

# Information Report

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Service Area	Office of the Chief Administrative Officer
Date	Friday, January 17, 2020
Subject	<b>City of Guelph Provincial Pre-Budget Consultation Submission</b>
Report Number	CAO-2020-01

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## Executive Summary

### Purpose of Report

The purpose of this report is to provide information on Staff's proposed submission to Ontario's pre-budget consultation process. The City's submission to the Ontario Legislature's Standing Committee on Finance and Economic Affairs is due January 24<sup>th</sup>. The submission to the Ministry of Finance is due February 8<sup>th</sup>. This report will inform both submissions.

### Key Findings

Staff recommend that the City focus its submission to the provincial legislature and the Ministry of Finance on 5 key themes:

- Protecting the City of Guelph's Fiscal Sustainability;
- Addressing the City's Infrastructure Gap with a focus on Environmental Sustainability;
- Connecting our Community by Advancing Green Transportation in Guelph;
- Advancing Affordable Housing; and
- Spurring Economic Development in Guelph.

### Financial Implications

This report does not have any immediate financial implications for the City.

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## Report

### Details

Staff recommend that the City focus its submission on 5 key themes. These themes and specific suggested asks are listed below.

### Protect the City of Guelph's Fiscal Sustainability

Financial sustainability is critical for the City of Guelph as a quickly growing community. The City needs long-term predictable funding and stability, especially given changes to development charges and ongoing work towards a new community benefits charge framework, the review of the provincial gas tax, and the

review of the property assessment taxation regime. Growth should also pay for growth. When making funding decisions, the province must remember that there is only one tax payer. Negative cumulative impacts on the property tax base resulting from provincial funding decisions should be assessed and avoided. It is important that cities like Guelph continue to have reliable access to sufficient provincial dollars for infrastructure, public transit and cost-shared programs like public health, emergency medical services, long-term care and childcare.

### **Specific Asks:**

- ✓ **Audit and Accountability Fund:** Continue to empower cities to find efficiencies locally through programs like the Audit and Accountability Fund. This provincial program should be enhanced to allow funds to be used for implementation in a way similar to the Municipal Modernization Program. An enhanced Audit and Accountability Fund should also prioritize the implementation of cost-savings solutions identified during the first intake of the program.
- ✓ **Implementation of new Development Charge Rules and the Community Benefits Charge Framework:** The January 1<sup>st</sup>, 2020 implementation date for new development charge rules has created challenges for municipal governments in need of more transition time. Implementation should be delayed. The province should also move forward on releasing proposed regulations for the community benefits charge framework for municipal input as soon as possible and delay the effective date to January 1, 2022 to ensure sufficient time for transition.
- ✓ **Aligning Fiscal Years:** The City of Guelph has concerns about the administrative impact of the proposal to align the provincial and municipal fiscal years. Extensive consultation will be necessary to demonstrate the value that would be created by this alignment compared to the cost of such an implementation.

### **Address the City's Infrastructure Gap with a focus on Environmental Sustainability**

The City of Guelph faces a significant infrastructure backlog valued at approximately \$491 million (as of 2016). In 2020, this unfunded infrastructure gap is expected to grow by \$40.4 million. This means that Guelph's capital build and maintenance needs for key services like roads, parking and storm water, waste water, and water management are outpacing residents' and the City's ability to pay. Support from the provincial and federal governments is critical to address the gap and ensure Guelph's residents have access to the infrastructure investments they expect to see in the community. Any investment in infrastructure must consider the impacts of climate change on the City, advance local resiliency and further mitigation efforts.

### **Specific Asks:**

- ✓ **Funding for a new Central Library on Baker Street:** The Province should approve the City of Guelph's funding application under the Investing in Canada Infrastructure Program (ICIP): Community, Culture, and Recreation Stream to build a 21<sup>st</sup> century accessible Central Library on Baker Street in downtown Guelph. Funding for cultural and recreational infrastructure should also be enhanced to advance local projects that are responsive to community needs like the City's proposed South End Recreation Centre.
- ✓ **Investing in Canada Infrastructure Program Green Stream Intake for Large Municipalities:** The City of Guelph has numerous green infrastructure projects that would benefit from access to provincial and federal funding. Unfortunately, Green Stream funding under the ICIP program has not been open to municipal governments in Ontario with populations over 100,000 to date. Ontario should open another intake process for green infrastructure funding that is open to large urban municipalities.
- ✓ **Funding for Brownfields Remediation:** One of the challenges to growth in Guelph is a lack of funding for brownfields remediation. Numerous properties connected to existing municipal infrastructure cannot be restored and repurposed to suitable uses unless funds are made available for extensive environmental remediation work. A key example is the former IMICO site at 200 Beverly Street. If made available, provincial infrastructure funds could be used to remediate the site. 200 Beverly Street could then be repurposed to expand Guelph's affordable housing supply.

### **Connect Our Community by Advancing Green Transportation in Guelph**

For the City of Guelph to continue to grow, Guelph's businesses and residents need access to reliable forms of transportation. To advance transportation in Guelph and further unlock the City's economic potential, the provincial government should invest in key transportation infrastructure.

- ✓ **Move forward on Two-Way-All-Day GO Service along the Innovation Corridor by 2025:** Guelph is uniquely placed at the heart of the Innovation Corridor between Waterloo Region and the City of Toronto. The City of Guelph applauds the provincial government's commitment to GO Train expansion in the area. We urge Ontario to work with municipal partners to move forward on the infrastructure investments and funding necessary to connect the corridor by 2025 as per the Business Case that has been approved by Metrolinx. Two-Way-All-Day GO Service must move forward in a timely way that advances economic development and makes sense for local residents.
- ✓ **Advance Interregional Transportation:** The province should champion action on interregional transportation between Guelph and Waterloo Region. This includes support for local public transit-based transportation as well as necessary provincial investments to maintain Highway 7.

- ✓ **Funding for Complete Streets and Active Transportation:** Like other local communities, Guelph would benefit from access to dedicated provincial funding for active transportation. Complete streets and a strong cycling network are critical green transportation infrastructure necessary for the City to remain connected as it continues to grow.

### **Advance Affordable Housing**

The City of Guelph faces a vacancy rate of 1.4%, lower than the provincial average of 1.8% and the national average of 2.4%. While this is indicative of the strong economic opportunities and high quality of life enjoyed by Guelph's residents, the vacancy rate and a lack of housing supply along the housing continuum is creating significant challenges when it comes to availability and affordability.

- ✓ **Invest in new Community Housing Capital Builds in Guelph:** There is a lack of Rent-Geared-to-Income community housing in the City of Guelph. There is also a significant waitlist and a large capital repair backlog. The Province of Ontario should work with Wellington County as the Service System Manager and the City of Guelph to address these challenges.
- ✓ **Focus on the Most Vulnerable:** There is a particular need for supportive housing units, transitional housing units and for enhanced emergency shelter capacity in Guelph. Investments along the housing continuum from the provincial government made in partnership with Wellington County as the Service System Manager and the City will go a long way in advancing the wellbeing of Guelph's most vulnerable.
- ✓ **Assess and Revisit the Housing Supply Action Plan:** For Guelph to continue to grow and to ensure there is steady supply along the housing continuum, action needs to be taken to ensure an adequate supply of housing is entering the market. The province should assess the current Housing Supply Action Plan to determine if its meeting its objectives. Provincial approaches that incentivize the construction of affordable housing and purpose-built rental in Guelph should be prioritized.

### **Spur Economic Development in Guelph**

The City of Guelph's pre-budget consultation submission contains numerous ideas to address the barriers to economic development facing the local economy. Investments in municipal infrastructure, transportation corridors and action on housing are all necessary to further unlock Guelph's economic potential as an agri-food innovation, manufacturing and tourism hub.

- ✓ **Support Local Innovation Hubs:** Local innovation hubs like Innovation Guelph play a critical role in the city's economic ecosystem. Innovation hubs help local entrepreneurs to launch and scale their businesses, generating prosperity for the broader community. Innovation hubs need access to long-term predictable funding from the Ministry of Economic Development, Job Creation and Trade to continue doing this work.

## **Financial Implications**

This report does not have any immediate financial implications for the City.

## **Consultations**

Intergovernmental Relations consulted with staff in Corporate Finance, Public Services and Infrastructure, Development and Enterprise Services when preparing this report.

The City of Guelph's pre-budget consultation submissions to the Ontario Legislature and to the Government of Ontario will be posted as correspondence in the weekly Items for Information publication.

## **Strategic Plan Alignment**

Using the pre-budget consultation process to advocate to the provincial government to advance the City's interests is important to Guelph's Building our Future and Navigating our Future Strategic Plan pillars. The themes identified in this report also advance a number of priorities under the Strategic Plan, including financial sustainability, transportation, housing and economic development.

## **Attachments**

None.

## Departmental Approval

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