



EOWC ADVOCACY
**BRIEFING
PACKAGE**

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EOWC
Eastern Ontario
Wardens' Caucus

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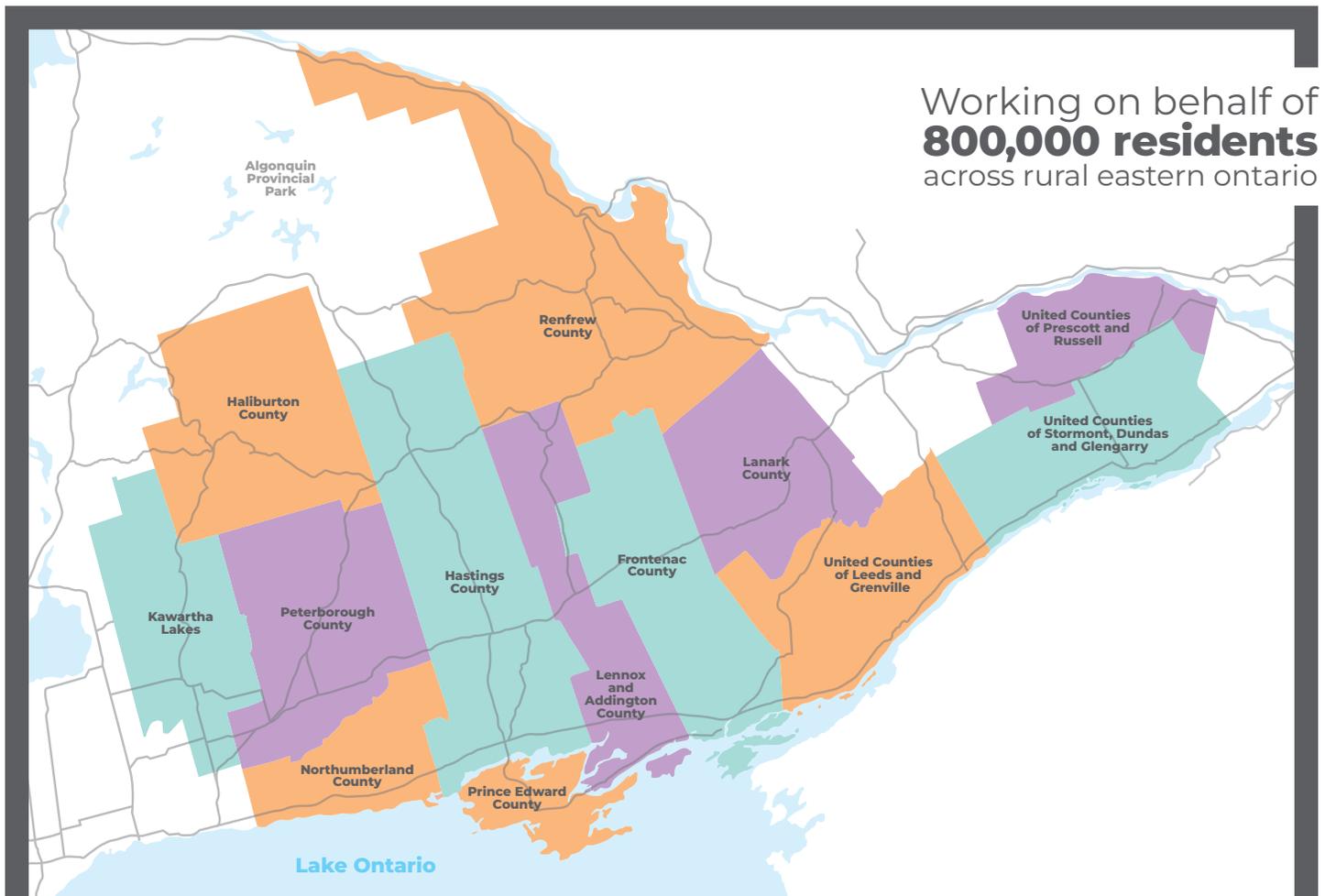
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About the EOWC

The Eastern Ontario Wardens' Caucus (EOWC) Inc. is an incorporated non-profit organization comprised of the Heads of Council of 13 municipalities (11 upper-tier counties and two single-tier municipalities). The EOWC covers an area of approximately 50,000 square kilometres from Northumberland County east to the Québec border. The EOWC supports and advocates on behalf of its 90 lower-tier municipalities and 800,000 residents across the region. The EOWC has gained support and momentum by speaking with a united voice to champion regional municipal priorities and work with the government, business leaders, the media, and the public.



EOWC Members

- County of Frontenac
- County of Haliburton
- County of Hastings
- City of Kawartha Lakes
- County of Lanark
- United Counties of Leeds and Grenville
- County of Lennox and Addington
- County of Northumberland
- County of Peterborough
- United Counties of Prescott and Russell
- Prince Edward County
- County of Renfrew
- United Counties of Stormont, Dundas and Glengarry



AFFORDABLE AND ATTAINABLE HOUSING

Issue

Across rural eastern Ontario's municipalities, innovation, creativity, shovel-ready projects, and a willingness to collaborate exist around housing and its required infrastructure.

The EOWC requests that the Ontario Government partner and implement rural-based support, programs and funding to bring housing and infrastructure projects to fruition in small and rural settings. Many rural municipalities in eastern Ontario are growing, and growing fast.

Strong partnership between all orders of government will ensure success around housing and infrastructure. The EOWC would like to thank to Ontario Government for consulting with rural municipalities by hosting the first-ever Housing Forum on November 27, 2023. The EOWC encourages continued dialogue and fulsome consultation. The Caucus looks forward to building upon our relationship with Minister Calandra, Minister Flack and Parliamentary Assistant Rae on behalf of rural eastern Ontario.

Recommendations

The EOWC requests:

- That the Ontario Government develop and provide programs, funding and policies that fit rural circumstances and support rural municipalities with innovative housing and infrastructure development to accomplish the shared goal of building more housing faster.
- That the Ontario Government development and tailor programs and funding to upper-tier municipalities, in addition to single and lower-tiers. All municipalities should be able to apply to funding to ensure equitable opportunity across communities.

The capacity of lower-tiers differs in rural areas, therefore by not allowing upper-tiers to apply, the current policy excludes good projects from moving forward.

- That the Ontario Government continues to search for ways to streamline and reduce red-tape and delays across provincial ministries around housing and infrastructure.
- That the Ontario Government continues to work together with the EOWC as a voice for the region's 103 rural municipalities through fulsome consultation and regular dialogue.



Background

The EOWC wishes to reenforce its support around the Ontario Government's 'war-time effort' to reach 1.5 million homes across Ontario by 2031. When it comes to housing, the EOWC's 103 municipalities are innovative, creative and solutions-oriented partners. Rural communities need houses for workers, residents, youth, seniors, and families to work, live and thrive. In order to address the housing needs of our rural communities, it is vitally important to expedite the servicing of land and develop local solutions that support rural communities and keep families intact. Affordable and attainable housing are both urban and rural issues. Municipalities need a balanced approach to funding that is not purely urban focused, but one that includes rural housing needs.

Many rural municipalities in eastern Ontario are growing fast and want to welcome people to their communities. The EOWC and its member municipalities have been hard at work developing solutions for their rural communities and future growth. Rural must be part of the Ontario Government's plan and the EOWC is willing and ready to work together to achieve mutual goals around housing and infrastructure. There are numerous ways that the Ontario Government can support rural municipalities. Rural municipalities have unique opportunities compared to their urban counterparts and need to be treated and included as such.

The EOWC encourages the Ontario Government to think differently when it comes to putting money away for rural projects. Fairly small provincial investment can make a big difference in rural communities and contribute significantly to their economy, well-being and vibrancy, as shown in two eastern Ontario case examples in Frontenac County and Prince Edward County (see below). Provincial programs need to be reviewed with a rural perspective and funding should be earmarked accordingly.

When it comes to program and funding eligibility, it is important that upper-tiers in addition to single and lower-tier municipalities, have the ability to apply. The EOWC's members have faced initial barriers and welcome the opportunity to take advantage of federal and provincial programs and funding opportunities but need to 'get in the door' to access funds. Across Ontario and the EOWC region, communities have different relationships and circumstances, where some jurisdictions have lower-tiers leading housing projects and some have upper-tiers leading projects. The current policy excludes projects from starting or moving forward. All municipalities need to have the opportunity to apply.

In addition, administrative and regulatory red-tape coupled with the lack of communication across ministries continue to be a barrier for municipalities when it comes to getting shovels in the ground for housing and other infrastructure projects. We applaud the government's efforts to reduce red-tape thus far, but request that the streamlining and review of internal and cross-ministry red-tape continue especially around housing and infrastructure related work.

EOWC's Policy Papers

The EOWC prides itself on providing sound evidence, data-based solutions, local examples, and constructive recommendations. Currently, the Caucus is undertaking a data and trends refresh of their two policy papers around infrastructure and community (previously social) housing across eastern Ontario. The Caucus looks forward to sharing the policy papers and the data, trends and recommendations later in 2024 with the government.



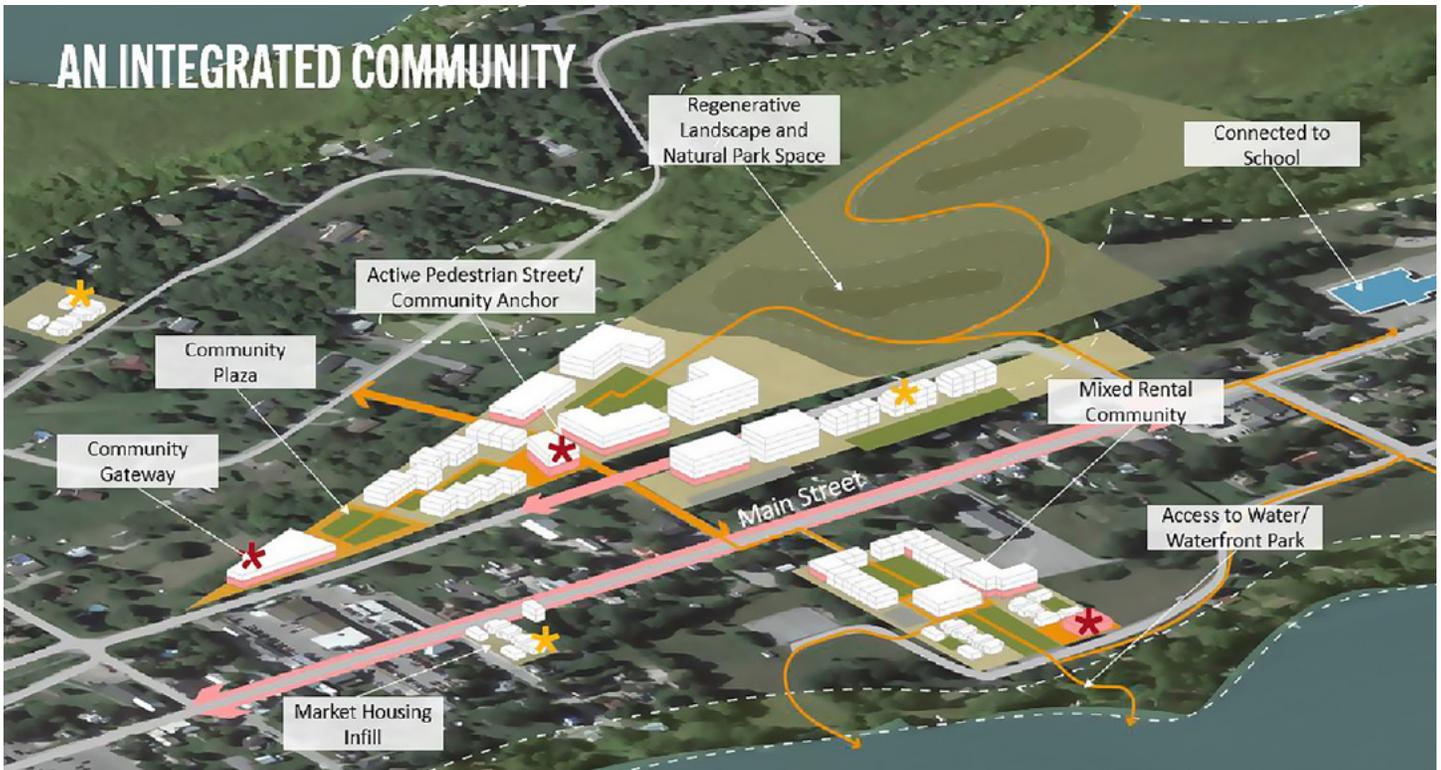
Infrastructure Investment Looks Different in Rural Communities

Shovel ready project where no infrastructure exists

Frontenac Municipal Services Corporation

- The Frontenac Municipal Services Corporation (FMSC) demonstrates an innovative rural solution to provide communal services and increase housing supply.
- Communal services are a decentralized solution that are economical, effective, environmentally sustainable, and reduces greenhouse gas emissions compared to full-service options.
- Frontenac County and the four member municipalities have established a regional municipal services corporation under the Municipal Act to coordinate the delivery and maintenance of communal services for housing.
- The EOWC 7 in 7+ Regional Housing Plan Business Case Study highlighted the FMCS project as an ideal pilot for rural housing that has the potential to be duplicated across the region's municipalities.
- South Frontenac Township has purchased the land in Verona with the intention of constructing 75-100 units, with a mix of row housing and apartments. The units are intended to be a combination of affordable, seniors and market oriented. Total construction budget, including servicing is \$40 to \$50 million. Frontenac County has committed \$330,000 to support seniors housing in Verona.
- Completion of the project will help rural seniors and families remain in their community and contribute to its vitality.
- Strategic planning for South Frontenac Township and the County of Frontenac supports increasing rural housing options, and The County of Frontenac has recently amended its Official Plan to support communal services and increased density. South Frontenac Township will be finalizing their new Official Plan this year with similar provisions.
- South Frontenac has completed public consultation and a Master Plan for the project. South Frontenac is near the end of the second phase of the Environmental Assessment process for the installation of communal services for the project.





How Can the Province Help?

1. Work with Frontenac County and the EOWC to support the establishment of the Municipal Services Corporation as a 'pilot project' for rural eastern Ontario that can be duplicated across the province to build for rural housing communities.
2. Continue the implementation of Recommendation #44 of the Housing Task Force, while showcasing the efforts of Frontenac and the EOWC as a model for rural Ontario.
3. Provide funding support for rural servicing projects based upon proven communal servicing options.
4. Work with Frontenac and the EOWC to remove environment red tape that is a barrier to the approval of communal systems, including:
 - Work to merge the Environmental Assessment process with Source Water Protection requirements for municipally owned/operated water systems.
 - Provide pre-approval or streamlined approval for existing "off the shelf" communal systems.

Shovel ready project needing ‘last mile’ funding where infrastructure exists

Prince Edward County

- County Council gave the local Affordable Housing Corporation a piece of vacant land to build affordable housing.
- The houses on the proposed road are managed by the Service Manager (Prince Edward and Lennox & Addington Social Services). It is a community with affordable housing in it already.
- The County applied for and received \$100,000 in SEED funding from the Canada Mortgage Housing Corporation (CMHC) for the preparation work, and is finishing up loose ends to complete the open application with CMHC under the co-investment fund to build (not approved yet, but the file is open).
- The intent is to build 12 units using modular housing development practices. 1 bedroom units aimed at youth given the proximity to services and local jobs.
- This is a partnership project with the local First Nation neighbour. Half of the units would be filled by the youth on housing waiting list with the Mohawks of the Bay of Quinte.

Current Challenge Requiring a ‘Last Mile’ Financing Solution:

- In finalizing the planning and other work, the County realized that the municipal communal services do not extend to the end of the street which was not part of the initial funding application to CMHC. It will cost about \$400,000 to extend the water/wastewater pipes to the site and get an extension of roadwork (to allow for the snowplow to turn around).
- For a market rate development, the servicing would be pulled into the proforma. For this project, it is another barrier that is struggling to be financed. This is the kind of “last mile” infrastructure funding that could help sites become “unstuck” and unlock affordable housing.





NEXT GENERATION INFRASTRUCTURE FUNDING TO SUPPORT RURAL MUNICIPALITIES

Issue

The Eastern Ontario Wardens' Caucus (EOWC) and its 103 member municipalities are innovative, solutions-focused partners when it comes to understanding and building infrastructure that will support housing and other capital assets in rural communities. Ontario and Canada's housing challenge is also an infrastructure challenge.

The EOWC thanks the Ontario Government for their investment through the Housing-Enabling Water Systems Fund (HEWSF) to support water and wastewater systems. This is a strong start to building the infrastructure required across the region. Looking forward, there are other innovative ways that the government can invest in infrastructure to support rural municipalities.

Recommendation

The EOWC encourages the Ontario Government to think differently when it comes to infrastructure and put funding aside for rural projects.

The EOWC requests:

- 1.** That infrastructure programs and funding eligibility be developed with a rural perspective and understanding for these communities' needs and landscapes.
- 2.** That the Ontario Government earmark parts of existing program funds for rural projects as a small investment can go a long way.
 - The EOWC case examples show how provincial investments can get projects built for a lesser cost than traditional models.
 - Project 1: Frontenac County's Municipal Services Corporation shows how housing can be built using innovation, collaboration and untraditional communal infrastructure faster and at a lower cost.
 - Project 2: Prince Edward County already has pipes in the ground, but requires 'last-mile' funding in order to hook up to existing infrastructure.
- 3.** That the Ontario Government support and fund municipalities accordingly ahead of the July 2024 asset management plan deadlines (set by the Province) to make these plans viable as they cannot be based on property tax dollars alone.
- 4.** That the Ontario Government work with the Federal Government to reach an agreement that will reinstate a grant-based, multi-year funding program so that municipalities can plan for and execute their asset management plans.

Background

The EOWC's 103 rural municipalities manage over \$12 billion in physical assets across the region. The EOWC understands that without pipes in the ground, houses cannot be built and that infrastructure must be coordinated in order to meet the target of building 1.5 million homes by 2031.

The EOWC appreciates the Ontario Government taking a lead on investing in water and wastewater systems through the HEWSF. A small number of the EOWC's rural municipalities will be able to apply to this funding because in order to be applicable, it requires concentrated growth in small areas. Unfortunately, the HEWSF will not work in the majority of rural areas because municipalities are required to have the design work finished and evaluated on 'the price per house' (how many housing units getting built, divided by the total cost). This formula will not be as effective for small and rural communities as they will not be able to meet the criteria. These municipalities will not have come as far on infrastructure planning and cannot expect growth to pay for this. In conclusion, small and rural municipalities will not be able to compete with urban cities based on the current funding framework.

Moving ahead, rural municipalities must not be left behind. Programs and funding eligibility need to be developed with a rural perspective and there are numerous ways in order to do this. The EOWC remains a committed partner and municipalities are ready to step up, support and build.

Provincial-Federal Agreement to Fund Infrastructure

At present, the Federal Government and Ontario Government have not solidified an agreement around Investing in Municipal Infrastructure that provides predictable, multi-year, grant-based funding to allow municipalities to plan. This has left a gap in maintaining and building infrastructure projects across Ontario. Heading into 2024 and looking ahead to 2025, there needs to be multi-year budgets allocated to asset management as property taxpayers cannot fund this on their own. Without this agreement between the Federal and Ontario Governments, municipalities are unable to plan for and fund multi-year infrastructure projects.

Asset Management

Municipalities have a deadline of July 2024, which was set by the Province, to develop comprehensive asset management plans. Municipalities are preparing by looking at the short, medium and long-term planning of assets across their communities. This includes preparing to build new and maintain existing roads, bridges, buildings, water/wastewater systems, transportation, etc. that are critical to the foundation of communities and residents' quality of life. Municipalities recognize that increasing taxes and fees on property can increase the overall cost of construction, impacting the business case to start new projects. Under the current framework, municipalities cannot fund the growing infrastructure deficit. As municipalities prepare to meet the asset management plan deadline of July 2024, there needs to be government support and funding to make these plans viable.

The EOWC stands with the Association of Municipalities of Ontario ([Social and Economic Prosperity Review](#)) and the Federation of Canadian Municipalities ([Municipal Growth Framework](#)) in the call for government to establish a new deal that supports a funding framework for all municipalities and grows with the current and future economies.

EOWC Policy Papers

The EOWC prides itself on providing sound evidence, data-based solutions, local examples, and constructive recommendations. Currently, the Caucus is undertaking a data and trends refresh of their two policy papers around infrastructure and community (previously social) housing across eastern Ontario. The Caucus looks forward to sharing the policy papers and the data, trends and recommendations later in 2024 with the government.





MODERNIZING THE CONSTRUCTION APPROVAL PROCESS

Issue

In support of regional economic development and modernization efforts, the Eastern Ontario Wardens' Caucus (EOWC) is advocating that the Ontario Government updates the approvals process for small pipeline projects to stop delays and get shovels in the ground. The EOWC supports an increase in the leave to construct threshold to \$10 million.

Recommendation

That the Ontario Government updates the leave to construct cost threshold from \$2 million to \$10 million for hydrocarbon lines (by amending Ontario Regulation O. Reg. 328/03) while maintaining current requirements and expectations for Indigenous consultation and environmental review for projects greater than \$2 million and less than \$10 million.

Background

The EOWC region spans over 50,000 square kilometres - about the size of Nova Scotia - and continues to see significant growth, including pressure to develop the gas pipeline network. Under the current threshold, municipalities are seeing delays in getting natural gas to development sites. Any business or person planning to construct hydrocarbon transmission facilities within Ontario, must apply to the Ontario Energy Board (OEB) for authorization, if the projected cost to build the pipeline is over \$2 million, a threshold that was set in 1998, 25 years ago. Based on Ontario Energy Board's performance standards, this proposal would save five to seven months of regulatory process.

Ontario's outdated regulations are causing the leave to construct threshold to apply far more broadly than what was intended. Due to increased regulatory and cost pressures, as well as inflation, virtually all gas pipeline projects are now greater than \$2 million rendering the threshold meaningless. Roughly 0.5 kilometres of pipe in urban settings now often exceed the \$2 million threshold.

Modernizing these outdated regulations would reduce delays and costs for economic development initiatives including new industries seeking to locate in Ontario and create jobs (or existing companies seeking to expand), transit projects, community expansion projects, housing developments, connections for low carbon fuel blending (e.g. renewable natural gas, hydrogen) as well as residential and business customer connections.

Increasing the cost threshold to \$10 million would closer align Ontario with other Canadian jurisdictions (e.g., in British Columbia, these thresholds are \$15 million for electricity and \$20 million for natural gas). Industry experts propose updating the leave to construct cost threshold from \$2 million to \$10 million for hydrocarbon lines (by amending O.Reg.328/03). Following expert advice, on January 12, 2024, the EOWC passed a resolution in favour of the Government of Ontario updating the leave to construct cost threshold from \$2 million to \$10 million for hydrocarbon lines (by amending O.Reg.328/03) while maintaining current requirements and expectations for Indigenous consultation and environmental review for projects greater than \$2 million and less than \$10 million.

LONG-TERM CARE



Issue

The Eastern Ontario Wardens' Caucus (EOWC) set long-term care as a key priority. The Caucus aims to discuss issues including the impact of staffing agencies on rural communities, low interest loan programs to redevelop and expand homes, and an update on the review of the case mix index (CMI).

The EOWC thanks the Ministry of Long-Term Care for including our members to be part of the conversation in the review of the CMI as a funding mechanism. Additionally, the EOWC thanks the Ministry for the recent investment in the Local Priorities Fund and the Equipment and Training Fund that will enable complex care and diagnostic testing to be done directly at the residents' (long-term care) home.

Impacts of Staffing Agencies On Rural Communities

Due to staffing agencies, the EOWC's rural municipalities continue to experience negative and unsustainable staffing and budget impacts. The EOWC requests:

1. Extra funding to help rural long-term care homes afford the premiums they are paying for agency workers.
2. Support and funding in getting temporary foreign workers to fill the human resources crisis in long-term care.
3. Regulations to be put in place to ensure temporary staffing agency workers have required education and training.

Key Evidence

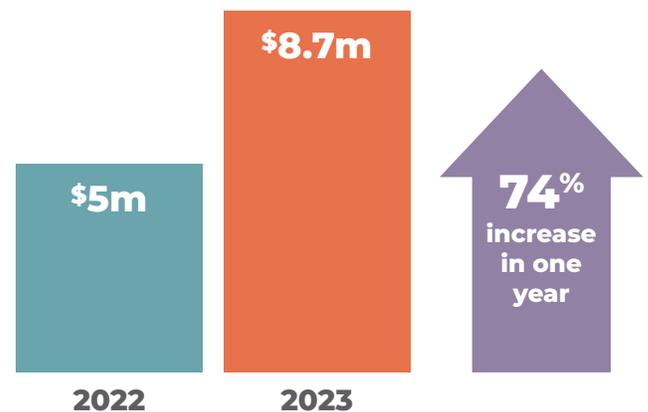
Across EOWC's municipal long-term care homes, on average:

- In 2023, in municipal homes across the EOWC region, **the use of agencies has cost \$8.7 million**. In 2022, this number was \$5 million. This is a **74% cost increase in one year**.

These amounts are premiums in wages of 60% to 100% of regular staffing costs, plus extra costs charged for mileage and accommodation.

- There is a **decrease in staff morale and work culture** attribute to working alongside agency staff who may be making 1.5 to 2 times more than their hourly wage.

COST OF STAFFING AGENCY USE ACROSS THE EOWC REGION



Background

- The EOWC believes that rural residents require access to the same quality of care as urban centres. Agencies take advantage of worker shortages by offering higher wages and contracting back.
- Government investments – taxpayer dollars – are being poured into agency profits. The EOWC is ready to work together to implement a better solution in rural homes.

There is a **reduction in the quality and continuity of resident care**. Full-time staff waste time on repeat training for agency staff. Critical incidents have increased as a result of using agencies.

Homes need long-term staff to ensure continuity of good quality care for residents as their needs continue to become more complex.

Additional Support for Capital Redevelopment and Expansion

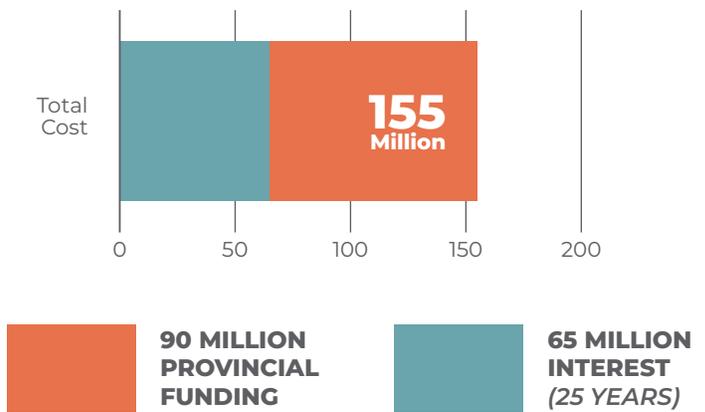
As a solutions-oriented partner, the EOWC requests that the Ministry:

1. Implement a low interest loan program to assist municipalities with the capital redevelopment and expansion of long-term care homes.
2. Apply low interest loans to homes in construction now or those yet to be built.
3. Continue the Construction Funding Subsidy (ended in August 2023). These changes would provide reinvestments back into the home, improving the overall building and benefit to residents.

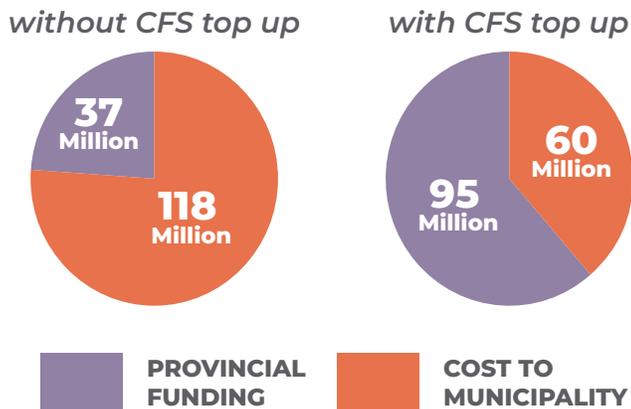
Key Evidence

- Due to inflation, construction costs are higher. **There are better ways to spend municipal dollars than on debt interest payments back to the Province.** While the borrowing interest rates from Infrastructure Ontario are relatively low, it still **adds on average \$65 million to the construction or redevelopment**, creating an additional financial barrier (for a \$90 million home). Long-term care capital funding programs should be designed to protect municipal investments around redevelopment and expansion of facilities (see graph to the right).

THE COST OF INTEREST TO MUNICIPALITIES OVER 25 YEARS



COST TO MUNICIPALITIES (PROJECT COST: 155 MILLION)



- To build more long-term care homes, the Province should bring back an incentive program to get additional long-term care homes built in eastern Ontario.
 - There are 4 homes in development now across the EOWC region.
- CFS top up funding reinvests \$57 million into long-term care homes (see graph to the left).

Background

The redevelopment of long-term care homes is a significant capital investment for small, rural municipalities. The ongoing debt charges are difficult for property taxpayers to afford given the infrastructure deficit rural municipalities are addressing for roads, bridges and other assets. Tax dollars will be saved with this approach and more homes can be built.

[The Fixing Long-Term Care Act](#), section 122(1) requires all upper or single-tier municipalities to own and operate a long-term care home.

Municipalities face countless barriers and higher standards versus private counterparts.

Municipal homes have better outcomes than private sector homes as proven in reports by [Ontario's Auditor General](#), [AdvantAge](#), [KPMG](#), and the [Institute of Municipal Finance and Government](#). Additional monies (from not paying debt on the loan) would allow municipalities to go above a basic model to deliver higher quality support for residents.



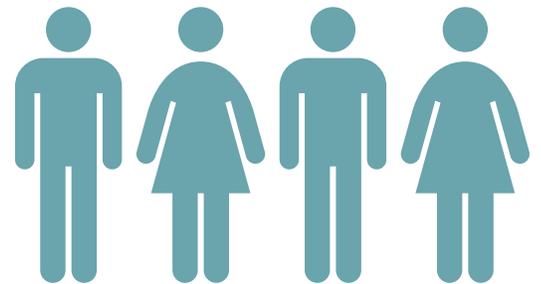
Case Mix Index

The CMI is outdated, retrospective and takes away from resident care. The EOWC requests an update on the Ministry's review of the CMI. **The EOWC asks that the ministry change the CMI model to a per bed funding model as it would free up front-line nursing staff to provide direct resident care.**

Key Evidence

- The EOWC thanks the Ministry for their efforts to increase staffing. As a result of the staffing supplement funding which will directly increase registered nursing staff and PSW positions by 2025.
- Municipalities in rural eastern Ontario continue to work toward the 4 hours of care target. On average, **EOWC members provide 3.48 hours of care** (December 2023). The provincial mandate is to reach 3.7 hours by March 2024 which the majority of EOWC homes will meet or surpass.
- The current model of funding could be improved with a per bed model. The **Ontario Government could free up 1,064 registered nursing staff** across Ontario to provide direct resident care if they replace CMI with a per bed funding model. The per bed funding model would treat every long-term care home the same. It eliminates the current potential to inflate the results of the complex CMI calculation. Municipal homes as leading long-term care providers should not be penalized financially for providing the highest quality of care.

The Ontario Government could free up
1,064 **registered**
nursing
staff



Background

The administrative burden for each home to maintain the statistics that support CMI is significant. The EOWC calculates that 1.7 full-time equivalent (FTE) of registered staff per home per year is needed to chart CMI. In many homes 1.5 to 2.0 FTEs of qualified registered care staff are dedicated to data collection. Particularly given the staffing shortages the sector is facing, their talents would be better served at the side of residents.

Four hours of care was the right thing to do, but it is a starting point not an end point. Residents' acuity levels increase as home care and aging in place practices improve. Homes require resources and flexibility to adapt to acuity changes, including additional funding for allied professionals.



Contact the EOWC at

EOWC Chair, **Peter Emon**
(Warden of Renfrew County)
info@eowc.org

EOWC Vice-Chair, **Bonnie Clark**
(Warden of Peterborough County)
info@eowc.org

Manager of Government Relations and Policy
Meredith Staveley-Watson
647-545-8324
Meredith.Staveley-Watson@eowc.org

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