FONOM
Federation of Northern Ontario Municipalities

To:	Delegation during the AMO Conference
Presented by:	Dave Plourde, President, FONOM, during the AMO Conference roundtable with Parliamentary Secretary Jennifer McKelvie
Date:	August 17, 2026
Subject:	Preparing Northern Ontario Growth Communities for Housing Demand

Recommendation

CENTRAL RECOMMENDATION: Create a dedicated Northern Ontario Growth Communities framework within the renewed National Housing Strategy, supported by a 40/40/20 infrastructure funding model and financing that can be bundled across municipalities.

FONOM recommends that the Government of Canada work with Ontario, municipalities, Indigenous partners, industry, the Canada Infrastructure Bank and Infrastructure Ontario to establish a framework that:

Provides a dedicated funding stream for Northern Ontario communities experiencing confirmed or probable resource-driven growth.

Funds eligible housing-enabling infrastructure on a 40 percent federal, 40 percent provincial and 20 percent municipal-and-industry basis.

Allows industrial proponents to contribute toward the local share according to projected job creation and resulting demand for housing and municipal infrastructure.

Permits municipalities to aggregate projects so they can access Infrastructure Ontario loans and Canada Infrastructure Bank financing.

Combines grants with affordable, patient financing and supports the full housing continuum.

Issue

New mines, critical-mineral developments, forestry expansions, energy projects and related industries are creating major economic opportunities across Northern Ontario. They are also creating immediate housing and infrastructure pressures in the communities expected to host new workers and their families.

Municipalities must frequently expand water and wastewater capacity, prepare serviced land, extend local roads and utilities, and increase community services before new property assessment and taxation revenue become available. Smaller Northern municipalities cannot reasonably absorb these up-front costs through their existing tax base alone.

In the absence of adequate housing and municipal infrastructure, several mining operations rely on fly-in/fly-out workforce camps. While these camps may be necessary during construction or the early stages of a project, they can be costly to operate and provide limited lasting benefit to neighbouring communities. Workers may earn their income in Northern Ontario but maintain their homes and spend much of that income elsewhere. Nearby municipalities can still experience pressures on airports, roads, emergency services, health care and other local services without receiving the population growth, assessment or economic activity that would result from a permanent workforce.

> **POLICY ISSUE:** National and provincial economic priorities can generate local costs years before the host municipality receives the revenue needed to pay for them.

Background

The federal government has recognized that Canada cannot build housing at the required pace without investing in the infrastructure that supports it. Northern Ontario requires this same housing-and-infrastructure approach, adapted to the realities of small, rural, remote and resource-based communities.

The economic benefits of major resource projects extend well beyond the host community. Corporate and personal income taxes, resource revenues, exports and broader economic activity primarily benefit the federal and provincial governments. Municipalities, however, remain responsible for many of the local systems that make development possible.

Those responsibilities may include:

- Expanding drinking water, wastewater and stormwater capacity.
- Preparing serviced industrial and residential land.
- Extending roads, sidewalks, utilities and broadband connections.
- Increasing fire, emergency, policing, recreation and administrative capacity.
- Supporting homelessness prevention, supportive housing and community services.
- Planning for rapid workforce growth before new assessment is available.

The Challenge

Northern municipalities often face aging infrastructure, limited borrowing capacity, small tax bases, high construction costs, short building seasons and a limited pool of contractors. Conventional programs that rely on historic population growth, high minimum project values or substantial municipal debt can exclude the very communities preparing for the next wave of economic growth.

Costs arrive before growth

Water, wastewater, land service and local roads must often be designed and built before housing starts occurring. Without early investment, housing supply cannot respond when a major project advances, leading to labour shortages, overcrowding, escalating rents and increased pressure on homelessness services.

Fly-in/fly-out camps do not build permanent communities

When housing and infrastructure are unavailable, resource companies may have little choice but to establish fly-in/fly-out camps. These camps can address an immediate workforce need, but they are expensive to construct and operate and can limit the long-term economic benefits available to nearby communities.

Fly-in/fly-out arrangements reduce opportunities for workers and their families to settle in the region, support local businesses, volunteer, enrol children in local schools and contribute to the municipal tax base. At the same time, neighbouring communities may experience additional pressure on transportation, emergency response, health care and social services.

Public investment in housing-enabling infrastructure can help shift projects from long-term dependence on temporary camps toward permanent, community-based housing.

Small projects struggle to access large-scale financing

Infrastructure Ontario offers affordable municipal loans, while the Canada Infrastructure Bank can finance housing-enabling infrastructure. However, an individual Northern project may be too small to meet practical financing thresholds even when the collective regional need is substantial.

The housing need is broader than workforce accommodation

Growth communities need market and workforce housing, but they must also protect existing residents and provide affordable, seniors', supportive and transitional housing. A narrow focus on one tenure or price point can intensify displacement and leave essential community needs unmet.

Analysis

A 40/40/20 model aligns costs with benefits

A shared funding model recognizes that the benefits of resource-driven growth accrue nationally and provincially while the infrastructure obligations are local. It also preserves an appropriate municipal and private-sector contribution without placing the entire local share on existing ratepayers.

Partner	Share	Rationale
Government of Canada	40%	Recognizes national housing, trade, critical-mineral and economic benefits.
Province of Ontario	40%	Aligns municipal infrastructure with provincial housing, resource-development and growth priorities.
Municipalities and industry	20%	Combines an affordable local contribution with participation from the industrial proponent benefiting from growth.

Industry participation should reflect growth impacts

The 20 percent local share should not automatically fall entirely on municipal taxpayers. A transparent community growth agreement should be considered:

- Direct, indirect and induced employment expected from the project.
- Projected population and housing demand.
- The capacity consumed in municipal systems.
- The timing and scale of required infrastructure investments.
- Existing development charges, connection fees, voluntary agreements and direct infrastructure investments, so costs are not duplicated.
- The current or anticipated use of fly-in/fly-out camps and the infrastructure and housing investments required to transition workers into permanent community-based accommodation.

Industrial proponents also benefit from investments that reduce their reliance on costly fly-in/fly-out camps. A contribution toward municipal housing-enabling infrastructure can lower long-term workforce accommodation costs, improve employee recruitment and retention, and leave a lasting community benefit after construction is completed.

Bundling makes patient financing accessible

A formal aggregation mechanism would allow several municipalities to combine water, wastewater, stormwater, land-servicing and related projects into one financing package. Federal and provincial grants could then be blended with Infrastructure Ontario loans and Canada Infrastructure Bank financing while public ownership and operation are retained.

IMPORTANT SAFEGUARD: Loans can complement grants, but they cannot replace them. Financing must reflect limited municipal tax bases, uncertain development timing and the public benefit created for Ontario and Canada.

A complete housing continuum supports durable growth

Housing need	Role in a growth community
Market rental and ownership	Homes for incoming workers, families, entrepreneurs and professionals.
Workforce housing	Attainable options for households that do not qualify for deeply affordable housing but cannot find suitable local accommodation.
Affordable and community housing	Long-term housing for lower-income households and residents facing persistent affordability challenges.
Supportive and transitional housing	Housing connected to health, mental health, addiction and social support, including pathways out of homelessness.
Seniors' housing	Accessible options that allow residents to remain in their community and free existing family homes.
Temporary workforce accommodation	Short-term accommodation during construction and project start-up, accompanied by a transition plan that reduces long-term reliance on fly-in/fly-out camps and supports permanent community-based housing.

Proposed Implementation

FONOM proposes a staged implementation led by a joint federal-provincial-municipal working table with participation from FONOM, NOMA, AMO, Indigenous partners, industry, the Canada Infrastructure Bank and Infrastructure Ontario.

Establish the working table. Confirm partners, governance, timelines and a shared definition of a Northern Ontario growth community.

Design forward-looking eligibility. Use credible projected employment, population, housing and infrastructure impacts rather than relying only on past growth or housing starts. Eligibility should also consider communities located near existing or proposed fly-in/fly-out operations where housing and infrastructure investments could support the transition to a permanent local workforce.

Community integration: Create the 40/40/20 funding rules. Define eligible costs, municipal and industry contributions, grant stacking, safeguards and community growth agreements.

Build a project pipeline. Identify water, wastewater, stormwater, roads, land preparation, utility extensions, planning and design projects that enable housing or protect capacity for planned growth.

Aggregate projects for financing. Bundle compatible municipal or regional projects and provide technical support for engineering, financial structuring, environmental assessment and procurement.

Launch pilot communities or regional bundles. Test the model in a small number of communities facing imminent growth, evaluate results and scale the framework through the renewed National Housing Strategy.

Delivery Principles

Forward-looking eligibility based on credible projected growth.

Program thresholds and application requirements suited to small and rural municipalities.

Eligibility for planning, design, land preparation and construction before new assessment materializes.

Local flexibility to select the housing mix and infrastructure solution supported by local evidence.

Public ownership, transparent agreements and clear reporting.

Meaningful collaboration with neighbouring First Nations and Indigenous housing and economic partners.

Growth-community investments that complement, rather than displace, homelessness-prevention and supportive-housing funding.

Why This Makes Sense

It connects housing policy to economic policy. Canada's critical-mineral, forestry, energy, trade and industrial ambitions depend on communities that can house the workers required to deliver them.

It invests before bottlenecks become crises. Forward-looking support allows municipalities to service land and expand systems before housing shortages undermine recruitment, affordability and project schedules.

It converts temporary employment into lasting community growth. Investments in housing and municipal infrastructure can reduce reliance on costly fly-in/fly-out camps, improve workforce retention and allow more of the wages and economic activity generated by resource development to remain in Northern Ontario communities.

It shares costs fairly. Federal and provincial governments receive substantial fiscal and economic benefits from resource development, while industry and municipalities retain an appropriate role in local delivery.

It makes existing financing tools usable in the North. Project aggregation can create the scale needed for patient financing without forcing every small municipality to pursue a large transaction independently.

It supports complete and resilient communities. A full housing continuum helps attract workers while protecting seniors, lower-income residents and people who require supportive or transitional housing.

It is practical and scalable. Pilot communities and regional project bundles would allow governments to test eligibility, funding and financing arrangements before broader implementation.

Conclusion

Northern Ontario is ready to contribute to Canada's housing, critical-mineral, forestry, energy, trade and economic objectives. Realizing that opportunity requires communities that can house workers and families, support vulnerable residents and provide reliable municipal services.

FONOM is asking the federal government to plan for growth before it arrives. A dedicated Northern Ontario Growth Communities framework would match nationally important economic development with timely investment in the homes, pipes, roads and community services that make sustainable growth possible.

REQUESTED NEXT STEP: Commit to a joint working table and identify a small number of Northern pilot communities or regional project bundles for implementation through the renewed National Housing Strategy.

Selected Federal and Provincial References

Housing, Infrastructure and Communities Canada, *Canada's Housing Plan and 2026-27 Departmental Plan*; Canada Infrastructure Bank, *Infrastructure for Housing Initiative and*

Groundwork Before Growth (2026); Canada Infrastructure Bank, Brandon and Red-Seine-Rat water and wastewater partnership; Canada Mortgage and Housing Corporation, *Housing Accelerator Fund: Building More Livable Communities (2026)*; Infrastructure Ontario, Loan Program for Municipalities; and Housing, Infrastructure and Communities Canada, Canada Housing Infrastructure Fund program information.

FONOM

Preparing Northern Ontario Growth Communities

Housing must be planned before growth arrives.

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THE OPPORTUNITY

New mines, critical-mineral development, forestry expansions and energy projects can drive Canada's economy - if Northern communities have the housing and infrastructure to welcome workers and families.

FONOM'S RECOMMENDED INFRASTRUCTURE MODEL

40%	40%	20%
FEDERAL	PROVINCIAL	MUNICIPAL + INDUSTRY

Industry contributions should reflect projected jobs and the resulting demand for housing and municipal services.

WHY ACTION IS NEEDED NOW

1 SHORT CONSTRUCTION SEASON

Northern Ontario's short construction season means infrastructure can take years to plan, approve and build. Funding must arrive before shortages develop.

2 FLY-IN / FLY-OUT CAMPS

Costly camps may meet short-term needs, but nearby communities face service pressures without lasting population, assessment or local spending.

FOUR PRACTICAL ACTIONS

- Create a dedicated Northern Ontario Growth Communities stream in the renewed National Housing Strategy.
- Bundle municipal water, wastewater and land-servicing projects for Canada Infrastructure Bank and Infrastructure Ontario financing.
- Provide grants alongside patient, affordable loans so small municipalities do not assume unsustainable debt.
- Use permanent community housing to reduce long-term reliance on costly workforce camps and retain more local economic benefits.

A COMPLETE HOUSING CONTINUUM

Market | Workforce | Affordable | Seniors' | Supportive | Transitional

Temporary accommodation should lead to permanent community-based housing.

THE ASK

Help Northern municipalities plan and prepare for growth before the workers, businesses and housing demand arrive.

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