Ontario to declare a state of emergency. I personally understood, having read—and followed COVID-19 for six weeks prior to it becoming a global pandemic, I understood and my team understood the gravity of COVID-19, so we were well-prepared to deal with it.

Throughout the pandemic, we have ensured that quality services continued for the families, businesses and citizens we serve—later being focused on and committed to the critical task of city-building in part and parcel of this process. It was a comprehensive plan we created by analyzing data, forecasting, modelling and innovating every step of the way.

The city of Vaughan has developed a fulsome post-COVID-19 economic recovery plan focused on securing Vaughan's place as the region's largest employment centre, enhancing key strategic economic drivers like our Vaughan Metropolitan Centre and key industries like construction and housing, manufacturing, logistics, and of course, our commitment to health care. As you know, Mr. Chair, we are building a \$1.8-billion hospital, the first smart-technology hospital in the entire country. During this period, the building continued, which was very helpful for our local economy and our citizens.

I chair Vaughan's newly established Ready, Resilient and Resourceful committee. It's a committee that was struck in order to make sure that we would pool all the resources available in our community and beyond our community to make wise decisions about the future and how we deal with the recovery.

The city of Vaughan has developed various financial scenarios which were modelled—pandemic conditions persisting until September 30 or December 31, and we followed by a six-to-12-month recovery period. Based on the financial models, the city of Vaughan has developed a prudent estimate that the net financial impact across 2020-21 would be approximately \$45 million. Cost-mitigation strategies have been developed that collectively total around \$6 million to \$8 million in annual savings for 2020-21. These, of course, include temporary and permanent layoffs, staff redeployment, a hiring freeze or deferral for non-essential positions, and spending restrictions,

including a freeze on all discretionary and non-essential expenditures.

We have also implemented alternative service models to virtually deliver key services while driving reduced operating costs from facility closures. Additionally, Vaughan staff—

**The Chair (Mr. Amarjot Sandhu):** Three minutes.

**Hon. Maurizio Bevilacqua:** —have re-prioritized 2020 capital programs to defer non-critical projects to 2021. This preserves our vital cash flow to support operations for the remainder of this calendar year.

Absent any significant federal and/or provincial funding relief programs to municipalities, financial challenges facing cities will require a review of services offered, service levels provided and the potential cancellation or closure of programs and facilities. This includes everything from recreation and economic development services to a reduction in waste management and winter maintenance operations.

Other difficult realities we must consider are further re-prioritization and reduction of capital programs, including deferral of asset management, slowing down current growth plans, further reductions of staff complement and, of course, significant property tax and user fee increases.

Despite these financial challenges, I want to reiterate the importance of municipalities not being permitted to run deficits. Although the municipalities have limited authority, we can create the right environment for private sector growth and to strengthen the tax base. We have experienced a major shift in how business is being done here at home and around the world, and we remain committed to continuing the important task of city-building by supporting our small businesses because our strength lies within their success.

In March, we launched a Vaughan business action plan, which helped out our business community—as you probably already know, with more than 19,000 companies that employ more than 227,000 people. Vaughan has the talent, resources, networks and transportation connections to help businesses of all sizes grow. Since 2010, just to put it in perspective, more than 60,000 new jobs have been created, we have issued more than \$12 billion in building permits, and we continue to drive an economic growth rate of 4% every year.

**The Chair (Mr. Amarjot Sandhu):** One minute.

**Hon. Maurizio Bevilacqua:** I'll wrap it up, but I do want to say that there is some good news on the horizon. When you compare building permits issued from the first quarter of 2017, 2018 and 2019 to the first quarter of 2020, we have seen an increase of 70%. That's good news, but that has to be sustained.

I also support the Federation of Canadian Municipalities' call for a federal operating infusion of \$10 billion to \$15 billion over the next six months, because as the economic engines of this province and the country, cities need support at this critical time.

And if the question does arise, I have my opinion about how we should be dealing with a deal or an agreement or an accord with the federal government. I think that waiting for a pan-Canadian consensus—

**The Chair (Mr. Amarjot Sandhu):** Thank you. I apologize to cut you off. We have to move to the questions now.

First, we'll start with the independent members. MPP Blais.

**Mr. Stephen Blais:** Thank you for your presentations. Mayor Bevilacqua, if you wanted to finish your thought, by all means, go ahead.

**Hon. Maurizio Bevilacqua:** Yes. I hope that we have a conversation about this agreement with the federal government and the province and how we should deal with it. I think that perhaps the time has come because of the urgency of the matter. We're trying to get a pan-Canadian accord, which would include all the provinces and territories, but I think the province of Ontario at this point in time does not have the luxury to wait that long. We know that most of the recovery in Canada will be largely driven by the province of Ontario, and I cannot imagine an economic recovery in this country without the province of Ontario actually being an integral part of it. I believe that the proper way to address this issue is not to simply wait for every province to come on board, but rather request that a Canada-Ontario agreement be struck and ensure that the Prime Minister and his team in Ottawa clearly understand that coming out of COVID-19, we need to have the resources.

**1720**

Can we imagine a world where a post-COVID-19 economic recovery is achievable without cities and municipalities being healthy? It will never happen. A federal-provincial agreement is a must.

We've heard statistics from Niagara, and we've heard the impact on business. We've heard all these issues that everyone in your committee, I am sure, is aware of. But I think that in many ways, what is transpiring today is the following—it's not just a question now of the amount of money; it's a question of speed. How long is this agreement with the federal government going to take? The money and the funding is required now. People are feeling their cash flow being restricted. The impact on layoffs is there. The impact on capital projects is there.

How does one build a recovery? Well, you build a recovery by, first and foremost, providing opportunities for economic growth, and you provide opportunities for economic growth by investing in human resources as well as capital investments. You have to also try to liberate the market, and by that, I mean providing regulations that are pro-economic growth, because economic growth will give you an uptake on employment.

**The Chair (Mr. Amarjot Sandhu):** Three minutes.

**Hon. Maurizio Bevilacqua:** It will reduce, obviously, unemployment and have an impact on other issues.

I know, Mr. Chair, that—

**Mr. Stephen Blais:** Mayor, if I could just step in for a second and ask you a quick question.

**Hon. Maurizio Bevilacqua:** Sure.

**Mr. Stephen Blais:** I think everyone agrees that speed and urgency is needed. Given that there is no national agreement yet—and I agree that perhaps it's time for a Canada-Ontario agreement—do you think the province

would be wise to start flowing their portion of the cash as soon as possible, and if the feds come on board, the feds come on board/

**Hon. Maurizio Bevilacqua:** I think that we can't have a defeatist attitude. As a province and as municipalities, we need to continue to press the federal government on coming up with an aid package. Sitting here as the mayor of the city of Vaughan—and by the way, given COVID-19, we're still doing exceptionally well, given the circumstances. This is not a question of begging for a handout. The reason why I support the municipalities right across the country and in the province of Ontario is because we are meaningful partners in the recovery. If you're not partnering with the cities and towns across Canada and in the province of Ontario, who exactly are you partnering with?

**Mr. Stephen Blais:** The mayor of Toronto has said that he needs the money within the next couple of weeks, before he starts making cuts. What's the timeline in Vaughan?

**Hon. Maurizio Bevilacqua:** Well, cuts have already been made, and money is required yesterday.

I do believe that, fundamentally, we all have a responsibility. Even cities and municipalities right across the country—we all have to do our part. I don't think this notion that it's only the federal government or just the provincial government is the right approach.

**The Chair (Mr. Amarjot Sandhu):** One minute.

**Hon. Maurizio Bevilacqua:** The approach is: How do you do your part as a city? And you waive penalties on tax bills, you delay water fees and so on and so forth—the tools that we have, and we must utilize those.

**Mr. Stephen Blais:** How much of that have you already done? What's your percentage of offset or your dollar value of offset you've already done in Vaughan?

**Hon. Maurizio Bevilacqua:** Well, it would probably be in the millions. The shortfall is \$45 million. We don't have the numbers, say, like Toronto has; as you know, we're a lower-tier municipality. But it's in the millions. Overall, the number that I cited earlier was \$45 million in shortfall.

**Mr. Stephen Blais:** Is that shortfall going to affect your ability to put the tax portion of growth projects in the hopper for next year, on the construction side?

**Hon. Maurizio Bevilacqua:** Yes. This is the reason why, for example, we went from not giving a tax deferral, but rather not imposing—

**The Chair (Mr. Amarjot Sandhu):** Thank you. Sorry to cut you off.

We have to move to the government side now for their time of questioning. MPP Smith.

**Mr. Dave Smith:** My first question is for Maurizio.

We've had a number of municipalities come in, and they've talked about how some money has to flow fairly quickly down to municipalities to do different things.

I'll use the ICIP program as a perfect example. We nominated a significant number of projects across the province last year, at the beginning of July, and it has taken until now in order for the federal government to actually step forward on it. We've had projects—the green stream,

for example. It closed in January. We're ready to go with a lot of these things, but we're looking at, realistically, a year before the federal government is going to announce their part of it.

What can we do to try to expedite this process with the feds? How do we approach the federal government and how do we get them to recognize that 12 months is not acceptable? We have to do things much more quickly.

**Hon. Maurizio Bevilacqua:** Well, I'm going to make certain assumptions, and one assumption I will make is that, in conversations with the federal government, you do have to cater to their self-interest. Their self-interest is that the economy is undergoing some very difficult challenges—the unemployment rate is up; the deficit and debt are up; and economic growth, the GDP, is down—and they're going to be looking for ways to improve the economy. You improve the economy precisely by speeding up the process. We don't have the luxury as a country of delaying processes, if we want to achieve the recovery in a way that will benefit Canadians and Ontarians directly. That just doesn't happen.

There are many municipalities—I'm not saying all municipalities, but many municipalities—that have shovel-ready projects. Think about this, Dave, for one second. We're going through a major crisis in the country and globally, we have people who are ready to go, and the only challenge is that they're not getting the funding. Therefore, the projects get delayed precisely at a point in time when these projects should be sped up rather than slowed down. This is what happens.

I was chair of the finance committee for five years in Ottawa and Minister of State for Finance, and there's a traditional dance that goes on between the federal government and the provincial government. It's almost like a ritual. The reality is, we've got to keep this dance, the duration of this dance—we have to shorten it. We don't have years here. We're living through a crisis, and we're living through a global pandemic that has got the global economy on its knees.

**The Chair (Mr. Amarjot Sandhu):** Three minutes.

**Hon. Maurizio Bevilacqua:** We haven't got time to take it easy. We need to move very quickly. As a provincial government, the important thing to do is to impress upon the federal government, as I have done on numerous occasions, that the money has to flow. The Premier, a week or so ago, I think, said, "Write us a cheque and give us some flexibility." By the way, this is nothing new in the history of our country. We had established program financing. You probably remember that. We had the Canada Health and Social Transfer, where the trade-off was fewer dollars for greater flexibility. So it's not a new concept in federal-provincial relations.

**1730**

Right now, both funding and flexibility are required because we are really going through uncharted waters here. As a matter of fact, there are certain certainties that we know: The pandemic is real, it's taking lives, and it's bringing our economies to their knees. Those are certainties about COVID-19. How do you respond to that? Well,

you respond by increasing the flow of funding—obviously, invest it in areas that are going to have an economic multiplier effect in job creation, in standard of living, in quality of life.

**Mr. Dave Smith:** Mr. Chair, how much time is left?

**The Chair (Mr. Amarjot Sandhu):** A minute and 30 seconds.

**Mr. Dave Smith:** I'm going to pass it over to my colleague MPP Piccini.

**The Chair (Mr. Amarjot Sandhu):** MPP Piccini.

**Mr. David Piccini:** This is again back to Mayor Bevilacqua. On the ICIP program: You spoke about the dance. I would submit, as you echoed earlier, I don't think we have time to do any dancing. We've got to get infrastructure projects going. And CCR stream, public transit—we were oversubscribed on all of the streams.

So would you support the federal government just looking at projects that were already in the hopper, as we potentially invest additional dollars into infrastructure, to avoid a need for new programs, new intake streams?

**Hon. Maurizio Bevilacqua:** Yes. You need to streamline. In all the years of politics—it has been over 30 years: 22 years in Ottawa and 10 years as a mayor—I can tell you I've never seen such an outflow of new programs all at once.

The reality is, whenever we can streamline these programs, whenever we can use even old programs to channel the funding, we ought to do it, because it's efficient, it's more effective. Obviously, the caveat is that we have to adhere to a framework that works.

I think that you raise a good point.

**The Chair (Mr. Amarjot Sandhu):** We'll move to the opposition side now. MPP Stevens.

**Mrs. Jennifer (Jennie) Stevens:** Thank you for coming this afternoon.

I'm going to be directing my question to the Niagara region. I'll be splitting my time with MPP Gates from Niagara Falls, as well as with MPP Burch.

Stats Canada has shown around 35,000 job losses in the region. That is slightly worse than comparable-size areas in the province, like Hamilton and London etc. That's not surprising as our unique region is built around tourism, entertainment, arts and food.

Can you explain the kinds of measures you would like to see to support the Niagara region in this unique sector?

**Mr. Jim Bradley:** The question is a good question.

The funding is required immediately because of severe loss of revenue on the part of the region, as local municipalities, and also because of the fact that our costs have increased to meet the special measures that are required to deal with the COVID-19 crisis in our area. In addition to that, we have a responsibility for the Canada Games in 2021, where there are some considerable costs that have yet to be met there.

Mrs. Stevens is correct when she notes that because of the kind of industries we have here, particularly with a heavy reliance on tourism, we will require help on an immediate basis. That's why we have so many job losses, that's why businesses are in dire straits—because the

tourism industry has been hit particularly hard, as noted by Minister MacLeod when she has been down here on two different occasions.

Is there anything further that you wish to add, Mr. Harrison?

**Mr. Todd Harrison:** Not at this time.

**Mrs. Jennifer (Jennie) Stevens:** I'll pass it on to MPP Gates.

**The Chair (Mr. Amarjot Sandhu):** MPP Gates.

**Mr. Wayne Gates:** My questions will go to Niagara region, as well. From your presentation—and Jennie touched a little bit on it—the 35,000 job loss in Niagara, I think, is our number one issue, and how we bring people back. The other issue that I think is equally important for the region is our crisis in long-term care and the fact that the region actually has eight facilities they have to take care of and make sure they're safe, not only for the employees but also for the residents.

I'm going to ask you a question around Gilmore Lodge. It has been in the process of redevelopment in Fort Erie. As I understand it, the plan is to create a hub with long-term care, hospice care and potentially seniors' affordable housing. This would be a gateway into Fort Erie and a much-needed addition to the community for seniors in Niagara. It is my understanding that the region has been supportive of the project and is working hard to get the new Gilmore Lodge built. What role could the province play to assist in this project, to complete it and help the seniors of Niagara?

**The Chair (Mr. Amarjot Sandhu):** Three minutes.

**Mr. Jim Bradley:** There are two projects, and you've identified one. There's a similar one in the city of St. Catharines, which is Linhaven. Both of them are essential to be redeveloped. They are older buildings. There has been a proposal before the province for some time now to get provincial funding to move forward with these projects, which would significantly enhance the quality of care that can be provided to seniors.

In addition to that, as you know, I think everyone has agreed that there is a need for more employees—that is, a larger staff—at the homes such as Gilmore Lodge and such as Linhaven in St. Catharines and all of our eight facilities. I think there is a consensus that I hear out there—I hear the Premier speaking of it, I hear all members of the Legislature—that we're going to require further investments by the province in long-term care, both in terms of capital projects and operating costs as well. That's certainly something we are looking forward to with great anticipation and have made proposals for in the last two years.

**Mr. Wayne Gates:** I'm going to ask you another question dealing with that same issue. We know that the region is not only facing a deficit but will increase costs in a number of areas moving forward. How much do you anticipate an increase in costs for long-term-care staffing—and what role can the province play in assisting the region with this issue to make sure that the residents are safe?

**The Chair (Mr. Amarjot Sandhu):** One minute.

**Mr. Jim Bradley:** I will go to our treasurer, Todd Harrison.

**Mr. Todd Harrison:** Thank you for the question.

Right now, we are working really diligently to anticipate what the impact of additional COVID-19 expenses will be, and additional cleaning.

When we look at our projections for next year, based on the rules that are in place right now, we anticipate that there will be increases in measures for all long-term care. It's about just under \$1 million that we anticipate will be the impact next year. In combination with a number of other costs, we're looking at about a 1% increase in our budget just for those types of things for 2021. That doesn't really deal with the costs that have been incurred this year and the deficit that we have.

**Mr. Wayne Gates:** It is my understanding—

**The Chair (Mr. Amarjot Sandhu):** Sorry, we are out of time, Mr. Gates.

**Mr. Wayne Gates:** Sorry, Frank. I'll get to you next round.

**The Chair (Mr. Amarjot Sandhu):** We'll go to the government side now. MPP Piccini.

**Mr. David Piccini:** My question is to Mayor Bevilacqua, just to finish up on the ICIP.

Do you have any additional comments on the streams? From a rural perspective—I know you're a big city but understand, given your experience, the rural realities. I've got 12 municipalities. The number of community, culture and recreation applications I received—we've 10 times subscribed the envelope that's available. Do you have anything to add on the importance of streamlining existing programs?

1740

**Hon. Maurizio Bevilacqua:** Thank you so much for the question.

This is a great opportunity to also engage in some sort of principle-driven approach. Whether we're building a town, a city or a region, the ultimate litmus test is how governments and how the private sector and the public sector collaborate and co-operate to create the best possible quality of life and standard of living for the people.

These programs play an important role in the input. At the end of the day, priority should be given to programs where there's an obvious benefit that will provide a better standard of living and quality of life for citizens. How they manifest themselves is really based upon the local realities and what people's needs are. When I say "people's needs"—I always operate with this rule: Whenever I make a decision, the decision is based upon what is going to maximize the human resources potential of the city and/or town or region or country. Because when that happens, then you also have the economic benefits. In that sense, I do believe that the two are interrelated. I can't comment on the specifics, of course, of every town and region—I represent the city of Vaughan—but I do think that from a decision-making process, what is helpful is that qualitative and quantitative analysis.

The other issue to me that is really important—and I practise this as mayor of the city. I always tend to ask a question that deals with bringing the future to the present. In other words, what decisions can I make today that will

have an impact on the future of my city? When I talk about my city, I narrow it down, obviously, to those two specific, basic principles of improving the quality of life and the standard of living of citizens.

**Mr. David Piccini:** Thank you very much for that answer.

Now I'm going to ask you and our team from Niagara a slightly tougher question. I often find—albeit I've only been in office for two years, but one of the challenges is that municipalities will come to the province and say, "We need more money"—

**The Chair (Mr. Amarjot Sandhu):** Three minutes.

**Mr. David Piccini:**—but then the province has no say in how they're spending that money. I sometimes am boggled at some of the decisions made at a municipal level from time to time. We're all human—politicians at all levels—but at what point do municipalities have to take some responsibility for the actions that they've taken during COVID-19?

**Hon. Maurizio Bevilacqua:** Would you like me to answer that?

**Mr. Jim Bradley:** If you're looking for an answer—

**Mr. David Piccini:** To you and our team from Niagara.

**Mr. Jim Bradley:** Okay. We have taken certain responsibility already. We have taken measures designed to lower our costs. We have been able to effect some savings, and we felt we'd have to do that first. I also gave a commitment to the Minister of Municipal Affairs that the amounts that we would be asking for from the province would be accurate and not inflated, because I know as a provincial member, you would be concerned that municipalities will simply inflate their costs in terms of their needs and expect the province to bail them out.

We've taken some action. I'll get the CAO to mention very quickly some of the action we've already taken—\$18 million in mitigation at this point in time. He'll elaborate briefly on what specifically we have been able to do.

**Mr. Ron Tripp:** As the chair says, we mitigate where we can, as recently reported to council. So the answer to this question would likely be different from the region of Niagara, as opposed to a local municipality. We recently reported to our council that 85% of our total expenditure is non-discretionary; it's either mandated services or legislatively driven, and that actually equates to 90% of our staffing complement. So there is a very limited amount of our budget that is characterized as discretionary, but we are, as the chair had indicated, making efforts to cut back and make tough choices wherever we can.

It's a bit of a different story at the local level, where you have recreational programming and certain things that aren't necessarily mandated but are certainly services that your community desires. So—

**The Chair (Mr. Amarjot Sandhu):** One minute.

**Mr. Ron Tripp:** Thank you.

**The Chair (Mr. Amarjot Sandhu):** Further questions?

**Mr. David Piccini:** Over to my colleague Jim McDonell.

**The Chair (Mr. Amarjot Sandhu):** MPP McDonell.

**Mr. Jim McDonell:** I've got a question for the Niagara region.



It's good to see you, Mr. Bradley. It's good to see you out there again.

I'm just wondering, as we've gone through the COVID-19 pandemic—I understand you've done some work with McMaster University to support the homeless population during the outbreak. Do you have any feedback on that, or any points that they have from that study?

**Mr. Jim Bradley:** Ron Tripp will go over it.

**Mr. Ron Tripp:** Thank you, sir, for the question.

As indicated in the notes, previously we've had to actually restructure our—

**The Chair (Mr. Amarjot Sandhu):** Thank you. Sorry to cut you off. That concludes our time.

We'll move to the opposition side now. MPP Burch.

**Mr. Jeff Burch:** Thanks to all the presenters for coming today.

To Niagara region: We heard today the city of Toronto come out and say that they're going to have drastic cuts within weeks due to their operational deficit. We heard from Mayor Crombie from Mississauga earlier today, with a \$60-million deficit. What is your deficit and what is the timeline before you have to consider more serious cuts than you've already had to make?

**Mr. Todd Harrison:** Thank you very much for the question.

I can speak both as the Niagara region but also for our partners at our local area municipalities. The net deficit, like I think we indicated—the chair indicated that the total growth cost of the entire region, including the locals, is \$84 million. We've been able to mitigate that in a number of different ways, and our locals have mitigated—to go back to the earlier question. It's to a point where the net deficit is going to be \$15.5 million. That's what we're anticipating for the remainder of the year. However, that may change.

As Ron indicated, the local municipalities have been able to do some mitigation in staffing that we were not able to do. We did mitigate costs of approximately \$13 million, plus another \$5 million already in our own operating budget. We redeployed people from certain services to others.

If this continues, we would have to take more drastic measures as the year goes on. And for next year's budget, as I indicated, we're already looking at, with the deficit that we're providing at the region as well as the costs that are going to be incurred to deal with the pandemic as it goes into 2021—we're looking at a 1% for that, and probably a 2% increase.

Obviously, our local politicians and regional council are very concerned about raising taxes, so we would be subject, really, to cutting costs, services and programs to ensure that those costs have not been passed on to property owners.

**Mr. Jim Bradley:** MPP Burch, the kinds of responsibilities we have at the regional level are not ones which can be easily cut. We have public health, of course. We have social services. We have emergency services, ambulance services. We have police. We have long-term-care homes. The kinds of services we provide are essential

services, and as has been noted, 8% of the services we provide, according to KPMG, are those which are considered to be mandated services. That represents 30% of the budget.

**The Chair (Mr. Amarjot Sandhu):** Three minutes.

**Mr. Jim Bradley:** So it's very hard for us to chop our local businesses, and residents do not want significant tax increases because they're already facing economic problems. Our preference would be to provide the accurate amount of money to the province—as I've assured the minister, the accurate needs that we have—and have those met by the province. We would certainly be appreciative of the response. I know a number of members of committee have municipal experience and would understand the implications for municipalities which have only the property tax as their source of income.

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**Mr. Jeff Burch:** Yes, and when the money flows, which we all hope it does, in terms of an emergency operating grant—we've heard from a lot of municipalities that each municipality is very different. So it may be problematic if the provincial government tries to earmark that for certain areas. Would you agree that it would be better that that money flowed as a block grant so that municipalities facing different economic circumstances can address their problems locally?

**Mr. Jim Bradley:** Every municipality would like that, as every province would like that. However, if the provincial government were to stipulate where it wishes to see the money spent, we would be still delighted to have money flowing to us. I think they would recognize where the needs are. Everybody loves unconditional grants, but we recognize that the province may well say, "We don't want to just hand over a blank cheque. We want to be able to stipulate where we think the needs are." We would hope they would consult the local municipality to determine where those specific needs happen to be—and they would be different in different parts of the province.

**The Chair (Mr. Amarjot Sandhu):** One minute.

**Mr. Jeff Burch:** Could you comment on the Canada Summer Games and what concerns, if any, you have related to COVID-19?

**Mr. Todd Harrison:** Thank you for the question.

The Canada Summer Games are scheduled to go forward next year, in August. Obviously, the COVID-19 pandemic has impacted our ability for raising sponsorship and generating revenues in that area. It has changed a lot in the last few months. As well, a lot of the budget would be related to ticket sales. If we continue with nobody being allowed to come to the games and events, that would significantly impact them.

The host society has been very active in reducing their budget to meet the challenges. However, there is still an approximate bogey of about \$7 million that I would classify as high-risk, simply because of those two areas—reduced sponsorship opportunities and concern with tickets. The host society has been very responsible to repurpose their budget and they're working on it. However, it is going to be a difficult, challenging environment if this continues to persist.

**The Chair (Mr. Amarjot Sandhu):** I will move to the independent members now. MPP Blais.

**Mr. Stephen Blais:** I find it interesting that, as the Premier complains about the strings attached to the federal money as part of a municipal support package, the government is complaining about not having enough strings on money they transfer to municipalities.

Chair Bradley, and to your delegation from Niagara, thank you very much for being here this afternoon. I believe I heard you mention that you have already made something in the order of \$18 million in mitigation through various mechanisms. Was that correct?

**Mr. Todd Harrison:** Yes. We've had some direct cost savings of approximately just under \$5 million. And then we've undertaken strategic and other mitigations—things like deferring projects. I'm not talking about capital projects, but deferring operating projects, consulting work and various other things like that—a hiring freeze, except for essential areas. Obviously, we've had to hire—as Ron indicated, we've had to increase our budget on long-term-care homes to meet this pandemic. For the one third of the beds that are in the Niagara region—we've been very successful in mitigating those costs, and some other things.

But yes, we've done just a little bit over \$18 million.

**Mr. Stephen Blais:** So \$18 million in mitigation will still leave you with a deficit, I think you said, of \$15.5 million or thereabouts. It's fair to say, though, that the \$18 million that you mitigated are projects, initiatives or employees not hired that you would have otherwise hired. It's something that is important for your region to move forward with eventually.

**Mr. Jim Bradley:** That is correct.

**Mr. Stephen Blais:** I appreciate that you'll accept or you would like any transfer, no matter what, even if it has strings, and a block transfer without strings is better. Do you think that the region of Niagara or other municipalities should not receive the same level of transfer because they've gone ahead with mitigation? I guess what I'm getting at is, would you think that a per capita transfer would be the fairest way to go about it, so that municipalities that have already done some tough work aren't held back by the fact that they've done that hard work already?

**Mr. Jim Bradley:** Yes, and what we have done—as I indicated to you, and in speaking to the Minister of Municipal Affairs early on, I indicated that the figures we would give would be accurate figures, genuine needs, as opposed to inflating the needs. At a time when there may be an inclination or a temptation to do so, we specifically made a commitment to ask only for the additional funds that we would require: emergency funding, operating funding this year, perhaps, and going into next year—and certainly in terms of capital projects as we go forward. That is where we'd look both to the provincial and federal governments for capital project funding and a better formula that all municipalities would love, instead of one

third, one third, one third. The municipalities would love 20%—and the senior levels of government to have the rest.

**The Chair (Mr. Amarjot Sandhu):** Three minutes.

**Mr. Stephen Blais:** Well, 20% is generous, given that you have 10% of the revenue.

Have you looked at how your challenges this year are going to compound next year and beyond and what that economic impact will be?

**Mr. Jim Bradley:** Yes. Our CAO has been working on that—and I'll ask our treasurer to indicate.

**Mr. Todd Harrison:** Thank you for the question.

As I indicated previously, we have just started our initial budget, and we recognize that the deficit that we're incurring—as responsible municipalities, we'd have to transfer it to next year—would be just over 2% of a levy increase, and the actual costs we're going to incur that are COVID-19-related, that we know right now, would be an additional 1%.

If I could just clarify something for you, MPP Blais: The deficit that we're running at the region will be \$7.5 million. The combined deficit of all the Niagara region, in our 12 local area municipalities, is the \$15.5 million that I clarified.

**Mr. Stephen Blais:** Thank you. So you're looking at a 3% rate increase due to COVID-19. I presume you were doing an inflationary increase generally anyway?

**Mr. Jim Bradley:** Yes.

**Mr. Stephen Blais:** Yes. So you're looking at doubling the already pre-baked-in tax increase—

**Mr. Jim Bradley:** I should mention, Mr. Blais, that the business community in our area—

**The Chair (Mr. Amarjot Sandhu):** One minute.

**Mr. Jim Bradley:** —is very concerned that their taxes municipally will go up and is certainly looking for an opportunity for us not to have to increase those taxes, as well as the general population not wanting to see essential services slashed drastically. So we also have that pressure from the business community to keep the taxes low this year.

**Mr. Stephen Blais:** I think that experience is being shared by most municipalities, Chair Bradley. It's why I think everyone is concerned that the province hasn't flowed any money yet to municipalities like yours.

I don't have any other questions.

**The Chair (Mr. Amarjot Sandhu):** That concludes our business for today. Thank you to all the presenters for your presentations and for your time.

As a reminder, the deadline to send in a written submission will be 6 p.m. Eastern Daylight Time on July 22.

The committee is now adjourned until 9 a.m. tomorrow, when we'll meet to continue hearings on the municipalities, construction and building sector.

*The committee adjourned at 1759.*



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