

MEMORANDUM

To: Members of Committee of the Whole

From: Laura Mirabella
Commissioner of Finance and Regional Treasurer

Date: February 2, 2023

Re: 2023-24 Provincial Budget Consultation

This memorandum updates Members of the Committee of the Whole on staff's proposed submission as part of the Province of Ontario's 2023-24 Budget consultation process.

Consultation on the March Budget is open until February 10th

On December 8, 2022, the Minister of Finance [announced](#) an opportunity for stakeholders to provide input to the Province of Ontario's 2023-24 Budget process. These submissions will be considered by the Province as it sets its priorities for the Ontario economy. The 2023-24 Budget is expected to be delivered in March.

While in-person consultations are being held across the province from January 11 until February 10, there is also an [opportunity](#) to provide written submissions by February 10, 2023. The consultation framework does not limit the matters that can be covered through a written submission.

The proposed comments reflect positions previously taken by Council

Staff propose to submit comments consistent with, and supported by, previous Council positions, including those from the following reports:

[Housing Solutions 2021 Progress Report and 2022 Action Plan](#) (June 2022)

[Implications of Bill 23, More Homes Built Faster Act, 2022](#) (December 2022)¹

[Yonge North Subway Extension Update](#) (January 2023)

¹ Note: Positions also in associated Environmental Registry of Ontario (ERO) submissions on Bill 23

The proposed comments to be submitted are summarized in the table below.

Table 1
Proposed 2023-24 Provincial Budget Consultation Submission

Areas to address	Key Request and Rationale
Bill 23 Financial Impact	<ul style="list-style-type: none"> • Contribute to the cost of regional growth-related infrastructure to ensure the Region is kept financially whole as it strives to achieve the new housing targets of 125,000 homes over ten years • Changes to the Development Charges Act could result in development charges revenues shortfalls of between \$500 million and \$1.6 billion over the next ten years, requiring a one-time taxy levy increase of between 2.3% and 7.3% and a one-time water and wastewater rate increase of between 5% and 14.3% • Phase-ins and the development charges-ineligibility of costs for housing, land, and studies are expected to reduce development charge revenue by \$500 million (~10%) over the next ten years. A new cost-shared infrastructure program, focused on municipal growth-related infrastructure could help York Region avoid reducing its planned growth-related infrastructure by \$500 million or avoid a one-time tax levy increase of, at least, 2.3% and a water and wastewater user rate increase of 5% • Potential housing exemptions and discounts, depending upon regulatory guidance could result in an additional \$1.1 billion (~25%) in lost revenues over the next ten years. A new, larger, cost-shared infrastructure program, focused on municipal growth-related infrastructure could help York Region avoid reducing its planned growth-related infrastructure by an additional \$1.1 billion (\$1.6 billion total) or avoid an additional one-time taxy levy increase of 5% (7.3% total) and an additional water and wastewater user rate increase of 9.3% (14.3% total)
Community Health Needs	<ul style="list-style-type: none"> • Maintain 100% funding for COVID-19 response and recovery impacts in 2023, which are currently estimated at \$54.9 million for Public Health, and \$13.1 million for Long Term Care and Paramedic Services • Provide \$5 million in each of 2023, 2024, and 2025 for the Ontario Seniors Dental Program to resolve 1,000 of the 7,500 backlogged applications per year, and an additional \$0.8 million in 2023 for the shortfall in capital costs.

**Housing
Affordability
Challenges**

- Commit \$216 million as the Province's one-third share of funding for up to 1,850 new community housing units over the next 10 years
- Allocate York Region's share of Non-Resident Speculation Tax revenue to support affordable housing, estimated at \$215 million to date

**Public Works
Priorities**

- Cap York Region's capital contribution to the Yonge North Subway Extension at the preliminary estimate of \$1.12 billion
- Maintain transit-stream Safe Restart Agreement funding to support shortfalls of \$30 million in 2023 and \$21 million in 2024
- Contribute at least \$100 million towards the *York Region sewer works project* to recover York Region's lost investment as a result of the new direction from the *Supporting Growth and Housing in York and Durham Regions Act, 2022*
- Provide sufficient funding required to implement transit fare integration and offset farebox inequities in the GTHA

For more information on this memo, please contact Edward Hankins, Director, Treasury Office and Deputy Treasurer, at 1-877-464-9675 ext. 71644.



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