

City of Mississauga
Corporate Report



<p>Date: December 15, 2022</p> <p>To: Chair and Members of General Committee</p>	<p>Originator's files:</p>
<p>From: Paul Mitcham, P.Eng, MBA, City Manager and Chief Administrative Officer</p>	<p>Meeting date: January 11, 2023</p>

Subject

2023 Provincial and Federal Pre-Budget Submission Recommendations

Recommendation

1. That the corporate report dated December 15, 2022 from City Manager and Chief Administrative Officer entitled "2023 Provincial and Federal Pre-Budget Submissions" be endorsed as the City of Mississauga's priority issues for the 2023 Federal and Provincial Pre-Budget Submissions.
2. That the completed Pre-Budget Submissions be brought to Council on February 1, 2023 for approval prior to submission.

Executive Summary

- Mississauga has provided an annual written submissions to the Provincial and Federal governments as part of their pre-budget submission process for many years.
- For 2023, it is recommended that Mississauga's Pre-Budget Submissions focus on the following themes: City Building, Housing Affordability, and the Local Economy.
- These recommendations will be developed into documents that will be submitted to the federal and provincial governments in early February 2023.
- The recommendations in the submissions will form the basis of the City's advocacy priorities for 2023.
- The final federal and provincial pre-budget submissions will be brought to Council on February 1, 2023 for approval.

Background

For many years, the City of Mississauga has submitted recommendations to both the federal and provincial governments as part of their pre-budget consultation process. These recommendations have become the priorities for the City's advocacy efforts for the year ahead. The following report seeks Council approval to proceed with the recommendations as outlined and to develop complete submissions. See Appendix 1 for the 2022 provincial pre-budget submission for reference. Staff will bring a report to Council on February 1, 2023 with the final documents for approval. Staff anticipate the deadline for the 2023 Provincial and Federal pre-budget submissions will be early February 2023.

Comments

Mississauga's 2023 Proposed Pre-Budget Recommendations:

This year, staff recommend the following three themes for the pre-budget submissions: City Building, Housing Affordability, and the Local Economy. These themes will be supported by 10 recommendations.

City Building

In the past year, there have been four pieces of legislation that have affected how cities plan for growth and develop communities. Bill 23, *More Homes Built Faster Act* in particular will result in significant financial losses for the City, totalling close to \$1 billion. The shortfalls will have to be offset either through significant property tax increases or cuts to capital programs and/or city services.

At the same time, growth related pressures continue to increase. Like all organizations, the city is dealing with rising inflation and the increased cost of providing services. The effects of COVID 19 are still present, especially in transit ridership, and the impact of the losses from decreased GTAA Payment in Lieu of Taxes (PILT) are still being felt. Support from other levels of government is still critical for the city to build and maintain existing infrastructure, and provide services to residents.

Recommendation 1 (provincial): Pause the implementation of Bill 23 and fully compensate Mississauga for any and all financial losses incurred as a result of the legislation including, but not limited to, losses related to development charges and cash in lieu of parkland.

Recommendation 2 (federal/provincial): Work with municipalities to develop new revenue and funding tools, as well as predictable funding streams, to ensure cities can fulfill their responsibilities and properly invest in infrastructure growth and renewal.

Recommendation 3 (provincial): Provide the additional Justices of the Peace required to address the growing backlog of Provincial Offences Act notices in our court system.

Recommendation 4 (federal/provincial): Provide the funding and support necessary to assist Mississauga in realizing its priority transit projects, including:

1. Restoring the downtown loop to the Hurontario LRT project;
2. Providing provincial support on Two-Way All-Day Service on the Milton Go Rail Corridor;
3. Advancing the Eglinton Crosstown West Extension Light Rail Transit to the Airport;
4. Proceeding with the Downtown Mississauga Terminal and Transitway Connection; and
5. Moving ahead with the Dundas Bus Rapid Transit Corridor.

Recommendation 5 (federal/provincial): Provide investments in projects that mitigate the impacts of climate change and increase the resiliency and adaptability of our communities.

1. Supporting the transition of the City's bus fleet/storage and maintenance facility to zero-emission technology; and
2. Providing funding for the City's proposed hydrogen fuel cell bus pilot.

HOUSING AFFORDABILITY

Since April 2022, four pieces of housing-related legislation have been passed by the provincial government – Bills 109, 3, 23, and 39. Each has directly impacted the ability of cities like Mississauga to bring more supply, and in particular, more affordable supply to the market. While the housing crisis is provincial and national in scope, much of the burden to address it has fallen to municipalities. The federal and provincial governments need to do more to provide funding for affordable housing, to increase housing supply, and to enable municipalities to build complete communities.

Recommendation 6 (federal/provincial): Partner with cities to fund and build affordable housing to close the supply gap and ensure everyone has a safe place to live, including:

Provincial

1. Remove the arbitrary 10% cap for Inclusionary Zoning that will result in 40% fewer affordable units built in Mississauga than originally planned
2. Lower the Inclusionary Zoning affordability threshold as the planned 80% of city average is too high for middle income households
3. Provide direct funding to municipalities from sources such as the Housing Accelerator Fund to offset municipal financial incentives provided for affordable housing

Federal

1. Allow more flexibility for Rapid Housing Initiative and similar programs
2. Increase flexibility for shared equity first time homebuyers program
3. Create financial disincentive for speculators e.g., ladder capital gain rate based on how long one owns an investment property

Federal and Provincial

1. Leverage the potential of Provincially and Federally-owned land by:
 - a. Requiring a minimum number of affordable units be provided when selling surplus land to developers;
 - b. Offering surplus land to non-profit housing providers for a below market price; and
 - c. Evaluating co-development of provincially- and federally-owned lands with affordable housing uses.
2. Update HST tax rebates to be more reflective of current market, particularly for rental units
3. Provide more funding for affordable housing producers

LOCAL ECONOMY

Inflation and the lingering effects of the pandemic are impacting some business sectors in our community. In particular, small businesses, tourism, and creative industries have experienced unprecedented losses and are still working towards profitability. Staff propose the following recommendations to support our local economy:

Recommendation 7 (federal/provincial): Continue targeted support for sectors hardest hit by the COVID-19 pandemic, including main street businesses, recreation, travel and tourism, creative sector and air travel. Support should be sector specific when appropriate and prioritize non-repayable financial assistance.

Recommendation 8 (federal/provincial): Invest in talent development and access, including:

1. Enhancing existing and introduce new funding programs to address labour shortages that are locally appropriate and developed in partnership with industry, education, regional and municipal representative; and
2. Improving and expand pathways for immigrants to address industry labour shortages.

Recommendation 9 (federal/provincial): Prioritize investments that support a fair and inclusive economic recovery, including:

1. Ensuring access to affordable childcare;
2. Keeping our workers safe by providing adequate sick pay;
3. Enhancing existing and introduce new funding programs to identify and address barriers to full participation of women, racialized and indigenous people and those with disabilities in entrepreneurship and labour markets; and
4. Taking proactive measures to ensure government support programs and procurement processes are open and accessible to under-represented groups, including women, racialized and indigenous people and those with disabilities, as well as small and medium enterprises.

Recommendation 10 (federal/provincial): Develop and fund education and skills retraining programs to ensure an adequate supply of labour in the trades and construction industry to meet the demands as a result of the province's housing target of 1.5M homes in 10 years (120,000 in Mississauga).

Strategic Plan

The recommendations in this report support all five pillars of the City's Strategic Plan – Move, Belong, Connect, Green, and Prosper.

Financial Impact

There is no financial impact associated with the production of these submissions.

Conclusion

Through the federal and provincial pre-budget process, the City of Mississauga has an opportunity to showcase the City's top priorities for 2023. All of the recommendations outlined in this report are of importance to the City and would have a positive impact on funding vital infrastructure, supporting a climate change, creating local jobs and stimulating the economy.

Attachments

Appendix 1: 2022 Provincial Pre-Budget Submission



Paul Mitcham, P.Eng, MBA, City Manager and Chief Administrative Officer

Prepared by: *Robert Trewartha, Director of Strategic Communications and Initiatives*