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NEWS RELEASE

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Eastern Ontario Wardens' Caucus reacts to 2016 federal budget

The Eastern Ontario Wardens' Caucus (EOWC) welcomed the federal government's tabling of its 2016 budget, which announced significant and much-needed investments for the municipal sector in affordable housing, clean energy, and municipal infrastructure.

The EOWC supports many of the budget's objectives, including but not limited to the announcement of more than \$120 billion over 10 years in new infrastructure investment. This funding will assist municipalities with affordable social housing, child care spaces, and community centres, in addition to allowing for upgrades and repairs to essential municipal infrastructure such as water and wastewater plants, roads and bridges.

"Municipalities, and particularly those in small and rural areas with limited property tax revenues, have long been advocating for much-needed funding to address the aging infrastructure in many of their communities," stated EOWC Chair Peter Emon. "The EOWC recognizes the important investments for the municipal sector that were included in the federal government's 2016 budget, and looks forward to working together with its partners to grow our local economies and reduce costs to our communities."

Because municipal governments, like many in rural Eastern Ontario, carry the primary responsibility for addressing housing challenges in their communities, they face a significant infrastructure deficit – without the financial resources to meet the need.

"There are significant numbers of individuals and families across Eastern Ontario for whom housing is a serious challenge. Sometimes the barrier is financial, sometimes it is finding accommodation that is suited to particular special physical needs, and sometimes it is finding any shelter at all," continued Chair Emon. "The EOWC therefore recognizes the government's immediate commitment to affordable housing, to the tune of \$1.5 billion over the next two years, of which \$200 million is allocated for seniors' affordable housing."

A few key facts (from the EOWC's White Paper on Affordable Housing, June 2014):

- Municipal governments are responsible for \$467 million in social housing assets
 - Local governments in rural and urban areas of Eastern Ontario (not including the City of Ottawa) are responsible for \$467 million in social housing assets. These assets now have a book value of \$257 million, suggesting they have lost 45% of their value, as amortization expenses have outstripped municipalities' ability to reinvest to maintain them.
- There are approximately 14,000 social housing units across Eastern Ontario
 - There are currently more than 9,000 municipal social housing units across Eastern Ontario, with another 3,000 to 5,000 being operated by other non-profit organizations or the private sector.
- Municipalities face a \$71-million shortfall in annual capital expenditures
 - Municipalities in Eastern Ontario already invest about \$20 million per year in social housing. Despite this, the shortfall takes into account the need for municipalities to address the social housing capital infrastructure deficit (\$52.6 million per year) and to make annual capital investments in the existing asset base to keep these assets in good condition (\$39 million).

Chair Emon, who is also Warden of the County of Renfrew, concluded that the EOWC will continue to work with the federal government this year to address the equitable distribution of funding between urban and rural communities, as well as ensure that the much-needed improvements to the telecommunications and broadband networks in rural Eastern Ontario are considered in future budgets.

The EOWC is comprised of the Heads of Council of the 13 County and Single Tier municipalities of Eastern Ontario. The EOWC focuses its efforts on advocacy for the 750,000 residents of rural Eastern Ontario, developing positions based on research and the interests of its taxpayers. For more information, please visit www.eowc.org.

- 30 -

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