

THE REGIONAL
MUNICIPALITY OF
HALTON



2025 Provincial Pre-Budget Consultation Submission to the Minister of Finance

February 3, 2025

Introduction

Halton Region is home to more than 656,000 residents across four communities (the City of Burlington, the Town of Halton Hills, Town of Milton, and Town of Oakville) and is expected to grow to a population of more than 1.1 million by 2051. With a growth rate of 8.8% between 2016 and 2021, Halton has seen the highest rate of growth across all upper- and single-tier municipalities in the Greater Toronto and Hamilton Area (GTHA) and is one of the fastest growing communities in Canada.

Halton Region's citizen-focused reliable services, safe communities and high quality of life are key reasons why people and businesses continue to choose Halton. The Region is an effective upper-tier government responsible for delivering many essential programs and services, including providing high-quality drinking water, building housing-enabling infrastructure, delivering homelessness supports, operating long-term care homes, and administering public health and paramedic services. Fiscal responsibility and continuous improvement have remained a key driver for the Region, with Halton maintaining top credit ratings from S&P Global Ratings (AAA) since 2002 and Moody's Investors Service (Aaa) since 1989.

Halton continues to benefit from a strong partnership with the Provincial Government and supports the Province's goals of building 1.5 million homes by 2031, developing the infrastructure needed to support growth, and ensuring affordability for residents. Budget 2025 presents an opportunity for the Provincial Government and Halton Region to continue to work together to advance the following priority issues:

1. Delivering Critical Infrastructure to Support Housing
2. Providing Housing for Those with the Greatest Need
3. Reducing Regional Contributions for Provincial Funding Shortfalls
4. Expanding Affordable Child Care Spaces to Meet Demand

Delivering Critical Infrastructure to Support Housing

Halton Region remains committed to working with the Provincial Government to build more homes faster. Our Local Municipalities have endorsed housing pledges totaling 92,500 units in support of the Province's goal to build 1.5 million homes by 2031. To support them in achieving their housing targets, Halton Region is proactively planning for, financing, and delivering more than \$5.2 billion of water, wastewater and roads infrastructure that is needed to accelerate growth. This includes the development of the Region's Integrated Master Plan which identifies the water, wastewater and transportation infrastructure strategies needed to support growth across Halton. Given the Region's

forward-looking approach to planning for infrastructure, the Region will have the water and wastewater infrastructure capacity to support 104,000 housing units by 2031 – 11,500 units more than the housing targets endorsed by our Local Municipalities.

To further support growth and build more homes faster, Halton Region has quickly and proactively responded to Provincial directions to transition planning services to our local municipalities and jointly signed a Memorandum of Understanding to ensure clarity moving forward. In addition, Halton Regional Council authorized Regional staff to sign a Memorandum of Understanding with the Ministry of Municipal Affairs and Housing to support continued collaboration on the transition of the Region's planning responsibilities.

Halton Region's continued success in supporting the Province's goal of building more homes faster and delivering the critical infrastructure needed to support housing is dependent on the expansion of the Housing-Enabling Water Systems Fund and other infrastructure funding programs. Partnerships with the development community and the Provincial and Federal Governments as well as the exploration of alternative sources of funding in addition to the collection of development charges are also required.

There continues to be significant interest from the development community to build more homes in Halton including 90,663 housing units in the development approvals pipeline across Halton. To support the development of these new homes, the Region has developed a strong partnership with the development community in financing water and wastewater infrastructure and has executed agreements to ensure infrastructure is available when needed. Development charges remain a key source of financing for the Region's infrastructure program as they pay for the infrastructure needed to support new homes and businesses.

Provincial funding programs to support municipal infrastructure projects, including the Housing-Enabling Water Systems Fund (HEWSF) and the Housing-Enabling Core Servicing (HECS) stream of the Municipal Housing Infrastructure Program, are a welcomed tool to support municipalities and the Provincial Government in working together to advance housing-enabling infrastructure. Programs such as these are critical to Halton Region's continued success. Unfortunately, Halton Region was not successful in its application for HECS funding however the Region was successful in the second intake of the HEWSF program. Funding awarded through HEWSF will be used to support increased production capacity at the Oakville Water Treatment Plant and allow more than 9,000 shovel-ready housing units to proceed.

Halton and the Province have a strong history of working together to deliver critical infrastructure for the Halton community. The [Wynecroft Road Extension and Bridge Project](#)

to relieve traffic congestion on the QEW and on local roads in Burlington and Oakville is an example of how the Province and Halton Region are working together to deliver infrastructure to address growing community needs. This successful project received \$57.6 million from the Move Ontario Quick Wins Fund and is anticipated to be completed in 2026. Halton looks forward to continuing to work with the Province to deliver critical infrastructure and meeting our shared housing objectives.

Let's Work Together

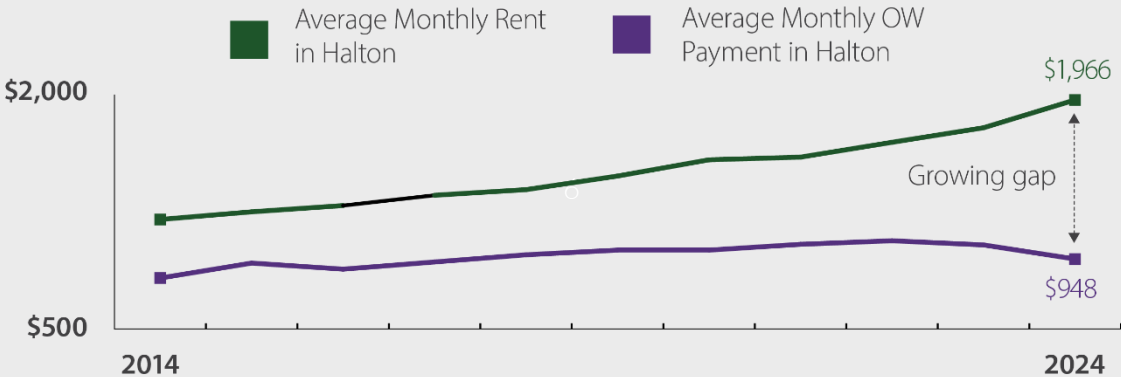
The Provincial Government can support the continued successful delivery of critical housing-enabling infrastructure in Halton by:

- Working with the Region to explore additional and alternative sources of funding to deliver the significant new water, wastewater and road infrastructure necessary to support accelerated growth in Halton Region. This includes expanding infrastructure funding programs for net-new infrastructure and the maintenance and repair of existing stock that services current development and will support intensification.

Providing Housing for Those with the Greatest Need

Halton Region appreciates the Provincial Government's recent initiatives to address the growing homelessness, mental health and addictions crisis. This includes the launch of HART Hubs, the introduction of Bill 242, *Safer Municipalities Act, 2024*, the top-up to the Canada-Ontario Housing Benefit (COHB) as well as funding available through the \$20 million Encampment Response Initiative, and \$50 million in last-mile funding for ready-to-build long-term affordable housing projects. These are welcomed investments for municipalities, including Halton Region. Halton recently applied for and received Encampment Response Initiative funding to support the expansion of modular shelter units in the City of Burlington and has signed a pledge committing to utilize this funding and additional COHB funding to address encampments and support individuals experiencing homelessness. The Region applied for last-mile funding to support the development and construction costs of three assisted housing projects in the Town of Oakville and received welcomed funding to support one of these projects. As Service Manager for housing and homelessness, Halton also endorsed an application submitted by one of the Region's community partners for a HART Hub. Unfortunately, Halton Region was not selected for a HART Hub location.

Across Ontario, average market rent has continued to increase while social assistance programs, like Ontario Works (OW), have remained static. Halton’s average monthly rent is currently one of the highest in the GTA leaving a growing number of households unable to participate in private market rental housing.



These high market rental costs, static social assistance programs and the growing mental health and addictions crisis are increasing the demand for homelessness services and supports including emergency shelter. New [research](#) from the Association of Municipalities of Ontario (AMO), in partnership with the Ontario Municipal Social Services Association (OMSSA) and the Northern Ontario Service Deliverers Association (NOSDA) has found that more than 80,000 Ontarians experienced homelessness in 2024, a number that has grown by more than 25% since 2022. In Halton, there has been a 185% increase in unsheltered homelessness since 2018 and the Region’s emergency shelter system is currently operating at 140% capacity.

Municipal governments, including Halton Region, are often the first point of contact for people facing struggles with mental health and addictions, many of whom require intensive supports and experience challenges with securing and maintaining stable housing. Individuals require supports in their homes for better health outcomes and to maintain successful tenancies. Without these supports, people are at risk of recurring homelessness. A study commissioned by the Region in 2024 found that a minimum of 150 additional dedicated supportive housing units are needed to meet demand and prevent higher emergency shelter use, street homelessness and encampments in Halton.

There also continues to be significant demand for assisted housing in Halton Region for individuals and families unable to afford market rent. All 5,404 existing assisted housing units in the Region are fully occupied, with 8,048 households on the wait list. At current rates, only 9% of Halton’s existing waitlist will be housed each year. The significant unmet

demand in the community for assisted housing continues to put increased pressure on the Region's emergency shelter system.

Halton Region has a multi-pronged approach to delivering new supportive and assisted housing units to meet community demand including:

- Acquiring properties to preserve assisted housing units;
- Purchasing properties and converting them into supportive housing units;
- Developing supportive housing on Regionally owned land;
- Exploring modular housing options; and
- Strategically investing to deliver and operate new supportive and assisted housing units, including through partnerships with the development community and the Federal and Provincial Governments.

The Region currently has [548 shovel-ready assisted housing units](#) in progress, contingent on securing funding to begin construction. Recently, Halton Region and Support House, a third-party housing provider, broke ground on a supportive housing development at 47 Maria Street in the Town of Halton Hills, which will provide 12 housing units to individuals experiencing homelessness and mental health and addictions challenges. The project received \$3.94 million in Regional funding, and \$2 million from the Federal Reaching Home program. The Region continues to actively explore different partnership models for strategic investment in order to deliver these shovel-ready projects as quickly as possible; however, increased Provincial partnership and investment is also essential. These new units are critical in preventing higher emergency shelter use, street homelessness and encampments and, once realized, will contribute to achieving Provincial housing targets.

Let's Work Together

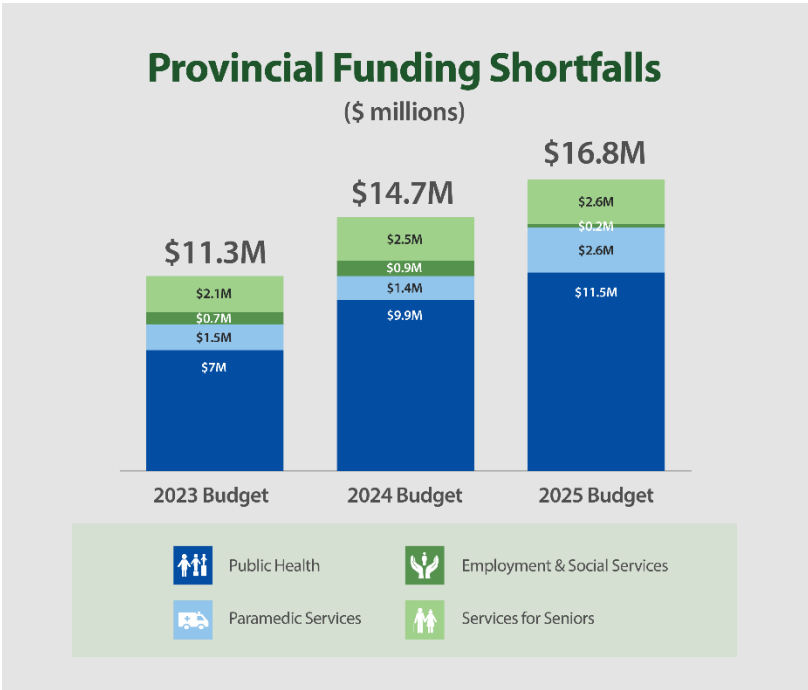
The Provincial Government can support Halton in providing housing for those with the greatest need by:

- Partnering with Halton Region to get shovel-ready assisted and supportive housing properties built as fast as possible to meet increasing demand – Halton Region's [Portfolio of housing opportunities](#) provides an overview of Halton's shovel-ready and in progress projects and opportunities to partner in funding these projects.
- Increasing funding through the Homelessness Prevention Program as a source of long-term, sustainable funding to support the Region in providing housing and supports for individuals who are homeless or at risk of homelessness and to mitigate street homelessness and encampments in Halton.
- Increasing coordination across all three levels of government to address the homelessness, mental health and addictions crisis.

Reducing Regional Contributions for Provincial Funding Shortfalls

Halton Region is one of the fastest growing communities in Ontario and is committed to advancing its shared priorities with the Provincial Government including developing the housing-enabling infrastructure needed to support growth and addressing homelessness and the mental health and addictions crisis. In addition to advancing these priorities, the Region provides quality essential services to the community including public health, paramedic services and long-term care.

The current Provincial funding received for these critical health and social services delivered by the Region has not kept pace with increasing costs and population growth. Funding shortfalls require the Region to increase contributions to maintain service levels and respond to community need. The amount the Region funds over and above Provincial cost-share models is increasing by \$2.1 million to a total of \$16.8 million in the 2025 Budget. It is not sustainable for Halton to continue funding critical health and social services on the municipal property tax base.



Fiscal responsibility and continuous improvement have remained a key driver for the Region, with Halton maintaining a AAA/Aaa credit rating and continuing to keep tax increases below the rate of inflation. It is essential that municipalities across Ontario, including Halton Region, utilize revenues to drive sustainability and affordability in our communities. Every municipal dollar that subsidizes Provincial areas of responsibility is one less dollar for core municipal services such as Regional roads and policing services. With limited revenue tools at the Region’s disposal, any increase in financial need translates into an increase in property taxes and user fees, which many households cannot afford. Unlike many Provincial and Federal taxes, property taxes are not tied to income. Households, including seniors on fixed incomes, cannot afford significant increases to property taxes resulting from short-falls in Provincial funding for cost-shared programs in health and social services.

A review of the municipal fiscal framework is required to ensure that municipalities across Ontario, including Halton Region, are better positioned to champion the Province's priorities and address pressing community challenges. Halton Region supports the Federation of Canadian Municipalities' (FCM) calls for a New Municipal Growth Framework and the Association of Municipalities of Ontario's (AMO) calls for a comprehensive social and economic prosperity review to ensure municipalities can continue to address the priority issues affecting communities.

Let's Work Together

The Provincial Government can support Halton in reducing reliance on municipal property tax subsidies by:

- Addressing the 2025 Provincial funding shortfall of \$16.8 million for cost-shared programs in health and social services.
- Reviewing cost-shared programs to ensure Provincial funding keeps pace with inflation and growth.
- Participating in further discussions with the Federation of Canadian Municipalities' on the potential for a New Municipal Growth Framework and the Association of Municipalities of Ontario as part of the call for a Provincial social and economic prosperity review.

Expanding Affordable Child Care Spaces to Meet Demand

Halton Region appreciates the Province's leadership and ongoing work to implement the Canada-Wide Early Learning and Child Care (CWELCC) System. Under the new CWELCC funding model, Halton has received a funding increase of \$57.8M for 2025 which will reduce child care fees for families to a maximum of \$22 per day. Across Ontario, CWELCC is saving families, per child, up to \$8,500 per year.¹ These significant savings are critical to Halton families, many of whom who are struggling with high mortgage rates/rental costs and other rising household expenses. CWELCC also continues to provide significant economic benefits, including increasing female labour force participation, and contributes to reductions in the national inflation rate.² While increased CWELCC funding for 2025 is a welcomed investment, Provincial guidelines require this funding only be used to further reduce fees for families already enrolled in CWELCC.

¹ Government of Canada, 2024. <https://www.pm.gc.ca/en/news/news-releases/2024/05/13/creating-more-child-care-spaces-families-ontario>.

² Stanford, J. (2024) Centre for future work. <https://centreforfuturework.ca/wp-content/uploads/2024/11/Child-Care-Economic-Benefits-Nov2024-FINAL.pdf>.

Unfortunately, no additional CWELCC spaces or funding have been made available, therefore no additional families can be supported with affordable child care.

As one of the fastest growing communities in the country, Halton Region is facing significant demand for high quality and affordable child care spaces. 88% of licensed child care centres and home child care agencies across Halton are currently enrolled in the CWELCC System. This includes 275 licensed child care centres and agencies across Halton representing a total of 18,867 spaces. Demand for additional CWELCC spaces from Halton families and child care operators is expected to continue as the community grows.

Halton continues to see significant interest from child care operators to expand spaces in the CWELCC system. Should additional Provincial investment be made available to further expand the system, Halton Region will be able to quickly create more affordable spaces. As of August 2024, 44 child care operators expressed interest in expanding the CWELCC system seeking more than 3000 spaces. Immediate Provincial investment will allow Halton to expand CWELCC to respond to community need, prevent long wait-times for affordable child care and ongoing financial hardship for families. Without additional investment of CWELCC funding, there will be no community-based growth in the CWELCC system in Halton until at least 2026.

As the Service System Manager for early years and child care, Halton Region is responsible for planning, administering and funding early years and licensed child care programs. The new CWELCC funding model that came into effect on January 1, 2025 transforms the child care sector from a revenue replacement to a cost-based funding approach. This change requires greater oversight, administrative effort, planning, policy and audit requirements from Halton Region including reconciling funding, performing child care operator reviews and working directly to assist operators in improving their overall efficiency and effectiveness. It is essential that Halton Region have the resources to effectively deliver upon these increased Provincial expectations. The CWELCC Agreement 2021 to 2026 signed between the Federal and Provincial Governments permits up to 10% of total funding to be used for administrative purposes. Halton Region has only received 1% of CWELCC funding for administrative purposes to date. To effectively manage risks, safeguard the sizable public investment in child care, and ensure CWELCC funded child care is efficient, effective and of high quality, it is essential that administrative funding be increased to reflect operational realities and Service System Manager accountabilities.

Working together, the Province and Halton Region have made great progress in implementing the CWELCC System. This ongoing partnership is pivotal to continue

supporting Halton children and families and responding to the growing demand for affordable, high quality child care spaces.

Let's Work Together

The Provincial Government can support Halton in delivering high quality and affordable child care by:

- Providing Halton Region with additional community-based spaces and associated funding for CWELCC expansion. Halton Region and local child care providers are ready and willing to expand the CWELCC system immediately by 3,000 spaces to respond to local demand.
- Providing increased administrative funding to enable Halton Region to allocate more resources to support oversight and auditing of the CWELCC program under the new funding model.

Conclusion

Working together, Halton Region and the Provincial Government have taken some key steps forward on priority issues, however, there is much more to be done. A continued strong, collaborative partnership with the Provincial Government is critical to a successful and growing Halton community now, and into the future. Thank you for your consideration and the opportunity to provide input into the 2025 Provincial Budget. For more information about Halton's advocacy priorities, please visit [Halton.ca/advocacy](https://www.halton.ca/advocacy).

