

# Ontario offering \$1 billion to help municipalities build infrastructure

By Adam Freill December 6, 2024

New infrastructure loan program will help expand drinking water, wastewater and stormwater capacity, with an aim to enable more construction of homes.

The Ontario government recently announced that it is providing up to \$1 billion in loans to expand financing options for municipalities looking to build or enhance water infrastructure projects. The goal of the funding is to enable the construction of more homes.

The new Housing-Enabling Water Infrastructure (HEWI) lending stream, under Infrastructure Ontario's (IO) Loan Program, will support the construction, expansion and rehabilitation of drinking water, wastewater and stormwater infrastructure projects that enable new homes. Infrastructure Ontario started accepting applications from municipalities in early December.

"We continue to hear from our municipal partners that one of the greatest barriers to building more homes is the need for new and expanded drinking water, wastewater and stormwater management facilities," said Kinga Surma, Minister of Infrastructure. "I know there are communities across the province that want to get new homes built but need to expand their water capacity first. This new flexible financing option will help more municipalities get shovels in the ground on much-needed water infrastructure projects and more homes."

The new IO HEWI lending stream complements existing provincial programs, such as the Housing-Enabling Water Systems Fund, and delivers on the government's commitment outlined in the 2024 Ontario Budget to improve flexibility on loans for water infrastructure projects. The lending stream will provide municipalities, including small, rural and northern municipalities, with more flexible loan options during both the construction and repayment phases of the project.

Municipalities will be able take advantage of flexible borrowing terms that allow them to defer interest payments during the construction phase until projects are substantially complete, select longer debenture repayment terms of up to 40 years, choose more flexible repayment terms and incur lower administration costs.

“The affordable, long-term financing available to municipalities through IO’s lending program has supported the modernization and renewal of public infrastructure in 335 municipalities across the province,” said Michael Lindsay, president and CEO, Infrastructure Ontario. “We look forward to working with our municipal partners to realize the potential of this lending stream, ultimately to enable the construction of more housing to benefit the people of Ontario.”

“We’re pleased to see the Ontario government’s continued commitment to investing in critical infrastructure to support housing growth,” stated Nadia Todorova, executive director, Residential and Civil Construction Alliance of Ontario (RCCAO). This innovative approach, expanding access to credit for municipalities for water infrastructure, will help communities grow and modernize their systems to meet Ontario’s long-term housing and economic needs.”

The government is also providing nearly \$2 billion in housing-enabling infrastructure funding through the Housing-Enabling Water Systems Fund and the Municipal Housing Infrastructure Program, in addition to the provincial Building Faster Fund, to help municipalities deliver the core infrastructure needed, such as roads, bridges, drinking water and wastewater facilities, to build more homes across the province.

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