

Hands off gas tax, King tells Ottawa

By Mark PavilonsEditor

King Township is urging Ottawa to maintain local funding, so municipalities can meet the pressures of development. Municipalities like King are facing uncertainty in the future of critically important federal infrastructure funding. Mayor Steve Pellegrini put forth a notice of motion at Monday's council meeting, asking the feds to maintain the Canada Community Building Fund (CCBF). Formally known as the Federal Gas Tax Fund, it provides more than \$2 billion in annual capital in infrastructure funding directly to municipalities through a predictable allocation mechanism to help municipalities deliver direct results for residents by building, maintaining and renewing core public infrastructure, including local roads, water, public transit, community, cultural and recreational facilities. In essence, the mayor is asking the feds to keep their hands off the gas tax funding and to "stay in their own lane." In his council "rant," the mayor said governments have their fingers in everything and they should stop interfering in areas of municipal responsibility. He pointed out that King has no growth targets and has roughly 2,500 approved units (towns, singles, condos) but shovels aren't hitting the ground. The feds are threatening to cut off funding if municipalities don't meet targets. "When did they become the building industry?" he asked. He added that government says they need a conversation, but they haven't consulted any municipalities on this particular issue. He urged the other levels of government to ask those who know what's going on in their communities (municipal governments). What's needed, he stressed, is "supportive housing." In 1992, the federal government stopped its federal co-operative housing program. This program has built roughly 60,000 homes for low and moderate-income Canadians. Councillor David Boyd, who seconded the mayor's motion, noted King relies on this funding, which Treasurer Peggy Tollett said amounts to roughly \$880,000 annually. This money funds infrastructure such as roads, bridges and culverts. Research commissioned by the Federation of Canadian Municipalities (FCM) has estimated that the average cost of the municipal infrastructure required to support new housing development is in the range of \$107,000 per unit. Municipalities are facing soaring costs for infrastructure projects due to the inflation of construction costs, particularly since 2020, without corresponding growth in revenue. Canada is experiencing record population growth, demonstrated by the 1.27 million increase in the population in 2023. According to the Canada Mortgage and Housing Corporation (CMHC), there must be at least 3.5 million additional homes built by 2030 to restore affordability. The municipal sector will be required to support the growing population, predominantly through delivery of infrastructure projects and service offerings to local residents. Along with asking the CCBF be maintained, the motion also calls on Ottawa to convene provinces, territories, and municipalities to negotiate an infrastructure funding framework to enable the success of Canada's long-term growth. The council resolution will be circulated to the Federal Minister of Housing, Infrastructure and Communities, the Provincial Minister of Infrastructure, the Provincial Minister of Municipal Affairs and Housing, Stephen Lecce, MPP, King-Vaughan, Caroline Mulroney, MPP, York-Simcoe, and Anna Roberts, MP, King-Vaughan, for consideration and endorsement.