



AMO
Policy



Policy Update – 2024 Ontario Budget and National Housing Strategy Funding

Budget 2024

This afternoon, Ontario’s Minister of Finance introduced Ontario’s [2024 Budget](#), Building a Better Ontario.

Through its pre-budget advocacy, AMO sought a commitment from the provincial government to collaborate with the municipal sector on a [social and economic prosperity review](#). Over 100 municipalities passed resolutions in support of the need to fundamentally rethink the provincial-municipal fiscal relationship.

While AMO is disappointed that this commitment was not included in today’s Budget, there is no question that municipalities’ concerted action resulted in critical investments in areas like infrastructure and mental health and addictions that will make a meaningful difference to municipalities.

Municipalities have effectively made the case for change. The province has shown an openness to making progress on our shared concerns and challenges. Looking towards the AMO Conference in August, AMO will continue to highlight the possibilities that a joint prosperity review represents, and the opportunity to leave a lasting legacy for communities across Ontario.

“We believe the Ontario government knows that working with municipalities is essential to their success, and to Ontario’s success. Today’s Budget will help municipalities to provide the infrastructure needed to support growth, housing and the economy, and to make progress on key challenges like the homelessness crisis,” said Colin Best, AMO President, Regional Councillor for Halton.

Budget Highlights: Municipal Infrastructure

Today's investments in municipal infrastructure will be instrumental in helping municipalities to respond to historic levels of growth. These include:

- A new \$1 billion Municipal Housing Infrastructure Program
- Increasing the Housing-Enabling Water and Sewer Fund by an additional \$625 million
- A new \$200 million community, sport and recreation infrastructure fund

AMO looks forward to working with the province to support program implementation and continue to make the case for federal infrastructure investment.

Budget Highlights: Housing, Healthcare and Social Services

Municipalities are facing increasingly complex challenges without the financial tools to solve them. Budget 2024 makes several important commitments in response to AMO's advocacy on housing and social services, including:

- \$152 million over three years in supportive housing
- An additional \$396 million over three years for mental health and addictions supports and treatment
- Investing \$155 million to increase the construction subsidy to support the cost of developing or redeveloping a long-term care home
- Making surplus properties available to support affordable and attainable housing
- Providing \$50 million over three years to improve access to health care in rural and northern communities

Other Notable Commitments

- Introducing \$30 million over the next three years for access to an application-based grant to support specialized equipment for municipal fire services
- Launching a \$5 million application-based fund for transportation projects targeted to rural Ontario
- Empowering municipalities to impose vacant homes taxes to help improve housing supply and reduce the number of vacant units across

Ontario, which includes supporting municipalities with best practices guidance

- Offering municipalities the option provide a reduced municipal property tax rate on new purpose-built rental properties
- Confirmation that a return to property assessments will not move forward until the Ministry of Finance has completed a review of the property tax system

AMO appreciates the support through Budget 2024 but the potential to achieve more together is obvious. We will continue to work with the government to secure a commitment to partner with us and undertake a social and economic prosperity review.

Risk of Losing National Housing Strategy Funding

The federal government is considering withholding almost \$355 million in funding from Ontario, and by extension municipal service managers, under the National Housing Strategy (NHS). This would have devastating impacts on low-income families and individuals, and further exacerbate the housing and homelessness crisis across the province.

[In a letter to the Ontario government](#), the federal government is attributing the reductions to a lack of progress by the province to meet the affordable housing targets under the bilateral agreement. The federal rationale does not acknowledge the unique landscape in Ontario including the funding required to address the community housing capital repair backlog to avoid losing units in most of the oldest building stock in the country.

[Through a letter](#) to Minister Fraser, AMO is urging the federal government to work with the province to develop an NHS Action Plan that works for all parties without penalizing Ontario's most vulnerable. We would encourage members to share this message with their local MPs in advance of the March 31, 2024 deadline the federal government has set related to this important funding.