



SUBJECT: Government relations annual report - 2023

TO: Corporate Services, Strategy, Risk & Accountability Cttee.

FROM: Corporate Strategy

Report Number: CS-10-23

Wards Affected: All

File Numbers: 155-03-01

Date to Committee: June 26, 2023

Date to Council: July 11, 2023

Recommendation:

Receive and file corporate strategy report CS-10-23, providing an update on the funding, advocacy, and monitoring and reporting work of government relations (GR) at the City of Burlington.

PURPOSE:

Vision to Focus Alignment:

- Increase economic prosperity and community responsive city growth
- Improve integrated city mobility
- Support sustainable infrastructure and a resilient environment

Background and Discussion:

This report provides the members of the Corporate Services, Strategy, Risk and Accountability Committee with an annual update on the City's GR efforts. The report will outline the work that has been done in the following areas:

- Identifying and helping secure funding for identified strategic priorities and projects.

- Advocating to senior levels of government to help advance identified City priorities, strategic goals and issues impacting residents, businesses, and City operations.
- Monitoring and reporting on changes to legislation and issues that impact City's strategic goals and operations.

Strategy/process/risk

Funding

Council requested more regular updates on senior funding. In January, GR staff provided the Corporate Strategy, Risk and Accountability Committee with report [CS-05-23 Senior Government Funding Status Report](#). Appendix A outlines the most recent status of the approved and funding applications.

Approved Funding

The City of Burlington, like other municipalities continues to deal with the lasting financial impacts of the COVID 19 pandemic. While the City advocated to both the Province of Ontario and to the Government of Canada for additional Safe Restart Funding, neither answered these requests in their budgets. The \$1,748,611 listed in Appendix A, is the Phase 4 allocation that was provided upon review of January 31, 2023, submission.

The following applications were approved since the January status update:

- Federal Active Transportation Fund
 - Prospect Street Bike Lanes
- Provincial Next Generation 9-1-1 Funding

As council may recall our applications to the Federal government's Low Carbon Economy Challenge Fund for the Robert Bateman Highschool Revitalization Project (\$4,062,400) and the Brant Hills Community Centre – Deep Energy Retrofit (\$1,662,000) were both denied. This program was open to industry as well as municipalities. The program received 325 proposals requesting over \$1.6 billion in funding. From these, 45 proposals were selected to receive funding, representing a federal investment of approximately \$249 million. Of the 45 successful applications only nine were for building projects such as ours. One of the key evaluation criteria was the federal cost-effectiveness. This refers to the amount of federal funding requested divided by the estimated GHG emissions reductions.

A large portion of the application (75 percent of the score) was based on the \$/tonne GHG saved from 2022 to 2030. In the City's case the Bateman project was expected to deliver a federal cost-effectiveness of \$995/tonne for a total of 4081 tons saved over the nine-year period that was evaluated. The median federal 2030 cost-effectiveness of the 45 proposals selected for funding is \$317 per tonne of carbon dioxide equivalent (tCO₂e) in the year 2030. Most of the funding went to the cement (27 percent) and light manufacturing sectors (24 percent).

Pending Applications

Funding decisions are still pending for the following applications:

- 1. Investing in Canada Infrastructure Program – Transit Stream (Joint Federal, Provincial, Municipal)** – This is the final intake for this joint infrastructure program intended to fund the construction, expansion, and improvement of public transit networks. This program is allocation based, however there is a two-stage review process. Project applications are submitted to the Ministry of Transportation, who does an initial review prior to nominating them to Infrastructure Canada, who gives the final approval. All the projects submitted by the City have been nominated to the Federal government.
 - **Conventional Bus Replacement (Green Initiative)** – Two conventional diesel fueled buses will be replaced with two hybrid-electric low emission buses.
 - **Conventional Transit Expansion** – Adding nine conventional buses to the existing fleet, one diesel and eight low emission buses, from 2024 to 2027. This represents a 33 percent growth in service.
 - **Specialized Transit Vehicle Expansion** – 1 specialized vehicle
 - **Bus Stop Display Panels** – solar powered digital information display signs will be installed at six bus stops throughout the City.
 - **Bus Fleet Electrification Pilot Project** – The pilot will introduce four electric conventional transit vehicles to Burlington Transit's conventional fleet which will allow Burlington Transit to develop standards, education/training and service levels that support the greening of the transit fleet.
 - **Transit 5-year Business Plan** – updating the existing 5-year business plan.
 - **Construction of Transit Building Addition** – this project will expand the existing transit facility to accommodate the storage, charging/electrification, and associated works for our expanding fleet of an additional 40 buses. This addition will accommodate new/existing infrastructure to allow for new hybrid and fully electric buses and universal vehicles. Paired with the expansion, roof, lighting

upgrades, solar panels and other energy building retrofits will be completed to reduce energy use and greenhouse gas emissions.

2. **Green and Inclusive Community Buildings Fund – Second Intake (Federal)** – A second intake for the five-year \$1.5 billion Green and Inclusive Community Buildings Program was announced last year. The program supports green and accessible retrofits, repairs or upgrades of existing public community buildings and the construction of new publicly accessible community buildings that serve high-needs, underserved communities across Canada. Infrastructure Canada opened the second intake in December of 2022. While work has already commenced on the Skyway Community Centre it is still eligible for funding, as costs incurred between April 1, 2021, and March 31, 2026, are considered eligible. The deadline for applications was February 2023. The Skyway Community Centre Project application was revised based on the feedback we received on our original submission and was resubmitted. An application for Brant Hills Community Centre, net zero retrofit was also submitted. No date on application decisions was provided.

3. **Housing Accelerator Fund (Federal)** – In March the launch of the [Housing Accelerator Fund \(HAF\)](#) was announced. HAF is a \$4 billion initiative that was announced in the 2022 Budget. It is an application-based program with one intake window planned in 2023. The HAF program is being administered by the Canada Mortgage and Housing Corporation (CMHC).

The program is intended to drive transformational change within the sphere of control of local government land use planning and development approvals. It also supports the development of complete, low-carbon and climate-resilient communities that are affordable, inclusive, equitable and diverse.

As part of their application municipalities are required to submit an action plan that details our commitment to a housing supply growth target, outlines the specific initiatives (a minimum of seven new initiatives are required) we will undertake to increase housing supply and speed up approvals, and aligns with the federal government's priorities of creating dense, affordable, inclusive, and diverse communities. The program calls for both systemic changes as well as changes that will demonstrate immediate results (within 2-3 years). The key measure of success for a municipality's initiative is the number of building permits issued – not building occupancy.

The action plan must demonstrate how each initiative will increase the supply of housing and each initiative must support the following program objectives:

- Supporting the development of complete communities that are walkable, consisting of appropriate residential density and a diverse mix of land uses, providing access to a wide variety of amenities and services through public and active transportation
- Supporting the development of affordable, inclusive, equitable and diverse communities that encourage clear pathways to achieving greater socio-economic inclusion largely achieved through the equitable provision of housing across the entire housing spectrum
- Supporting the development of low-carbon and climate resilient communities.

Funding will be provided both upfront to support implementation as well as upon the delivery of results. There are three components to the funding:

1. Base funding – designed to incent all types of supply across the housing spectrum. Base funding is estimated at \$20,000/incented unit.
2. Top up funding- this will depend on the type of housing and the associated projected increase in the number permitted units. There will be no top up funding for single detached homes.
3. Affordable housing bonus – rewards applicants that can increase their share of affordable units.

The application portal is expected to open this summer, but municipalities have been encouraged to begin to prepare their applications, as the application is complex. Once the portal opens it is expected to be open for 45 days. With these tight timelines in mind and the fact that this program will be extremely competitive, the City is being supported by consultants to assist us with the preparation of the action plan. Staff have met with representatives from CMHC to gain a better understanding of the program. CMHC have also offered to provide more detailed guidance and advice closer to the application window.

A staff workshop with representatives from throughout the organization will be held on June 5 to begin to develop the list of initiatives. Staff will also be reaching out to the development community to get their insights into the most impactful initiatives as well as capacity.

The action plan which includes the list of initiatives along with any selected investments in affordable housing, housing related infrastructure or community-related infrastructure that supports housing will be presented to council for their consideration at the July 11, 2023, council meeting. This timing will ensure the City has the necessary approvals in place prior to deadline for the submission of applications, which is expected to be in August.

Advocacy

Advocacy helps ensure the City's voice is heard on issues of importance to our community, as well as issues that impact City finances and operations. GR coordinates and assists in the preparation of the various tactics used to advance our interests with senior government decision makers. These tactics include:

- City Motion Memorandum and Regional Council Resolutions
- Letter writing
- Delegation materials
- Provincial and Federal pre-budget submissions
- Comments on proposed legislation, Environmental Registry of Ontario (ERO) posting submissions
- Meetings with local MPs and MPPs
- Membership and participation in key municipal and industry associations i.e., Association of Municipalities of Ontario (AMO), Federation of Municipalities of Ontario, Ontario's Big City Mayor's Caucus (OBCM).

Over the last year we have experienced some of the most significant changes to planning and municipal governance we have seen in many years. These changes include the following legislation:

- **Bill 3, *Strong Mayors, Building Homes Act, 2022*** – altering the governance and public administration initially in the cities of Ottawa and Toronto, providing the mayors of both cities with new powers. The new powers include:
 - Selecting and appointing the municipality's chief administrative officer
 - Hiring certain municipal department heads and establishing and reorganizing departments
 - Creating committees of Council, assigning their functions, and appointing the Chairs and Vice-Chairs of committees of Council

- Proposing the municipal budget, subject to council amendments and a head of Council veto and Council override process

Currently the Strong Mayors powers are only available to the mayors of Toronto and Ottawa. The Premier and Minister of Municipal Affairs and Housing have signaled that these powers will be extended to mayors in other cities throughout the province, but no timing on this extension has been shared. A number of municipal professional groups including OBCM have encouraged the Province to consult with municipalities and municipal experts regarding the impacts the changes will have on municipal service delivery and leadership recruitment. GR will continue to monitor this legislation and will share updates as they become available.

- **Bill 23, *More Homes Built Faster Act, 2022*** – This legislation was introduced the day after the municipal election. The omnibus bill, meant to facilitate the construction of 1.5 million new homes in Ontario by 2031, resulted in the most sweeping planning policy reforms seen in a generation. These changes will also have a significant financial impact on municipalities, with growth no longer paying for growth. Housing pledges for 29 of the largest municipalities in the province were announced in this legislation. This legislation also included removing the planning policy and approval responsibilities from the following upper-tier municipalities: Regions of Durham, Halton, Niagara, Peel, Waterloo, and York as well as the County of Simcoe. The review and commenting role of Conservation Authorities in the development review process was limited to only flooding and erosion.

Staff provided extensive comments on the various ERO postings that were announced with the introduction of Bill 23, see listing in Appendix B. All OBCM member mayors sent letters to the Minister outlining their joint and individual concerns with the legislation. Significant push back, publicly, and privately, was expressed by municipalities, which resulted in the Minister of Municipal Affairs and Housing committing “to ensuring the municipalities are kept whole for any impact to their ability to fund housing enabling infrastructure.” In Burlington the financial impact on Development Charges and Community Benefit Charges will be \$36.6 million and \$336 million on parkland.

In April, Council approved a motion memorandum calling on the Provincial government to conduct and fund a third-party audit of the City’s development charges and park dedication impact analysis reviews in order to validate and

provide provincial funding to address the City of Burlington's growth-related revenue shortfalls created by recent legislation changes.

Several staff reports have also been prepared for Committee since the passing of Bill 23 outlining the impacts of the legislation and how staff is responding to the changes.

- **Bill 39, *Better Municipal Governance Act, 2022*** – This legislation was intended to determine how best to extend strong mayor powers to other municipalities and how to reduce municipal duplication. Facilitators are to be appointed to assess the Regions of Durham, Halton Region, Niagara Region, the Region of Peel, the Region of Waterloo, and the Regional Municipality of York and determine the best mix of roles and responsibilities between the upper and lower tier municipalities. The mayors of Toronto and Ottawa were also provided with additional power to propose by-laws that could be passed with only one third of council support.

Burlington is well positioned for the review as City Council, via a motion memorandum, see Appendix B, outlined to the Minister of Municipal Affairs and Housing a set of principles and outcomes related to the expected Provincial review of regional governments. In the coming weeks, it is expected that the Province will name the regional facilitators. These facilitators will review whether the upper-tier government continues to be relevant to the needs of its communities or whether the lower-tier municipalities are “mature” enough to pursue dissolution. Where they recommend that a two-tier government is still required, the facilitators will also make recommendations on how these two-tier governments can more effectively respond to the issues facing these municipalities, particularly when it comes to meeting municipal housing pledges and tackling the housing supply crisis.

Pre-Budget Submissions

Removing or reducing revenue streams for municipalities, while requiring them to fulfill additional roles and meet increased targets, without introducing new opportunities for revenue was an important message in our Provincial pre-budget submission. We called on the Province to ensure Burlington was “made whole” for any revenue reductions associated with the implementation of Bill 23.

In response to the housing crisis, we called for an all of government approach, where all levels of government come together to create innovative solutions and partnerships to increase attainable housing options for residents at every stage of life.

With the ICIP program coming to an end the City called on both the Federal and Provincial governments to work together on a new predictable, stable, long-term infrastructure funding program that provides municipalities with the flexibility to choose projects that reflect municipal priorities, are informed by municipal asset management plans, and create a positive sense of place, inclusivity, and community. Further details of the City's pre-budgets submissions can be found in Appendix C.

Conference Delegations

The mayor once again led a delegation of City staff and Councillors at the 2202 annual AMO conference. Six delegation meeting took place with Ministers and Parliamentary Assistants. Please refer to Appendix D for a listing of the meetings that took place.

Plans are underway for the 2023 AMO Annual Conference in London. Delegation meetings will be requested to discuss these key advocacy priorities:

- A commitment to working together on innovative solutions and partnerships to increase attainable housing options for residents at every stage of life.
- A commitment to work together to build complete communities in Burlington that support integrated mobility options, efficient and sustainable built environments, and that support healthy natural heritage features for future generations.
- Continued targeted supports for sectors hardest hit by the pandemic including the tourism and hospitality sector, small local retail businesses and recreation.
- Funding to support advancement of the actions outlined in the City's Climate Action Plan.

This list will be further refined through the work being done on Vision to Focus 2.0.

As there were no new emerging issues affecting our rural community GR staff recommended that delegation meetings were not required at the Rural Ontario Municipal Association Conference in January 2023. GR will reconnect with the staff liaison to the Burlington Agricultural and Rural Affairs Advisory Committee later this year to determine if requests will be made for the 2024 conference.

Monitoring and Reporting

GR updates were introduced during the COVID-19 Pandemic to share details on provincial and federal announcements, new legislation and other significant news items or reports. These updates have become a regular way of sharing information corporately to council and the leadership team. Recently, the distribution has expanded to include members of the Burlington Management Team, effectively targeting information sharing to the broadest group of management.

Financial Matters:

Some funding programs require a municipal contribution. Appendix A outlines which programs have this requirement and the amount of funding the City is required to contribute. Should our applications be successful details on the funding sources for the City's contributions will be explained in subsequent staff reports.

The City's government relations efforts, including conference registrations and travel are within the Council approved budget for government relations.

Other Resource Impacts

GR works closely with subject matter expert staff throughout the City to complete funding applications and on advocacy initiatives. Staff from finance, legal, corporate communications and engagement and clerks also contribute time and effort in supporting the preparation of applications, progress reports and claims submissions, review and execution of transfer payment agreements, and the announcement and celebration of the funding.

Climate Implications

n/a

Engagement Matters:

The City's advocacy efforts are intended to influence senior government decision-makers and help advance our strategic priorities, which in most cases are an outcome of extensive community consultation. Advocacy is also used to advance issues of concern to residents, business, and community organizations.

To help identify issues quarterly meetings with members of Council are now being held.

Conclusion:

This report provides a summary of the City's GR efforts over the last year. Government relations and advocacy will continue to be important as significant changes continue to be made to the governance and responsibilities of local governments. Staff will continue to ensure that the City's perspectives and priorities are communicated to senior government decision makers.

Respectfully submitted,

Helen Walihura

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Appendices:

- A. Senior Government Funding
- B. Advocacy Issues
- C. Provincial and Federal Pre-Budget Submissions
- D. Conference Delegation Meetings

Report Approval:

All reports are reviewed and/or approved by Department Director, the Chief Financial Officer, and the Executive Director of Legal Services & Corporation Counsel.