

**February 9, 2024**

The Honourable Chrystia Freeland  
Deputy Prime Minister and Minister of Finance  
Department of Finance Canada  
90 Elgin Street  
Ottawa, Ontario,  
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Sent by email to: [Chrystia.Freeland@parl.gc.ca](mailto:Chrystia.Freeland@parl.gc.ca), [Budget2024@fin.gc.ca](mailto:Budget2024@fin.gc.ca)

## Re: OMSSA 2024 Federal Pre-Budget Submission

Dear Minister Freeland,

The Ontario Municipal Social Services Association (OMSSA) is a non-profit association whose members are Ontario's Consolidated Municipal Service Managers (CMSMs) and District Social Services Administration Boards (DSSABs).

In Ontario, almost 900,000 people receive social assistance, 297,200 receive housing supports, and 113,000 receive child care fee subsidies. In 2023, 7.4% of Canadians lived in poverty. Our 47 Members appreciate the opportunity to provide consultation on the upcoming 2024 Federal Budget.

### **Housing, Homelessness, and Asylum Seekers:**

In Ontario, community housing and homelessness prevention programs are co-funded, planned and administered by 47 Service System Managers. OMSSA Members work with the provincial and federal governments to improve access and affordability across the full spectrum of housing options in communities across Ontario.

There is an urgent need for safe, adequate, affordable housing options for all. Investments in creating municipal housing options can establish transitional, supportive, and shared-living spaces to meet needs of those moving out of homelessness, asylum seekers, and the growing number of seniors living in isolation.

Canadian municipalities are facing a crisis in housing and homelessness. Encampments and visible homelessness are increasing in all Ontario communities. Shelters, warming centres, and community housing units are at full capacity with supply not keeping up with demand.

A mental health and addictions crisis, including opioids and fentanyl has compounded the challenge. Rental vacancies are low, and the cost of rent is unaffordable to many. Housing supply, prices, and mortgage renewals are resulting in more people being at risk of homelessness.

The issue is complex with many root causes that must be addressed as part of an integrated health and human services solution. All levels of government must work collaboratively to address this growing and urgent issue impacting Canadian towns and cities.

**Additional supports are urgently needed to protect the most vulnerable homeless populations in communities across Ontario and Canada. Specific efforts must also be made to address veterans' homelessness, youth homelessness and Indigenous homelessness.**

Currently, only 25 out of the 47 Service System Managers in Ontario are eligible for the Reaching Home program despite growing homelessness populations impacting all urban, suburban, rural, and Northern communities.

Eligible Reaching Home recipients were also disappointed to see a reduction in funding through this program at the worst possible time. The lack of a strong and expanded Reaching Home program will result in more people falling into homelessness, and further burden health care systems and emergency response services across communities.

**Eligibility should be expanded to all of Ontario's 47 Service System Managers. Funding reductions to Reaching Home communities must be immediately restored and enhanced.**

More investment in community housing is needed to boost supply in Ontario and across Canada. An additional 143,225 units of deeply affordable community housing is required in Ontario by 2030 to meet the OECD average. Investments would result in a projected 5.8% to 9.5% increase in productivity. This would also result in a 23.3 to \$50.3 billion increase in GDP<sup>1</sup>.

**Expanding the National Housing Strategy, Rapid Housing Initiative, rental housing incentives, supportive housing and portable housing benefits are urgently needed to address challenges related to affordability around the housing and rental markets. Increased and sustained funding under the Canada-Ontario Community Housing Initiative (COCHI) is needed to fund new community housing development the growing backlog of repairs and long wait times.**

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<sup>1</sup> Association of Municipalities of Ontario (AMO): <https://www.amo.on.ca/policy/land-use-planning-resources-and-climate-change/community-housing-housing-forum-ontario#:~:text=New%20Study%20Shows%20Economic%20Benefits%20of%20Community%20Housing&text=An%20additional%20143%2C225%20units%20of,%2450.3%20billion%20increase%20in%20GDP.>

OMSSA appreciates renewed federal investments into community housing, co-ops, non-profits, and supportive housing, recently from the federal government. Additional investments are required to increase community housing supply and make up for lost decades when investments were not made, leading to the supply challenges Canada faces today.

Municipalities report that the National Housing Strategy Co-Investment Fund application is complex, time-consuming, and creates administrative burdens. It is also a loan-based program. Federal grants and dedicated long-term funding are required given the limited ability for municipalities to take on debt or match funding off the property tax base.

Municipalities prefer consistent allocations for planning purposes instead of application-based programs which create additional administrative burdens that results in considerable delay in creating adequate housing for Canadians.

**Efforts should be made to increase grants, forgivable loans, and subsidies on all federal Canada Mortgage and Housing Corporation (CMHC) programs to local housing corporations and providers to address supply and address rising homelessness in Canadian communities.**

**The unique role CMSMs and DSSABs play in housing and homelessness within Ontario should also be considered in federal program design related to housing and homelessness.**

Ontario faces long wait lists, repair backlogs, and a shortage of community housing and rental units. It is important that Ontario receives a fair share of funding based on population and need. Currently, Ontario is shortchanged by over \$400 million from the federal government.

**OMSSA supports the advocacy from the Ontario Government on this issue. The federal government should match the Ontario Homelessness Prevention Program dollar for dollar as an equal partner.**

Asylum seekers currently make up 40% of Toronto's shelter capacity, 50% of Ottawa's shelter capacity, and this growing issue is putting major pressure on local human services and housing. Additionally, a large percentage of migrants end up on social assistance within the first year.

Municipalities should be compensated by the federal government for these costs and a permanent solution is required to avoid costs associated with hotels, motels, and less cost-effective solutions.

**A formal intergovernmental strategy is immediately needed to address the large-scale arrivals of asylum claimants, including structures to triage arrivals and allocate emergency housing to them. Service Managers are willing to be part of this response, with the cost of emergency housing and supports being covered by**

**the Federal and Provincial governments. The municipal property tax base can simply not afford these costs.**

We believe our members have a key role to play in Truth and Reconciliation with Indigenous communities and partners across Ontario. **OMSSA supports a national Urban Indigenous Housing Strategy and is committed to Truth and Reconciliation.**

OMSSA Members look forward to further engagement with CMHC and working closely with our provincial and federal partners to address community housing and homelessness federally, provincially, and within municipalities.

### **Early Years and Child Care:**

In Ontario, Service System Managers play a central role in the planning, funding, administration, and operation of early years and licensed child care services. OMSSA and its Members strongly supported the Province of Ontario signing on to the Canada-Wide Early Learning & Child Care (CWELCC) agreement with the Government of Canada and are working towards implementation of this program locally.

Ontario has negotiated a three-year review clause related to CWELCC with the federal government. It is clear, additional funding will be required to implement the objectives and meet expected demand associated with this program in Ontario.

**To support expansion targets for licensed early years and child care in Ontario, federal and provincial support is required to create new spaces through enhanced capital funding.**

**Child care providers have expressed concern about their financial viability and may withdraw from CWELCC. Additional operational funding is also required to maintain these spaces and ensure child care operators have sustainable, predictable and adequate support to continue in the CWELCC program.**

Our Members have also seen a reduction in administrative funding well below the 10% administration threshold despite additional requirements. [This reduced funding will have an impact on children's services](#) in Ontario. **Full funding is required for our Members to implement CWELCC.**

In 2023, Ontario released a Child Care Workforce Strategy, but more is needed to address workforce challenges in the early years and child care sector.

Workforce challenges remain a barrier to expanding early years and child care access within Ontario. Challenges remain recruiting and retaining of Registered Early Childhood Educators (RECE) and other workers within the child care sector. Many RECEs are leaving for higher paying jobs with school boards or to work in other sectors.

**To ensure the success of CWELCC, workforce challenges must be resolved quickly with increased compensation and benefits to reflect their education, skill set, and value. RECEs should be considered a priority profession for immigration within Canada to help encourage more qualified people to enter the profession.**

Early years and child care is a critical component to addressing inflationary cost-of-living concerns, economic growth, workforce participation, and declining economic conditions that have disproportionately impacted women. OMSSA looks forward to continued engagement with our federal and provincial partners to expand access to affordable early years and child care in Ontario communities.

### **Social Assistance and Employment:**

In Ontario, Service System Managers play a central role in the planning, funding, administration, and delivery of income support (Ontario Works), stability supports, and employment services.

OMSSA and its Members are ready to build on our relationships and work in partnership with the provincial and federal governments to lend our expertise and experience towards integrated human service delivery and improved outcomes in stability supports, employment, and poverty reduction.

### **OMSSA encourages the Federal government to explore a Universal Basic Income.**

Social Assistance rates have been frozen in Ontario since 2018 and have not kept up with the rising cost-of-living. During the pandemic, Canada Emergency Response Benefit (CERB) recipients received almost triple the benefit of what a single person on Ontario Works received, and close to double what was received by those on Ontario Disability Support Program (ODSP).

Inflation increased 3.4% in 2021, 6.8% in 2022 and 3.62% in 2023. Failing to increase social assistance rates has led to an increase food bank usage, poverty rates, homelessness encampments, and has contributed to reduced health outcomes, decreased mental health, and rising crime rates.

There is a cost to the government to raise social assistance rates, but there is also a larger cost as a result of failing to take action on rates. Exploring the potential for a federal basic income incorporating federal, provincial, and municipal programs has the potential to increase community safety and well-being by reducing poverty, integrating human services, and providing additional support to those currently at risk of homelessness.

### **OMSSA supports the federal government exploring a National Poverty Reduction Strategy, National Homelessness Strategy, and a National Mental Health and Addictions Strategy with supportive investments in these areas.**

The federal government introduced the Canada Dental Benefit and is studying a National Pharmacare Program. Increased drug and dental coverage would help social assistance clients who have found employment maintain that employment.

Many return to social assistance within a year due to the risk of losing dental and drug benefits.

**OMSSA supports the federal government working with the provinces to expand dental and drug coverage to low-income Canadians to improve employment outcomes and reduce reliance on social assistance programs.**

### **Emergency Social Services and Climate Change:**

Our Members provide emergency social services. Emergencies such as forest fires, floods, heat waves, blizzards, tornadoes, and other natural disasters resulting from climate change are becoming more frequent.

Municipalities are on the frontlines of climate change and require funding to retrofit buildings, adapt to climate change through mitigation efforts, and cover the cost of increasing climate events that result in the need for more emergency social services.

Climate change is a global issue requiring all governments working together to reduce emissions and adapt to changing weather patterns. To make progress on Canada's emission reduction commitments, collective action is needed.

**Federal support to assist municipalities with planning and responding to emergencies including forest fires, floods, heat waves, blizzards, tornadoes, pandemics earthquakes and other natural disasters is needed proactively.**

A failure to act will lead to higher costs and more frequent climate events like those seen last summer with wildfires across Canada.

### **A new deal between Municipalities, the Province of Ontario, and the Government of Canada:**

OMSSA supports the Association of Municipalities Ontario's (AMO) call for a Social and Economic Prosperity Review in Ontario. A new approach to the federal-provincial-municipal fiscal relationship is needed with consultation from municipalities.

According to AMO, municipalities are subsidizing the Ontario Government by an estimated \$4 billion per year for services within provincial jurisdiction. A review should be considered for services within federal jurisdiction as well.

Over the past five years, municipal spending on homelessness has increased over 200%. Municipalities have also seen human services, shelter capacity, and social services further stretched covering federal costs associated with asylum seekers, migrants and refugees seeking a better life in Canada.

These costs cannot be supported by property taxes alone. Municipalities only collect 9% of total tax revenue in Canada and face an expanding scope of services downloaded by provincial governments and the federal government.

Municipalities are also responsible for maintaining infrastructure and plan to spend \$250-290 billion on infrastructure in Ontario over the next 10 years. Municipalities have also been impacted by higher-than-normal inflation.

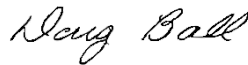
**The fiscal framework that enables municipalities to deliver infrastructure and vital services is broken and a new deal is required for all municipalities in Canada. OMSSA supports the pre-budget submission from the Federation of Canadian Municipalities (FCM) and a new fiscal framework to support municipalities.**

OMSSA also supports pre-budget submissions from the individual CMSMs and DSSABs that make up OMSSA's Membership. Thank you for considering the ideas from OMSSA Members and the current state for vulnerable Ontarians outlined in our pre-budget submission. We wish the Minister and Department of Finance officials all the best as they develop the 2024 Federal Budget.

Sincerely,



Henry Wall  
President



Doug Ball  
Executive Director