



Hamilton

Government Relations and
Infrastructure Funding Update

August 23, 2016

Outline

q Meeting Objective

- q Update on status of Provincial/Federal capital investment programs
- q Obtain GIC feedback on City priorities
- q Agreement on next steps

q Background of government relations

- q Steps taken

q Current Government Relations priorities

q City of Hamilton Priorities

q Key Federal Mandates

q Key Provincial Mandates

q Next steps



Background

- q Council decision to formalize government relations (GR) function in 2014
- q Reconstitute Fairness to Hamilton Sub-committee as GR sub-committee
- q GR priorities approval at sub-committee; ratified at Council



Background (steps taken)

- q March 12, 2015:
 - q Fairness to Hamilton Sub-Committee renamed to Government Relations (GR) Sub-Committee
 - q Committee approved GR priorities
- q April 13, 2015: Emergency & Community Services committee amends GR priorities
- q April 22, 2015: Council ratifies priorities
- q June 23, 2015: A GR strategy submitted to GR sub-committee
- q October 14, 2015: GR strategy presented to sub-committee
- q November 24, 2015: Hamilton Day at Queen's Park



Current Government Relations Priorities

- q Transit
- q Infrastructure
- q Housing
- q US Steel Lands
- q Other areas of advocacy include:
 - q Addressing the additional social services and housing responsibilities managed by the City of Hamilton
 - q Poverty reduction
 - q Additional revenue tools for municipalities
 - q Economic development opportunities
 - q The City's two long term care facilities (Macassa Lodge and Wentworth Lodge)
 - q Funding of emergency medical services



City of Hamilton Priorities

Transit

City Priorities:

- q Rapid Ready
 - q Improve the City's transportation network
 - q Support multi-modal travel
 - q Encourage inter-regional connections
- q Ten Year Local Transit Strategy
 - q Infrastructure requirements of MSF, buses, shelters
 - q Increases in ridership - BLAST network
 - q Improvements to the customer experience

Federal/Provincial Response:

- q \$1B Provincial investment in LRT
- q Provincial and Federal gas tax funding
- q Anticipated Federal funding (phase 1 and phase 2)

City of Hamilton Priorities

Infrastructure

City Priorities:

- q The City's infrastructure deficit currently stands at \$3.5B
- q Eliminating infrastructure deficit would require \$200M a year for the next ten years

Federal/Provincial Response:

- q Water/Wastewater Projects:
 - q Green Investment Fund - ongoing - \$200M in funding over the next 5 years (for future recovery based on construction reimbursement)
 - q Canadian Strategic Infrastructure Fund - complete - \$50M recovered over approximately 6 years from 2009-2014
 - q Infrastructure Stimulus Fund - returned \$76.3M in recovered project funds
- q Provincial and Federal gas tax funding

City of Hamilton Priorities

Housing and Poverty Reduction

City Priorities:

- q Poverty Reduction Strategy
 - q 10 year, \$50M initiative
 - q Will incorporate Housing & Homelessness Action Plan
- q Housing & Homelessness Action Plan
 - q More affordable rental and ownership housing – goal of 300 rental units per year
 - q Increase people's housing affordability, stability and choice
 - q Provide individualized supports to obtain and maintain housing
 - q Receive quality service and experience equity in housing



City of Hamilton Priorities

Housing and Poverty Reduction (con't)

Federal/Provincial Response (existing funding):

- q HPS - \$4.2M annually (with \$2M enhancement)
 - q 2014-2019
 - q Housing first programs, homelessness prevention
- q CHPI - \$19M annually
 - q 2013-2016
 - q Emergency shelters, housing stability benefit, homelessness prevention
- q Energy retrofits for social housing (provincial) - \$7M
- q Local Poverty Reduction Fund (provincial)
 - q \$50M available
 - q \$572, 900 received for Learning Annex
- q Federal consultation on national poverty reduction strategy

City of Hamilton Priorities

Housing and Poverty Reduction (con't)

Federal/Provincial Response (new funding):

- q Social Infrastructure Fund - \$23M for City (additional provincial funds in 2018)
 - q Construction and renovation of housing for seniors and capital/operating (IAH)
 - q Year 1: \$18M total; \$11M for SHIP, \$7M for new rental housing and housing allowances
 - q Year 2: \$5M through SHIP
- q Homelessness Partnering Strategy (HPS) Enhancement (federal) - \$2M
- q Community Homelessness Prevention Initiative (CHPI) Enhancement (provincial) – amount TBD by year end
- q Energy retrofits for social housing (provincial) - \$500M Province wide
 - q Amount for City TBD
- q Staff report going to ECS September 12th

City of Hamilton Priorities

Housing and Poverty Reduction

Federal Affordable Housing Investments

	2016–2017	2017–2018	Total
Doubling the Investment in Affordable Housing Initiative	261.6	242.8	504.4
Increasing Affordable Housing for Seniors	100.3	100.4	200.7
Supporting Energy and Water Efficiency Retrofits and Renovations to Existing Social Housing	500.0	73.9	573.9
Supporting Shelters for Victims of Violence	60.0	29.9	89.9
Tackling Homelessness	57.9	53.9	111.8
Subtotal	979.8	500.9	1,480.7
<i>Additional Investments in Housing for First Nations, Inuit and Northern Communities¹</i>	356.2	382.8	739.0
Total Investments Funded Through Social Infrastructure Commitment	1,336	883.7	2,219.7
<i>Additional Investments to Support the Construction of Affordable Rental Housing²</i>	13.1	72.6	85.7
Grand Total	1,349.1	956.3	2,305.4

City of Hamilton Priorities

US Steel

q US Steel

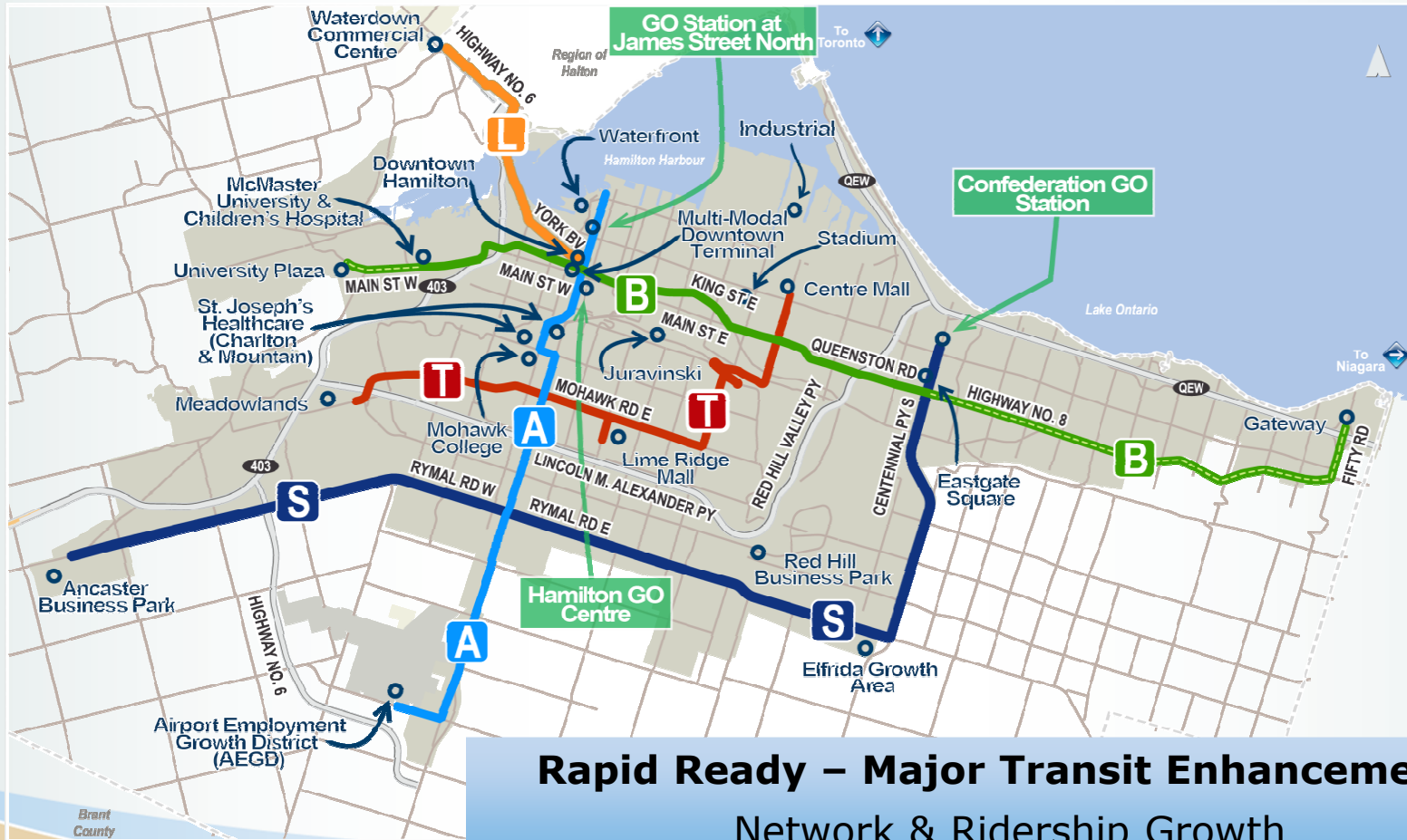
- q Potential impacts on pensioners and employees; and the City of Hamilton
- q Ensuring employment lands are still available

Federal/Provincial Response:

- q \$3M Provincial transitional funding for pensioners

City of Hamilton Priorities

Transit



City of Hamilton Priorities

Transit

Ten Year Local Transit Strategy Components:

- q Address service reliability
- q Implement Service Standards
- q Keep up with growth
- q Begin to shift Modal Split with Enhance Express Bus

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
LOCAL SERVICE	Service Reliability		Stds														
BLAST Express Bus	Service Reliability																
BLAST B-Line LRT																	

City of Hamilton Priorities

Transit

Ten Year Local Transit Strategy Capital Needs:

- Request made to Metrolinx for \$302M in addition to full funding of the B-Line LRT.

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	10 Year Total	
		Service Reliability		Standards									
				Growth									
					Modal Split								
UNFUNDED CAPITAL (000's)													
Fleet (BLAST)		\$6,875		\$5,300	\$5,420	\$39,280						\$56,875	
Maintenance Storage Facility		\$5,000	\$10,000	\$25,000	\$80,000	\$80,000						\$200,000	
Customer Experience		\$4,000	\$4,000	\$4,000	\$4,000	\$23,000						\$39,000	
Corridor Capacity		\$200	\$200	\$200	\$200	\$5,200						\$6,000	
Total		\$16,075	\$14,200	\$34,500	\$89,620	\$147,480						\$301,875	

City of Hamilton Priorities

Public Transit

Maintenance and Storage Facility (MSF)

- q New MSF critical in the short term
- q Mountain Transit Centre designed with an indoor storage capacity for 200 12m (40 ft.) buses.
- q Approx. 260 buses including 43 18m (60 ft.) articulated buses
- q Fleet will grow by an additional 100 buses by 2024



City of Hamilton Priorities

Transit

MSF - VIDEO



City of Hamilton Priorities

Transit

Ten Year Local Transit Strategy Capital Needs:

- q Estimated full cost of the MSF at \$200M
- q Staff are currently investigating:
 - q obtaining plans for a recently constructed MSF
 - q land acquisition options
- q Could substantially reduce the cost of the facility
- q MSF costs can be reduced to approximately \$150M
- q **Therefore – approx. \$250M in capital funding to implement the Ten Year Local Transit Strategy**

Fiscal Outlook – City of Hamilton

- q Fiscal outlook: (2016 Budget)
 - q 2016 budget has a property tax increase of 1.7%
 - q Increased funding to reserve accounts; maintain our strong credit rating and improve financial sustainability - AA positive rating
 - q Increased investments in social, health and transportation services
 - q \$3B infrastructure deficit
- q Tax Supported 10 year capital forecast - \$2.17B
- q Rate Supported 10 year forecast - \$1.7B



Key Federal Mandates

Federal Mandate Letters – Alignment with City Priorities

*Minister of Infrastructure & Communities;
Minister of Transport:*

- q Develop a 10-year infrastructure strategy
- q Refocus Building Canada Fund

Minister of Families, Children and Social Development; Minister of Infrastructure & Communities:

- q Develop a housing strategy

Minister of Families, Children and Social Development

- q Lead development of a poverty reduction strategy

Minister of Finance; Minister of Infrastructure & Communities:

- q Unspent infrastructure funds are transferred to municipalities through a temporary top-up of the Gas Tax Fund.
- q Develop the Canada Infrastructure Bank – provide low-cost financing (including loan guarantees) for new municipal infrastructure projects in priority investment areas

Minister of Finance:

- q Remove the GST on new capital investments in rental housing
- q Modernize the existing Home Buyers' Plan to support Canadians impacted by sudden and significant life changes.

Key Federal Mandates (con't)

Current Status

- q Three “buckets” of funding – Public Transit, Social Infrastructure, Green Infrastructure - \$120B over 10 years
- q Two phases to “buckets”

Public Transit

- q Phase 1: \$3.4B over three years; funding based on ridership
- q Hamilton to receive approximately \$36M (2014 ridership)
- q Ten Year Local Transit Strategy is City priority

Social Infrastructure (housing, cultural and rec, early learning and child care)

- q \$3.4B over five years
- q Phase 1: Housing; invest \$2.3B over two years, starting in 2016–17
- q Housing funding announced in June 2016 - \$23M for Hamilton
- q Consultation underway for national housing strategy

Green Infrastructure (water/wastewater, climate change mitigation, municipal capacity building)

- q \$5B over five years
- q Phase 1: Clean Water and Wastewater Fund - \$570M for Ontario
 - q Formula based funding similar to Ontario Communities Infrastructure Fund

Key Federal Mandates (con't)

Current Status (con't)

- q Provincial announcement last week of intake process starting in early September (no formal agreement signed between governments)
- q No specific details yet on intake process
- q Funding for phase 1; Public Transit and Cleanwater and Wastewater



Key Federal Mandates (con't)

Budget 2016

five-year total, \$ millions

Total = \$11.9 billion

Social Infrastructure

Social infrastructure investments in First Nations, Inuit and northern communities \$1,219

Cultural and recreational \$342

Early learning and child care \$400

Affordable housing \$1,481

Public Transit

Public Transit Infrastructure Fund \$3,400

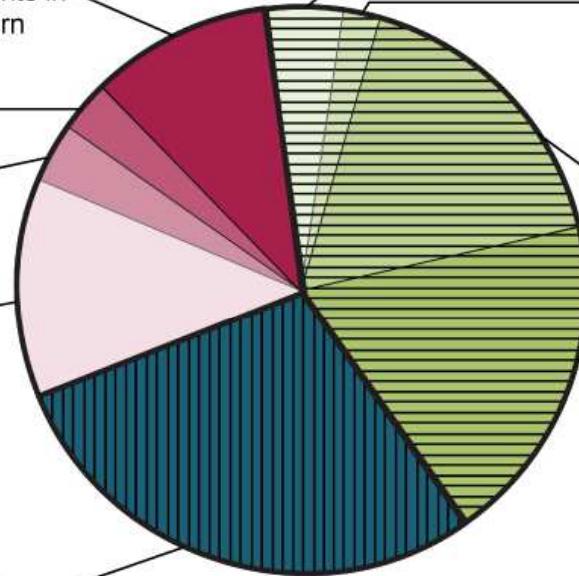
Green Infrastructure

Climate change mitigation and adaptation infrastructure projects \$518

Supporting municipal capacity-building \$250

Clean Water and Wastewater Fund \$2,000

Water, wastewater and waste management infrastructure for First Nations communities \$2,242



Key Federal Mandates (con't)

Other Programs/Funding

- q New Building Canada Fund – focus on more highways, ports, border crossings
- q Develop a new National Early Learning and Child Care Framework to deliver affordable, high-quality, flexible, and inclusive child care



Fiscal Outlook – Federal Government

- q Fiscal outlook: (2016 Federal Budget)
 - q \$29.4B deficit for 2016-17
 - q Deficit of \$5.4B for previous fiscal year (2015-16)
 - q Deficits expected to decline gradually from \$29B in 2017-18 to \$14.3B in 2020-21
 - q No formal timeframe given for return to surplus



Key Provincial Mandates: Provincial Mandate Letters

Minister of Transportation; Minister of Finance; President of the Treasury Board; Minister of Economic Development & Trade:

- q Invest \$29B in transit and transportation - \$15B for GTHA, \$14B elsewhere in province

Minister of Transportation; Minister of Municipal Affairs & Housing

- q Implement Regional Express Rail – electrification of GO network
- q Ensure transportation planning aligns with the co-ordinated review of provincial growth plans

Minister of Municipal Affairs & Housing:

- q Undertake a review of the Long-term Affordable Housing Strategy
- q Lead a review of the scope and effectiveness of OMB
- q Lead a co-ordinated review of provincial growth plans
- q Undertake a review of municipal legislation – e.g., Municipal Act, Municipal Elections Act
- q Work with the Ministers of Health and Long-Term Care, Education, and others to develop government policy on community hubs
- q Work to implement the renewed five-year agreement with the federal government on the Investment in Affordable Housing program
- q Amend the Planning Act and the Development Charges Act to improve land use planning and encourage smarter growth

Minister Responsible for Poverty Reduction:

- q Continue to break the cycle of poverty for children and youth
- q Enable persons to move toward employment and income security
- q Work towards a long-term goal of ending homelessness
- q Using evidence-based social policy and measuring success.
- q Continue to call on the federal government to work collaboratively with Ontario to develop and implement solutions that meet the needs of Ontarians.

Key Provincial Mandates (con't)

Current Status

Twelve Year Infrastructure Commitment

- q 2016 Provincial budget committed \$137B in infrastructure spending over 10 years
- q Built on previous budget commitment to infrastructure spending; total commitment is \$160B over 12 years (starting in 2014-15)
- q Infrastructure investments include spending in transit, roads, bridges, hospitals and education
- q Includes \$31.5B *Moving Ontario Forward* plan
 - q \$16B dedicated to the Greater Toronto and Hamilton Area (GTHA)
 - q \$15B earmarked for communities outside the GTHA



Key Provincial Mandates (con't)

Current Status

Climate Change Action Plan

- q Announced in spring of 2016
- q Along with cap and trade program comprises Provincial efforts to combat climate change
 - q Cap and trade expected to generate \$1.8B to \$1.9B annually in proceeds
- q The Action Plan lays out key areas of focus for provincial investments to meet greenhouse gas reduction targets
- q Areas of investment include:
 - q Transportation: consists of funding for cycling infrastructure, low-carbon buses and other transportation methods
 - q Land-use planning: supporting municipal climate action plans and other municipal efforts to reduce greenhouse gases
 - q Buildings and homes: includes retrofits to residential buildings to improve energy efficiency
- q Program criteria in development

Fiscal Outlook – Provincial Government

- q Fiscal outlook: (2016 Budget)
 - q \$4.3B deficit for 2016-17
 - q Deficit of \$5.7B for previous fiscal year (2015-16)
 - q Surplus expected in 2017-18

Next Steps

- q Execute agreements with Provincial Government
- q Participate in phase 2 consultation
- q Develop additional list of potential projects for phase 2 once additional details are known
 - q Report back to Council
- q Continue discussions and engagement with local MPs, MPPs and civil service on Hamilton's priorities
- q Organize a trip to Ottawa in the fall

Questions?

City of Hamilton Priorities

Transit

PW Yards

-  Cemeteries
-  Energy, Fleet & Traffic
-  Forestry & Horticulture
-  Parks
-  Roads
-  Waste
-  Water

