



To: Regional Council
Meeting Date: April 25, 2024
From: Laura Mirabella
Commissioner of Finance and Regional Treasurer
Re: **2024 Canada Federal Budget: Potential Impacts to York Region**

This memo highlights the [2024 Federal Budget](#) announcements, released April 16, 2024, impacting York Region's funding, policies, and programs. These include new and increased Federal funding for housing-enabling infrastructure, addressing pressures related to the influx of asylum seekers, and homelessness supports. Continued advocacy will be necessary to ensure the Region can secure sufficient funding to deliver crucial services and infrastructure.

2024 Federal Budget centers on housing-related investments such as the \$6 billion Canada Housing Infrastructure Fund

Further program and eligibility details, which have not yet been released, will be required to assess and quantify Regional funding impacts. Pending this information, as well as Federal approval of any necessary applications, the following could benefit the Region:

- **\$6 billion over ten years for the new Canada Housing Infrastructure Fund, including \$1 billion for municipalities** to accelerate water, wastewater and solid waste infrastructure supporting new home construction. While this could help address the Region's need for \$2.6 billion in accelerated and unplanned housing-enabling infrastructure, program details are not yet available, and it is unclear whether the Region will be eligible.

For the Province to access its portion of the fund, it must commit to actions to increase housing supply, including a three-year freeze on development charges. If implemented, this could result in \$130 million in lost development charges collections for the Region over the period of the freeze. If the Province does not reach an agreement by January 1, 2025, its portion of the funds would be reallocated to the municipal stream.

- **\$1 billion over five years for a new Rapid Housing Stream under the Affordable Housing Fund** which offers loans and funding to build deeply affordable housing, supportive housing, and shelters, similar to the existing Rapid Housing Initiative. The Region received \$18.0

million through the Affordable Housing Fund (previously the National Co-Investment Fund) and \$18.8 million through the Rapid Housing Initiative, which supported Housing York Inc. housing projects in Stouffville and Unionville, as well as a new transitional housing facility developed in partnership with Inn from the Cold in Newmarket. The Region will evaluate the opportunity once details are released.

- **\$1.1 billion to extend the Interim Housing Assistance Program (IHAP), supporting provinces and municipalities' response to the influx of asylum seekers.** The Federal government initially provided a one-year top-up to the IHAP fund in 2023-24 to help provinces and municipalities address pressures related to the volume of asylum claimants. In 2023, the Region incurred \$2.7 million in costs associated with the influx of asylum seekers and received \$2.3 million in funding through IHAP. The Region expects to incur a further \$14.1 million in 2024. Since the program will be extended through 2026, the Region will seek reimbursement for ongoing eligible expenses once details are available.
- **\$1.3 billion in additional funding over four years to combat homelessness,** including \$1 billion to stabilize funding under the Reaching Home program and \$250 million over two years to address encampments and unsheltered homelessness. In 2023-24, the Region received \$533,212 in Reaching Home program funding through the United Way to support the Homelessness Outreach Program. It is unclear how much additional funding could be available to the Region; however, the Region plans to apply for further funding in the coming months.

Some requests were not addressed by the 2024 Federal budget, including eligibility for the Housing Accelerator Fund

The 2024 Federal Budget included a \$400 million top-up to the existing \$4 billion Housing Accelerator Fund (HAF) but did not expand eligibility to upper-tier municipalities, including York Region. As HAF funding can be used to support transit, water, wastewater, solid waste, and other capital projects, staff will continue to advocate for access to crucial housing-enabling infrastructure funding.

New zoning-related requirements were announced for municipalities to access the forthcoming permanent public transit fund

The [permanent public transit fund](#) announced in 2021 will support public transit infrastructure with \$3 billion in annual, predictable, long-term funding starting in 2026-27. The 2024 Federal Budget announced that municipal funding is conditional on zoning requirements, including eliminating parking requirements and allowing high-density housing near high-frequency transit lines.

While local municipalities are responsible for zoning, the Region delivers transit services across all nine local municipalities. The Region will continue to advocate for funding for priority projects

and work with Infrastructure Canada to encourage alignment between transit funding requirements and Regional responsibilities.

Other housing policy changes include taxing vacant residential land, building on public lands, and extending the ban on foreign purchases of homes

2024 Federal budget includes non-financial measures aiming to support housing affordability. Direct impacts to the Region could be assessed once legislation and program details are released:

- **Taxing vacant residential land**, which according to Municipal Property Assessment Corporation (MPAC) data, could result in over 10,000 vacant residential land properties in the Region, equivalent to \$4 billion in residential assessment, being subject to the new proposed tax. However, it is not clear what methodology the Federal government will use to identify residentially zoned vacant land for taxation purposes, and whether this would align with MPAC property classifications. Information on the tax rate, charges formula, potential tax revenue sharing with Provinces and municipalities and whether municipalities would be required to administer this tax has not been released.
- **Building homes on public lands, including earmarking \$500 million to purchase public lands from other levels of government for new housing.** The Federal government has pledged to partner with Provinces and municipalities to identify public lands suitable for housing development, to be included in a new Public Lands Bank expected by the Fall of 2024. As directed by Council through a [March 7, 2024 resolution](#), staff are currently reviewing Regionally-owned properties to identify any that could be repurposed for supportive housing and other Regional priorities. Any future recommendations to participate in the Federal public lands acquisition program will be informed by the Region's current property review, the outcome of expected Federal consultations, and potential implications on Regional tax revenues, including payments in lieu of taxes.
- **Extending the ban on the purchase of homes by foreign investors by two years.** Initially introduced as a two-year ban from 2023 to 2025, the ban will be extended through January 1, 2027. Based on Provincial Non-Resident Speculation Tax (NRST) data before the ban was enacted, approximately 300 York Region home transactions involved foreign buyers each year. Since the ban was enacted, it is expected the Provincial NRST revenues would decline. As the Region has continued to advocate for the Province to reinvest the Region's share of NRST revenues, the extended ban will result in more forgone potential revenue. Large corporations will also be banned from purchasing single-family homes.

Staff will monitor Federal announcements for further funding details and continue to advocate for support for critical housing and infrastructure projects.

For more information on this memo, please contact Bonny Tam, Acting Director, Treasury Office at 1-877-464-9675 ext. 75885. Accessible formats or communication supports are available upon request.



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April 19, 2024
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