

2021 **Region of Peel**

Provincial Pre-Budget Submission



Introduction

As one of the hardest hit municipalities impacted by the COVID-19 pandemic, the Region of Peel appreciates the opportunity to participate in the 2021 Provincial Pre-budget Consultation Process. The Region's submission highlights specific areas where the Province can provide immediate support to help with the continued response to COVID-19.

Like many other municipalities across Ontario, the Region is increasingly doing more with less. Without sustainable funding tools, the Region does not have the financial resources to maintain and build the necessary infrastructure and provide the appropriate level of services to support Peel's growth. The Region's submission also highlights how the Province can work to strengthen municipalities so that they can be effective partners as Ontario moves to reopen its economy.

To that end, the Region makes specific recommendations on the following priorities:

- Funding & Support for COVID-19 Response
- Infrastructure
- Housing & Homelessness
- Enhanced Supports for Seniors
- Mental Health & Addiction Services
- Early Years & Child Care
- Waste Management
- Climate Change
- Transportation



Funding and support for COVID-19 response

Driven by population and demographic factors, Peel has been one of the regions hardest hit by COVID-19 in Ontario, causing a significant strain on health care resources and the community at large.

As part of the ongoing response to COVID-19, the Region continues experiencing increased costs for critical frontline services, such as Housing, Early Years and Child Care, Paramedic Services, Long Term Care, Public Health and Homelessness Support. The table below highlights the increased costs associated with responding to COVID-19.

Programs	Increased Costs (millions)
Housing Support	\$25.3
Early Years and Child Care	\$22.7
Long Term Care	\$11.2
Infectious Disease Prevention	\$7.2
Paramedic Services	\$6.4
Enterprise Programs and Services	\$2.5
Waste Management	\$1.9
Roads and Transportation	\$0.3
Water and Wastewater	\$0.8
Total	\$78.3

*Year-end forecast as of August 31, 2020, as presented to Council on December 3, 2020

As the Region moves forward in delivering essential services to Peel's residents and businesses, an all-level government approach is needed. While 2020 COVID-related costs and pressures are alleviated by the existing federal/provincial Safe Restart funding (along with other one-time COVID-related funding initiatives provided by both governments), the amount of support ultimately required by the Region will depend on the severity and duration of the pandemic. This includes support for frontline health and essential workers and appropriate vaccine allocation in Peel. In recent years, actual growth has not kept pace with previous provincial forecasts. Peel's Employment-related DC revenues (which are based on provincial growth forecasts) are falling below planned revenues. Between 2002 and 2017, actual DC revenues were only 37.1 per cent of planned DC revenues, translating into a DC revenue shortfall of approximately \$838 million. This has elevated Peel's risk of stranded DC debt.

Income support and additional measures to support essential workers

Many residents living and working in Peel, including low-income workers, essential workers, contract and agency workers and many health-care workers, are precariously employed. Additionally, some are employed in the sectors with some of the highest reported rates of COVID-19.

Due to a lack of adequate paid sick days, workers are more likely to come into work sick to avoid income-loss, job-loss, and financial hardship. Providing income support for workers can help facilitate compliance with COVID-19 control measures (e.g., testing and self-isolation). In addition to income supports, access to affordable child care, appropriate health and safety measures (e.g., Personal Protective Equipment (PPE) and access to rapid testing) is required to facilitate workers' return to work.

Further COVID-19 supports are needed, including:

- A provincial test isolation payment benefit for essential workers
- Enhancement of the provincial Pandemic Pay program
- On-site rapid testing of COVID-19 for employees in higher-risk workplaces.
- Free childcare services during the pandemic for essential workers.
- Ensuring that PPE is provided and appropriately used at workplaces
- Subsidies for transportation to help eliminate carpooling.

Long-term municipal fiscal sustainability

Existing revenue tools available to municipalities - property tax, development charges, federal/provincial funding and user fees - have remained relatively unchanged and provide limited flexibility to address the evolving needs of the municipal sector.

Technology has enabled a more mobile, globalized labour force, which has led to employees being able to work remotely. Transformative change in the way land is being consumed and used was already occurring prior to the pandemic. These trends are creating a shift in the tax burden, away from non-residential and towards residential property taxes.

The onset of the COVID-19 pandemic in 2020, may be accelerating the rate at which some changes occur. The pandemic has forced many more companies to have many of their employees work remotely. This could result in further declines in demand for traditional office space, which could lead to a further decline in non-residential taxes.

The Region of Peel recommends that the Ontario government:

- Provide additional funding to offset the substantial incremental costs and loss of revenue associated with the COVID-19 pandemic (Long Term Care, Public Health, child care, etc.)
- Implement and fund the necessary policies and programs to provide adequate paid sick day benefits and additional supports for precariously employed workers
- Undertake a review of provincial-municipal responsibilities, examining cost-sharing and accountability relationships to determine the best ways to fund and deliver programs and services
- Engage in discussions on the need for updated municipal revenue sources and collection tools to address the changing needs of local communities

Infrastructure

While COVID-19's true economic cost is not yet known, the Region faces a capital infrastructure funding gap, lower investment returns, and significantly lower development charge revenue projections (early estimates indicate it could be in the range of \$600 million and \$700 million over the next four years (2020-2024).

As more attention begins to turn to the long term, municipalities will play a central role in recovery efforts. This recovery will include expeditiously moving forward with critical municipal infrastructure projects, including:

- wastewater plant rehabilitation, energy resiliency projects (including energy efficiency, recovery, and generation)
- inflow and infiltration projects, and
- road construction (widening, extension active transportation and green infrastructure) projects.

These projects help the Province achieve key priorities, such as job growth and building an integrated transportation network that will be essential for Ontario's economic recovery efforts.

Allocation vs. application-based funding

To better meet the infrastructure needs of the municipal sector, a more predictable allocation-based approach to funding is strongly favoured. Municipalities need timeframes that correspond to a realistic infrastructure planning and implementation cycle (i.e. 10 years). Funding under this model can be invested in priority projects consistent with each municipality's asset management plan.

The Region is pleased that the program design for the new COVID-19 Infrastructure Resiliency Stream is based on an allocation funding model. Moving forward, the Region urges the Province to continue work with its federal counterparts to improve funding program design to better meet the needs of the municipal sector.

Climate change lens

Extreme weather events are on the rise. The consequences stress the importance of sustained level of investments from all levels of government to adapt to and mitigate the impacts of climate change.

As the Province considers how it moves forward with its infrastructure stimulus program, the Region urges that considerations be made to ensure a climate change lens, consistent with the federal climate change objectives, is applied. This will help expedite the flow of federal funds to much-needed municipal infrastructure projects.

The Region of Peel recommends that the Ontario government:

- Work with the federal government to increase infrastructure funding to stimulate Peel's economic recovery
- Utilize allocation-based funding models to provide predictability and to distribute funds expeditiously

Housing and homelessness

The COVID-19 pandemic has highlighted the complexity and visibility of homelessness and housing precariousness in Peel. The Region continues to address this issue with compassion by allowing anyone in need to access Peel Region shelters and by offering programs and services to support some of Peel's most vulnerable residents.

The Safe Restart Agreement demonstrates how an all level-of government approach can effectively and efficiently address our shared priorities, including affordable housing and homelessness. Similarly, the Region also appreciates the \$21.4 million through Social Services Relief Fund (SSRF). Without this funding, the Region would not have been able to care for and protect the homeless and our community's most vulnerable throughout the pandemic.

The provincial government's enhanced investment in housing and homelessness supports has been essential to efforts to contain the spread of the virus in Peel and there is an urgent need to continue this funding for the duration of the pandemic response.

The Region will need ongoing and long-term funding from all levels of government to address homelessness and meet affordable housing needs in Peel. Peel Region has committed \$1 billion through its Housing Master Plan to support the development of an initial 2,240 housing units by 2028.

However, the Region has only two-thirds of what is needed to fully fund this commitment, which includes \$335.3 million committed by the Region, \$276.4 million through CMHC and \$61.1 million committed through federal and provincial housing programs. The Region is seeking \$327.2 million in capital funding from the Province to help build these units. This investment will yield a significant return, as every \$1 spent on affordable housing could result in:

- Reduced social assistance costs by \$0.95
- Reduced healthcare costs by \$0.50
- Increased Gross Domestic Product by \$2.40
- Increased federal and provincial tax revenues by \$0.60

The Region of Peel recommends that the Ontario government:

- Extend SSRF funding to mitigate and manage the negative impacts of the COVID-19 crisis on the housing sector in Peel
- Provide Service Managers the operational and capital funding, along with flexibility for addressing the affordable housing crisis by:
 - Committing more funding for programs to improve housing affordability and economic outcomes beyond enhancements made as part of the COVID-19 response
 - Contributing at least \$327.2 million in capital funding to build 2,240 affordable rental and supportive units and emergency shelter beds in Peel by 2028

Enhanced supports for seniors

The rapid growth of the aging population creates increasing pressures, such as underfunding, understaffing and service demands across the seniors' services sector at all levels of government. The COVID-19 pandemic as exacerbated these pressures, particularly on people living in long term care (LTC). Protecting our most vulnerable seniors and addressing system gaps related to enhancing supports for seniors with complex care needs is a top priority.

The Region commends the Province for investments across the long term care sector to address pandemic response and recent commitments to increase hours of care and improve quality.

While these initiatives are welcomed, sustainable investments are needed to enable quality, emotional care and support our most vulnerable seniors into the future, including:

- Provincial funding for person-centered/emotion-based care and specialized dementia supports (training, increased staffing and appropriate resourcing)
- Investments in structural and physical design of LTC homes to meet the changing needs of residents to enable isolation and containment or provide specialized dementia care
- Funding to meet community needs and client complexity to enable seniors in the community to age in place by bringing care closer to home

As the Province moves forward with its plans to improve and strengthen Ontario's long term sector, including these key measures will help ensure meaningful and transformative reforms leading to enhanced care and services for Ontario's most vulnerable seniors.

The Region of Peel recommends that the Ontario government:

- Ensure that base funding better matches staffing resources to resident with complex care needs
- Fund dedicated staff training in support of emotionally-focused and person-centred care
- Enhance support programs, such as Behaviour Supports Ontario and Nurse Practitioners, to complement long term care staffing levels
- Ensure that the physical design of long term care homes supports all residents through enhanced investments
- Provide funding for modernized and comprehensive build projects, such as the Seniors Health and Wellness Village at Peel Manor
- Address historical funding inequities for home and community care services in high-growth communities

Mental health and addiction services

The mental health and addictions system in Peel continues to be challenged with growing waitlists and unmet community need. Each year, an estimated 184,000 Peel residents (including just over 60,000 children and youth) find themselves without the necessary treatment or appropriate community supports. Peel faces amongst the longest wait times for child and youth mental health services, with an average wait time of 737 days (higher than both Hamilton and Toronto) and 566 days for counselling and therapy.

COVID-19 has illustrated the impact of chronic underinvestment in system capacity. Services were already overstretched before the pandemic, and providers continue to be challenged to provide access to services with growing community need.

Without a population needs-based funding model that responds to local needs across the continuum, Peel residents will continue to experience growing wait lists, especially among youth and young adults (aged 18 to 25 years), who are greatly underserved and require continuity of care as they transition into adulthood.

Per capita funding allocated to Peel's adult mental health and addictions services have consistently ranked well below the provincial average. In 2019-2020, Peel received lower per capita funding for Peel's adult (aged 15 to 64 years) mental health and addictions services being the lowest-funded for several years, creating a serious inequity where high growth and COVID-19 have laid bare the challenges in maintaining appropriate service levels.

Sustainable and transparent operating funding is needed to meet the increasing demand for mental health and addiction services. Immediate opportunities for investment in Peel include:

- Cognitive behavioural therapy for children and youth (ages up to 24 years old)
- Rapid access addiction medicine (RAAM) clinics
- 24/7 crisis walk-in services
- Stepped care programs
- Supportive housing
- Culturally inclusive peer programs and services
- Public health approaches aimed at harm reduction and upstream intervention

The Region of Peel recommends that the Ontario government:

- Address historical inequities in provincial funding for mental health and addictions services in Peel and implement an equitable funding model to ensure that funding matches community needs and reflects demographic changes
- Invest in the integration of mental health and addictions system planning and service delivery to coordinate across ministries on the basic social needs to support mental health promotion and recovery

Early years and child care

As Ontario's economy attempts to recover from the pandemic, a safe and viable child care system will be a critical component of the Province's recovery efforts. Although viability funding provided to date has been helpful, this funding will only support the sector until March 31, 2021 and the challenges will continue throughout 2021 and beyond. Child care providers in Peel are concerned about the ongoing financial impact of the pandemic on revenues in addition to all the other challenges they have faced (increased operating costs, staffing challenges).

In addition, for families with children under six, the programs offered through EarlyON centres in Peel have proven to be a valuable resource, especially throughout the COVID-19 pandemic, when parent challenges and social isolation are on the rise.

The provincial funding cuts and changes (e.g., mandatory cost-share for administrative funding) in 2021, have resulted in approximately \$5 million in additional costs borne by the Region of Peel. This financial burden combined with the many demands and the uncertain nature of the pandemic will exacerbate the significant pressures on the child care system.

To mitigate impacts on this critical system, the Province should re-consider the additional cuts to child care that are planned for 2022, including the reduction of the administrative funding from 10% of total allocation to 5%. These cuts, especially at a time when Service System Manager resources are already stretched, will likely result in service reductions for families in Peel, when these services are required to support the recovery of the economy.

The Region of Peel recommends that the Ontario government:

- Continue to provide funding to support the viability of the sector throughout 2021 and into 2022 for Peel child care providers impacted by COVID-19
- Phase-in or delay proposed child care administrative funding reductions for Peel to avoid reductions in services
- Provide additional funding, or at minimum a cost-of-living increase, so service levels for families are maintained and they and the providers are supported.
- Continue to provide Service System Managers with flexibility and fewer funding envelopes to reduce administrative burden

Waste management

Each year, Peel residents generate approximately 500,000 tonnes of waste. As Peel continues to grow, the amount and type of waste generated is expected to increase. To manage all this waste and protect our environment, Peel must continue the shift from disposal to greater resource recovery. This means ensuring that recyclable and compostable materials are diverted from landfill and used to produce other materials.

The transition of the Blue Box program to producers remains a high priority for Peel as it would provide a significant financial benefit to the Region. For the remaining waste diversion programs, the Region welcomes the continued transition to full producer responsibility and commits to work with the Province through this ongoing process.

Peel is committed to reaching its 75 per cent waste diversion target by 2034. Realizing this target will require both community participation and development of new processing technologies, such as Anaerobic Digestion and Mixed Waste Processing, to ensure recyclable and compostable materials are diverted from landfills. Investment in waste processing facilities is essential in order to increase resource recovery.

The Region also supports the Province's commitment to work with the federal government to reduce plastic and litter from our environment. Single-use plastics are also a concern for Peel residents as a source of litter in our environment and are increasingly difficult to recycle in Peel's material recovery facility.

The Region of Peel recommends that the Ontario government:

- Ensure waste diversion programs transition to full producer responsibility occurs in a fair, efficient, and timely manner
- Invest in waste infrastructure, such as Anaerobic Digestion and Mixed Waste Processing, to increase resource recovery and strengthen end-markets for recovered resources
- Work with the federal government and other stakeholders to develop a harmonized, Ontario-wide single-use plastics strategy

Climate change

The Region looks forward to continued collaboration as focus shifts toward post-pandemic priorities aimed at ensuring a robust and equitable green recovery. Continued investments and collaboration with Peel will support the Region's ongoing transition toward a low carbon and resilient future.

The Region recently declared a climate emergency and unanimously approved a Climate Change Master Plan. The plan aims to reduce corporate GHG emissions 45 per cent below 2010 levels by 2030 and better prepare services, operations and infrastructure to increased extreme weather impacts through proactive planning, investment and adaptive management.

Climate change poses a potential risk to the long-term financial sustainability of the Region, particularly as related to infrastructure. As climate events become more extreme and occur more frequently, damage and disruption to the Region's infrastructure and services will likely increase, driving up costs to maintain a state of good repair and affect the delivery of services.

Working with Conservation Authorities

Conservation Authorities further the conservation, restoration, development and management of natural resources in our watersheds. Peel relies on this watershed expertise to protect residents, property and local natural resources on a watershed basis by regulating development and engaging in reviews of applications submitted under the Planning Act.

In recognition of the Province going forward with policy changes and establishing the Conservation Authority Working Group to inform new regulations, the Region continues seeking strong support for Conservation Authorities' mandate and services, including as partners in the collective response to climate change.

The Region of Peel recommends that the Ontario government:

- Ensure the Provincial Environment Plan supports meeting regional and provincial greenhouse gas reduction targets and that funding programs are available to accelerate transformation to a low carbon and resilient community
- Provide Conservation Authorities with the policy tools and financial resources they need to effectively implement their watershed management role

Transportation

Peel's population and employment is expected to grow to a total of approximately two million residents and 970,000 jobs by 2041. To accommodate the travel demand that will accompany this growth, the Region is targeting a 50 per cent sustainable mode share inclusive of walking, cycling, carpooling, and transit.

Through the forecasted growth and prior to the COVID-19 pandemic, travel trends indicate that Peel is expected to see more than 300,000 new trips during the morning peak by 2041. This growth will have significant pressures on the transportation network. Gridlock and lost productivity threaten to stall momentum on economic growth without ongoing investments by the provincial government in more sustainable and integrated transportation.

Peel recognizes the expected growth to the region cannot be met simply by adding more road lanes. In addition, the pandemic has magnified the importance of front-line and essential service workers to Canada's economy. These workers need safe and efficient transportation infrastructure to get to their workplaces.

Continued commitment and partnership are needed from all levels of government in order to establish an integrated transportation system that that will shift travel towards more sustainable modes such as biking, walking and transit to reduce congestion and GHGs.

The Region of Peel recommends that the Ontario government:

- Provide support for key strategic transit projects across Peel, including:
 - Expedite implementation of Commuter GO Rail service to Bolton
 - Continue with the implementation of two-way, all-day, 15-Minute GO Regional Express Rail on the Kitchener Line from Bramalea GO Station to Union Station and further to Mount Pleasant GO Station
 - Expedite two-way, all-day, 15-Minute GO Regional Express Rail for Milton Line
 - Continue to prioritize and expedite implementation of the Eglinton Crosstown West LRT Extension to Renforth Station and beyond to Toronto Pearson Airport
 - Complete the necessary studies for the Queen Street BRT and move forward with implementation

Conclusion

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



Summary of recommendations

Funding and support for COVID-19 response

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- Engage in discussions on the need for updated municipal revenue sources and collection tools to address the changing needs of local communities

Infrastructure

- Work with the federal government to increase infrastructure funding to stimulate Peel's economic recovery
- Utilize allocation-based funding models to provide predictability and to distribute funds expeditiously

Housing and homelessness

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Climate change

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Transportation

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