

Ontario municipalities to receive \$500M in new provincial funding

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Minister of Municipal Affairs and Housing Steve Clark answers questions after an announcement in the Ontario legislature, in Toronto, Monday, Dec. 7, 2020. Photo by Frank Gunn /THE CANADIAN PRESS

Cash-strapped municipalities in Ontario will receive an additional \$500 million to help address pandemic-related costs.

Municipal Affairs Minister Steve Clark said on Thursday the money can be used to pay for community services and ongoing capital projects.

The province said the new funding comes in addition to nearly \$1.4 billion received from the federal government and given to communities earlier in the pandemic.

Clark said the new funding will be split between 444 municipalities in the province.

Toronto Mayor John Tory thanked the federal and Ontario governments for their financial support.

“I am continuing up to and including today to have discussions with the other governments about further support,” Tory said in a statement. “The funding provided this week, just days after City Council approved the 2021 budget, demonstrates all governments are working together to protect services and keep capital projects and jobs on track.”

Ontario municipalities are not allowed to run deficits by law, so they have laid off thousands of staff and contemplated deep service cuts to offset pandemic-related costs.

Local leaders have said that without continued financial aid from the federal and provincial governments they will be forced to raise taxes.

The Residential and Civil Construction Alliance of Ontario has advocated for further financial support for municipal infrastructure projects throughout the pandemic. Nadia Todorova, interim executive director of RCCAO, said that her organization was “delighted” at the news and added that it was good timing as municipalities are finalizing their 2021 budgets.

“This kind of funding is also vital for municipalities as it provides them with a financial certainty so they can proceed with state-of-good-repair projects across Ontario,” said Todorova.