Building better lives together

First 100 days of federal government: A municipal call to action

November 2019
Welcome to Canada’s 43rd Parliament

Dear Members of Parliament,

On behalf of Canada’s local order of government—and whether you are a new or returning MP, in government or in opposition—please accept our congratulations. Serving Canadians as an elected official is a tremendous privilege, and it’s one we all share.

The Federation of Canadian Municipalities (FCM) unites 2,000 local governments nationwide, representing over 90 percent of Canadians. That means we serve the same people you do, in cities and communities of all sizes, in every region. We also share key objectives, from promoting productivity and public safety to boosting our quality of life.

Municipalities are Canada’s builders—reality-based and cost-effective. Whether it’s through better roads or more affordable housing, our job is to build better lives. And we don’t do this alone. Increasingly, we work in partnership with the federal government, and we’re determined to continue modernizing our relationship to get even more done for Canadians.

A minority parliament presents both challenges and opportunities. Canadians will be looking for progress they can feel in their daily lives. Progress will require active bridge building among federal parties and among governments. Local governments come to the table united and ready to deliver results, and this document outlines proposed next steps.

*This new government’s first 100 days are critical.* Cabinet and shadow ministers will accept specific new mandates. A Speech from the Throne will need to engage Canadians and connect with partners in and out of Parliament. Next spring’s federal budget will start to take shape. The seeds for the next phase of our federal-municipal partnership will be sown.

These first days can lay the foundation for a remarkably productive 43rd Parliament. The country is watching. So let’s seize this opportunity to build better lives—together—for Canadians from coast to coast to coast.

Sincerely,

Bill Karsten
FCM President
Councillor, Halifax Regional Municipality
FCM: strength in unity

The Federation of Canadian Municipalities is the national voice of Canada’s local order of government.

FCM unites nearly 2,000 cities and communities of all sizes, representing more than 90 percent of Canadians living in every province and territory. That gives us unparalleled capacity to convene Canada’s local order of government, and to help design and deliver federal initiatives that build better lives for Canadians.

FCM’s member municipalities are renowned for their diversity, and for coming together behind shared objectives to achieve concrete results. They work with FCM to raise their local capacity and to craft a united vision to move Canada forward. Together, we are creating and sharing local solutions that build better lives for Canadians.

With roots tracing to 1901, today’s FCM is a recognized leader in policy development, government relations, stakeholder outreach and communications. FCM also partners with the Government of Canada to deliver programs that build municipal capacity in everything from asset management to green innovation to Indigenous partnership.

Leadership

FCM’s elected Board of Directors comprises local leaders from every region of Canada. They meet regularly to set policy and priorities based on the shared concerns of member municipalities. In the day-to-day, they are represented by an executive committee that includes FCM’s president and four table officers, each elected to one-year terms.

Board decisions are informed through an inclusive governance model that supports FCM’s strong relationships with the Government of Canada and a full range of stakeholders.

Standing committees study and recommend policy and action on key issues—including community safety; environmental issues; women’s participation in local government; international relations; infrastructure and transportation; municipal finance; and social-economic development.

Five regional caucuses—British Columbia, Prairies & Territories, Ontario, Quebec and Atlantic—help ensure that FCM’s policy and advocacy priorities represent a pan-Canadian vision for progress.

FCM’s Rural Forum advocates for rural communities and provide local governments in rural areas with greater access to FCM. It brings together FCM member municipalities located in rural regions, along with urban communities with rural areas or significant rural interests. Our Northern and Remote Forum serves a similar convening role.

FCM’s Big City Mayors’ Caucus convenes the mayors of 22 of Canada’s largest cities. BCMC mayors regularly coordinate action and partner with the federal government to tackle pressing national challenges—from economic productivity to the housing affordability crisis.
Policy & advocacy

As the national voice of local government, FCM actively moves national conversations forward with support from a team of professionals. We maintain regular contact with the federal government, opposition parties and a wide range of stakeholders in the public sector, industry and civil society. From budget consultations to committee hearings and far beyond, expect to hear from us on national issues with local implications.

On the policy front, FCM conducts research and analysis that supports Board priorities, drives advocacy positions, and informs capacity-building tools for member municipalities. From affordable housing to cannabis legalization to the state of Canada’s infrastructure, successive governments have relied on FCM’s policy work.

As a communications force, FCM has a strong track record of earning media coverage, managing multiple digital channels, and framing local priorities as compelling storylines. Our major events include FCM’s Annual Conference and Trade Show—whose 2019 edition drew 3,000-plus participants and four major federal party leaders to Quebec City.

Capacity-building programs

For more than 30 years, FCM has partnered with the Government of Canada to deliver a suite of highly-regarded national and international programs. Together, we are building municipal skills and knowledge on everything from climate resilience and asset management to strengthening partnerships with Indigenous communities.

Since 2000, FCM’s Green Municipal Fund (GMF) has brought life to more than 1,310 local initiatives—cutting 2.6 million tonnes of GHG emissions while benefitting Canadians through cleaner air and drinking water, new uses for contaminated sites, and more. In 2019, the Government of Canada entrusted nearly $1 billion more to scale up GMF’s drive for cost-saving energy efficiency in communities nationwide.

Budget 2019 also reinvested in FCM’s Municipal Asset Management Program (MAMP), which helps communities optimize their long-term planning to make infrastructure dollars go further. Similarly, our Municipalities for Climate Innovation Program (MCIP) provides funding, training and tools to municipal practitioners and local sustainability leaders.

FCM’s international programming brings Canadian expertise to municipalities in Africa, Asia, Latin America, the Middle East, the Caribbean and Eastern Europe—and fresh ideas back to Canadian local governments.

Western Economic Solutions Taskforce

fcm.ca/WEST

For Canada to thrive, its communities need to thrive. But right now, too many of our communities in regions of the west are hurting. And too many families and workers are feeling isolated from their fellow Canadians in the search for solutions.

In November 2019, FCM launched the Western Economic Solutions Taskforce (WEST)—to ensure the voices of communities in the prairies are well-represented at the national level, and to drive new solutions. As part of that, WEST aims to convene a respectful dialogue between municipal and federal governments.

Canadians trust their local leaders to be pragmatic and to work across partisan lines. It’s how we get results. And we invite all parliamentarians to work with WEST on the road ahead.
Local governments: closest to Canadians

Municipalities form an effective, trusted order of government—the governments closest to Canadians’ daily hopes and challenges.

FCM’s nearly 2,000 member municipalities represent more than 90 percent of all Canadians. Our cities and communities are the places where people live, work and raise their families. Our local governments are on the front lines of services and programs that drive prosperity, promote citizen engagement and support our quality of life.

Our job is to understand local challenges and build solutions that work on the ground. With our small fraction of Canada’s tax base—mostly property taxes—we’ve learned to make the most of every dollar, and every new federal tool, to deliver concrete results.

Local government is renowned for being open, transparent and responsive to people’s needs. A recent Abacus Data survey showed that when it comes to understanding their quality-of-life needs and delivering solutions, 61 percent of Canadians trust their local leaders the most.

In a word, municipalities are Canada’s builders. Whether it’s through better roads, modern transit, more affordable housing or climate solutions, we’re building better lives for Canadians. That’s an objective shared by every order of government. And we are uniquely positioned to deliver on federal initiatives that aspire to improve people’s lives across the country—efficiently and cost-effectively.
Local governments are on the front lines of daily life and commerce.

**Municipal responsibilities include:**

- 60 percent of Canada’s public infrastructure
- local policing and public safety measures
- local transportation, including road maintenance and public transit
- local social services and housing
- water and wastewater services
- waste management and recycling
- sustainability initiatives
- parks, recreation, libraries and culture
- public health, including school outreach programs and community vaccinations

**Shared municipal-federal priorities include:**

- job creation
- economic growth and productivity
- infrastructure renewal and expansion
- housing affordability
- disaster mitigation and climate adaptation
- environmental and climate stewardship
- immigrant and refugee settlement
- partnership and reconciliation with Indigenous peoples
- emergency management
- community safety
- crime prevention
Our partnership: progress to build on

Successive federal governments have deepened their partnership with FCM to tackle pressing national challenges—from economic productivity to climate change and the housing crisis. FCM and our members are delivering federal initiatives and bringing local expertise to federal decision-makers. And we’ll get even more done if we continue modernizing our partnership—with local leaders at the table earlier, more often, and empowered with modern tools to deliver for Canadians.

Some highlights of the progress we have driven together:

- **Building transformational infrastructure:** The Investing in Canada Infrastructure Plan (ICIP) has raised the bar—in its term, scale, scope and cost-sharing models—for federal investments in new local infrastructure. As ICIP investment flows, it helps us transform our communities with modernized transportation infrastructure, recreation facilities, water treatment, public transit and more. ICIP fundamentally recognizes that local solutions are key to improving Canada’s quality of life. (See *Strong infrastructure.*)

- **Expanding public transit:** ICIP’s 10-year public transit stream has been a game-changer. By delivering investment as predictable allocations, it is directly empowering cities to deliver major transit system expansions. From Surrey to Edmonton to Brandon to Montreal, Canadians in dozens of cities are now looking forward to faster commutes, less gridlock, lower emissions and higher productivity. (See *Modern public transit.*)
Renewing core infrastructure: FCM worked with successive federal governments to shape the federal Gas Tax Fund transfer—which each year directly empowers municipalities to drive thousands of projects to renew roads, bridges, water systems and other infrastructure. And by doubling this year’s GTF transfer, Budget 2019 is directly accelerating quality-of-life improvements for Canadians from coast to coast to coast. (See Strong infrastructure.)

Securing affordable housing: After decades of municipal advocacy, the National Housing Strategy launched in 2017 marked a breakthrough federal re-engagement in protecting and building social and affordable housing for lower-income Canadians. And we’re already seeing major outcomes across the country—from essential repairs to more than 58,000 social housing units in Canada’s biggest city to the development of Nunavut’s first-ever transitional housing facility. (See Housing affordability.)

Strengthening rural Canada: FCM has worked with successive governments to reshape federal programs to rural realities. With dedicated investment and stronger cost-sharing, the Investing in Canada Infrastructure Plan is driving new and upgraded roads, water/waste systems, recreation centres and other facilities that support a strong rural quality of life. And recent federal commitments to broadband investment create an opportunity for real progress on the rural Internet access gap. (See Rural progress.)

Driving green innovation: Since 2000, FCM’s federally-endowed Green Municipal Fund has brought life to more than 1,310 local sustainability initiatives—cutting 2.6 million tonnes of GHG emissions, creating 10,000 person-years of employment, and building better lives for Canadians nationwide. Budget 2019 invested nearly $1 billion to expand GMF’s mission to drive cost-saving energy efficiency across Canada—through greener community buildings, more efficient affordable housing, and local programs that help people retrofit their own homes. (See Climate action.)
Empowering municipalities to build and renew core infrastructure delivers deep national impact: good jobs, new growth, higher productivity and better lives for Canadians.

- **10%**: Portion of Canada’s tax dollar collected by municipalities
- **60%**: Canada’s public infrastructure owned by municipalities
- **84%**: Canadians who say municipalities need new federal funding tools
- **40%**: Portion of Canada’s roads and bridges needing upgrades within the decade
- **$1.6B**: Average economic growth generated by investing $1B in infrastructure
Shared opportunity

Businesses need good roads and bridges to deliver goods and services. Families depend on clean water, reliable waste management, quality recreation facilities, protection from extreme weather, and so much more.

Municipalities own 60 percent of the core infrastructure that supports Canada’s economy and quality of life. Yet they collect just 10 cents of Canada’s tax dollar to manage all of this, alongside an expanding slate of vital services. That’s why our federal partnership is key to strengthening local infrastructure to meet this country’s evolving needs.

When the federal government invests in infrastructure, local governments deliver results with our trademark efficiency. Long-term and predictable funding empowers local leaders to plan smart and save money. And flowing funding more directly to municipalities recognizes that we understand local realities and deliver solutions that work.

Those local solutions tackle national challenges as well. Investing in local infrastructure creates jobs, boosts productivity, and mitigates risks posed by new climate extremes. Above all, it helps us build better lives for Canadians, in cities and communities of all sizes, from coast to coast to coast.
Progress highlights

The Investing in Canada Infrastructure Plan (ICIP) launched in Budget 2016 raised the bar—through its scale, scope and 10-year horizon—on enabling local solutions to national challenges. Already, ICIP funds are fuelling community-transforming projects—from a new wastewater treatment plant in Powell River, BC, to a multi-use cultural/recreation complex in Centreville, New Brunswick, to thousands of kilometers of roadwork across rural Canada. And ICIP’s public transit stream deploys an FCM-recommended allocation model that’s directly empowering cities across the country to drive major expansions (see Modern public transit).

ICIP aims to get projects moving with stronger federal cost-sharing—another clear response to FCM’s advocacy on behalf of municipalities. Through agreements with provinces and territories, Ottawa has increased its funding contribution to up to 40 percent of eligible costs—up to 60 percent under ICIP’s rural and northern stream for communities with populations under 5,000, and up to 75 percent in the territories. And the Liberal Party platform reinforced a commitment to ensure ICIP funds reach municipalities as intended, in every region.

The complementary Disaster Mitigation and Adaptation Fund (DMAF) is empowering local governments to build more climate-resilient communities. Funded at $2 billion over 10 years, DMAF’s very first intake supported 39 projects with $1.3 billion—the majority driven by municipalities—underlining the need to scale up federal tools. (See Climate action.)

The federal Gas Tax Fund (GTF) is the permanent, predictable federal funding tool that offers municipalities flexibility to prioritize rehabilitation of existing infrastructure. FCM worked with successive governments to create the GTF (2005), make it permanent (2011) and index it (2014). Every year, it empowers municipalities of all sizes to cost-effectively move thousands of projects forward—renewing roads, bridges, water systems, and more. Our challenge is scale: every year, the GTF still leaves many vital projects unfunded. The Canadian Infrastructure Report Card shows that more than 30 percent of infrastructure in key classes will need urgent upgrades within a decade.

Federal Budget 2019 recognized this untapped local potential by doubling this year’s GTF transfer to move more projects forward. That’s why Prince Albert, Saskatchewan, can finally move forward with vital upgrades to its water treatment plant. London, Ontario, is using its GTF top-up to install a system that will transform heat from wastewater treatment into electricity—generating $600,000 in savings annually while substantially cutting GHG emissions. The City of Moncton, New Brunswick, is resurfacing an additional 11.6 km of road—and similar projects are rolling out across the country. To build better lives for Canadians, FCM continues to advocate for a permanent doubling of this cornerstone tool.
Next steps

- **Work with FCM to ensure the Investing in Canada Plan Infrastructure Plan (ICIP) continues to deliver results for Canadians**—delivering funding efficiently, enabling flexibility and maximizing outcomes by:
  - Re-engaging provinces and territories on ICIP to ensure project priorities are approved by the end of 2021—while re-affirming the election commitment to flow any remaining funds directly to municipalities through the Gas Tax Fund transfer.
  - Eliminating the 15 percent cap on rehabilitation costs under ICIP’s public transit stream.
  - Amending ICIP’s community, culture and recreation stream to include municipal administrative buildings and council chambers.
  - Increasing ICIP stacking limits to enable rural and small municipalities to pool other sources of federal funding such as the Gas Tax Fund towards ICIP-funded projects.
- **Strengthen the Gas Tax Fund** by increasing its annual escalator from 2 to 3.5 percent—and explore options to maximize the impact of this proven funding model, for communities of all sizes, including phasing in a permanent doubling of the transfer.
- **Take immediate action to scale up dedicated funding for local disaster mitigation and climate adaptation** by increasing the Disaster Mitigation and Adaptation Fund by $2 billion for the period 2020–21 to 2023–24—and eliminating the $20 million minimum project eligibility threshold so communities of all sizes in all regions can access funding. (See *Climate action.*
- **Design and implement the proposed National Infrastructure Fund in consultation with FCM** to ensure that this new source of federal funding addresses municipal infrastructure priorities, meets regional needs and enhances ICIP.
Housing affordability

Working alongside municipalities to tackle today’s housing affordability challenges helps secure the foundation for tomorrow’s more livable, competitive and sustainable Canada.

- 40% Canadian renters spending at least 30% of their income on housing
- 75%+ Rental properties across Canada that are at least 36 years old
- 52% Portion of median household income needed for homeownership costs of average-priced home
- 23% Canadians under 30 spending more than half their income on rent
- 18% Renter households spending more than half their income on rent
Shared opportunity

A home is more than a roof over your head. Secure housing helps provide that foundational sense of security we need to raise healthy families, start businesses and contribute to our communities in the fullest sense.

Yet Canadians face a housing affordability crisis: a growing disconnect between rents, home prices and income levels. Our most vulnerable neighbours struggle with a shortage of social, affordable and supportive housing. And as market rents and prices balloon, more Canadians are forced to accept longer commutes to find decent housing they can afford—or put off saving for their retirement or their kids’ education.

Local governments are working hard to foster housing solutions. Some deliver social housing and homelessness programs. Others are using the tools they have to preserve and build affordable housing—waiving or reducing fees, expediting permits and providing municipal lands for development. Each one recognizes that secure housing is the bedrock of the livable, competitive communities we strive to build.

Canadians expect their governments to work together to tackle the housing crisis. Ultimately, this is about setting people up for success—workers and students, families and newcomers—so they can build tomorrow’s Canada. And that has to be a driving priority for every order of government.
Progress highlights

November 2017 brought Canada’s first-ever **National Housing Strategy (NHS)**. After 20 years of municipal advocacy, FCM welcomed this federal re-engagement on housing as a breakthrough. We significantly helped shape its focus on repairing and growing Canada’s supply of social and affordable housing, while preserving rent subsidies for low-income households living in social housing and supporting communities to address homelessness.

We’re already seeing major outcomes in communities of all sizes. For instance, the NHS’ National Housing Co-investment Fund is supporting essential repairs to more than 58,000 Toronto Community Housing homes, offering long-term security to more than 110,000 tenants—in a city facing a 1.1 percent vacancy rate. That same NHS fund is supporting the development of Nunavut’s first multi-stage transitional housing facility—set to provide 73 spaces in Iqaluit to help individuals transition from emergency shelter to permanent housing.

As this essential work continues to roll out across the country, FCM is identifying opportunities to fill key gaps in the NHS. These include additional, dedicated support for housing construction in two categories:

- culturally-appropriate social and affordable housing for Indigenous households in our communities; and
- supportive housing for those experiencing homelessness and living with mental illness, substance use and other challenges.

Mayors are also setting their sights on the **wider housing affordability crisis** that weighs down Canadians at a range of income levels. As one urgent next step, FCM has proposed approaches to protect residents of market rental housing from displacement through demolition and rent-inflating practices like “renoviction.” And through forums like the Big City Mayors’ Caucus and The Urban Project, FCM is convening industry, civil society, academic and public sector leaders to explore the complex forces driving this crisis—from financial speculation to short-term rentals.

But the time has arrived to bring all orders of government together more formally—to drive solutions to these housing challenges that we all grapple with, every single day.
Next steps

To strengthen vital federal leadership for low- and moderate-income households through the National Housing Strategy (NHS):

- **Increase funding and unit targets** to realize more social and affordable homes in the community housing sector beyond current plans—including, but not limited to supportive housing and social/affordable housing for Indigenous households in our communities (no less than 18,400 and 8,000 units respectively, over the remaining eight years of the NHS).

- **Strengthen and expedite the signing of funding agreements** with municipalities and housing providers that leverage the National Co-Investment Fund and other envelopes, to both repair and build social and affordable housing by:
  - Providing grant contributions deep enough to drive truly affordable developments located close to transit, promoting increased ridership aligned with climate action.
  - Deploying additional regional CMHC staff to finalize agreements and flow funding.
  - Engaging municipalities early in the process when projects are being considered so they can provide input on how projects would fit into local housing plans.
  - Ensuring investments flow efficiently and equitably to all parts of Canada.
  - Interpreting National Co-Investment Fund parameters flexibly, particularly on accessibility and energy efficiency, to ensure they reflect local housing needs and housing stock.

- **Scale up and expedite the Federal Lands Initiative** by empowering municipalities to identify surplus federal lands, while adjusting the Canada Lands Company’s mandate to prioritize provision of land for social and affordable housing.

- **Continue rolling out the Reaching Home homelessness initiative**, preserving its federal-community orientation and quickly confirming new Designated Communities.

To expand federal leadership on the wider housing affordability crisis:

- **Launch a Housing Forum**, convening provinces/territories and municipalities, through FCM, to coordinate analysis and action on key issues—including speculation, demand-side measures, supply needs, short-term rentals, data gaps, and the municipal toolbox.

- **Create a market rental preservation program** incenting landlords to repair and retrofit relatively affordable units without increasing rents beyond inflation, discouraging tenant-displacing measures like “renoviction”, while improving housing quality and reducing GHG emissions (targeting 40,000 units over the remaining eight years of the NHS).

- **Develop an “affordability indicator”** by kick-starting a process that results in regular reporting on combined costs of housing and transportation at the household level—providing decision-makers with a fuller picture of affordability pressures and their linkages to GHG emissions.

- **Assess regional implications of mortgage guideline B-20** including how it relates to economic activity, access to and affordability of home-ownership and the stability of the financial system.
Modern public transit

Empowering municipalities to build next-generation transit will get people moving—with faster commutes, less gridlock, lower emissions and higher national productivity.

1.5M
Canadians who spend more than two hours commuting daily

$12K
What the average household spends annually on all transportation

$10K
Annual savings for households commuting by transit

$15B
Economic productivity lost annually in Canada to traffic congestion

$3B
Economic growth per $1B invested in transit
Shared opportunity

Efficient and affordable public transit is the backbone of the cities and communities Canadians want us to build: modern, livable, affordable and sustainable.

People want to spend less time commuting and more time with family and friends. Job-creating businesses want to be more accessible to talented workers and new customers. We all want to ease traffic congestion—for higher productivity, cleaner air, lower emissions and better health.

Canada’s cities own and operate most of Canada’s local transit systems. Historically, they’ve provided the largest share of funding for the capital costs of expanding and renewing local transit. They also subsidize operating costs not covered by fare box revenue, largely through local property taxes.

To build tomorrow’s modern public transit, a strong federal-municipal partnership is crucial. Building transit takes decades of continuous planning, design and delivery. That’s why long-term funding stability is the key to moving forward—responsibly, cost-effectively, and without interruption.

When we do, we’ll deliver major national returns on investment. Each dollar invested in transit generates three in economic growth. And as we get people moving, we’ll be building better lives for millions of Canadians.
Progress highlights

FCM has worked with successive federal governments to move public transit up the national agenda—to reduce emissions, boost national productivity and build better lives. And since 2017, the transit stream of the Investing in Canada Infrastructure Plan has been a game-changer for cities and communities across the country. By delivering investment to transit systems as predictable allocations, this plan has put local leaders in the driver’s seat—from project selection through design and delivery.

Canadians are already seeing results on the ground. Metro Vancouver has relied on ICIP funds to kick-start a 10-year plan that includes extending SkyTrain rapid transit under Broadway Avenue in Vancouver and between Surrey and Langley. Edmonton is getting ready to move forward on the Western segment of a 27 km light rail line that will run between Mill Woods and Lewis Farms. Montreal will extend its Metro Blue Line from Saint-Michel to St. Leonard and Anjou. Nationwide, municipalities are driving projects that will shorten people’s commutes and improve their everyday quality of life.

The reality, however, is that city planners are already bumping into the federal plan’s 2027 sunset date. Long-term progress requires long-term funding stability. That’s why FCM welcomed platform commitments to a permanent federal funding mechanism for public transit—from three national parties, including the Liberal Party. And municipalities across the country are ready to help turn this commitment into 21st century transit nationwide.

The Liberal Party platform also commits to support local transitions to zero-emission transit fleets. Increasing the scale and term of that commitment would empower local governments to significantly reduce greenhouse gas emissions across the country.
Next steps

To set Canada on a path to 21st century public transit—with faster commutes, lower emissions and a higher quality of life:

- **Launch a permanent federal funding mechanism** to support the growth and modernization of public transit systems across Canada—as laid out in the Liberal Party election platform. Funding certainty will empower cities to begin detailed planning and even procurement for the next wave of transit expansions.

- **Ensure this new mechanism delivers predictable investment**—maintaining existing funding commitments through 2027-28, while committing now to $34 billion for the decade following, with a consistent $3.4 billion annual spending profile.

- **Design this new mechanism for transformational national impact.** FCM recommends $30 billion in direct allocations to transit agencies—plus at least $4 billion for a merit-based fund to support needs that can’t be met by ridership-based allocations alone. (This new fund would support urban transit expansions as well as regional and rural mobility needs, including regional bus, para-transit or seniors shuttles services.)

- **Optimize current transit funding to meet local needs** by eliminating the 15 percent cap on rehabilitation costs under the existing public transit stream of the Investing in Canada Infrastructure Plan.

To achieve faster and deeper GHG emission reductions:

- **Accelerate the mass adoption of zero-emission transit vehicles (ZEV)**—working with FCM to design a program enabling the replacement of half of the diesel buses currently on the road with fully electric or other ZEV models by 2030. While we welcome the platform commitment to replace 5,000 transit and school buses with ZEV models, FCM estimates that $2.7 billion in new federal support will be required to cover costs of converting transit fleets, including charging infrastructure and associated garage expansions. (See Climate action.)
Climate action

With the right tools, cities and communities can achieve deep greenhouse gas reductions and protect Canadian families and businesses from new weather extremes.

- $5B: Annual costs of climate change in Canada by 2020
- $43B: Forecast annual costs of climate change by 2050
- $6B: Future savings per $1B invested in local adaptation
- 50%: Portion of Canada’s GHG emissions municipalities influence
- 10.5M: Tonnes of GHGs reducible by converting half of transit buses to low- or zero-emission models
Shared opportunity

Canadians want all of their governments to work together to reduce greenhouse gas (GHG) emissions and to protect people and communities from inevitable effects of our changing climate.

Local leaders understand those mounting climate effects firsthand. From floods and wildfires to ice storms and coastal surges, we’re responding on the front lines as new weather extremes force families from their homes and wreak havoc on local businesses.

Climate change is already costing our economy billions each year in property damage and lost productivity. And municipalities are working hard to build more resilient communities to keep us safe. At the same time, with influence over half of Canada’s GHG emissions, we’re driving low-carbon innovation—from building retrofits to sustainable transportation to efficient waste systems.

Many local governments have made ambitious commitments to reduce emissions, including deep reductions by mid-century. We all recognize this tremendous local potential for national impact. But unlocking it fully will require a strong federal-municipal partnership, with long-term funding tools to deliver results on the ground.

Investing in local climate action is an opportunity to bring Canadians together on the challenge of our times. Local emission-reduction projects generate energy cost-savings—genuine win-wins. And everyone expects their elected leaders to work together to keep them safe, today and into the future.
Progress highlights

Since 2000, FCM’s federally-endowed Green Municipal Fund (GMF) has helped bring more than 1,310 local sustainability initiatives to life—improving the quality of life of millions of Canadians. Together, these projects have already reduced 2.6 million tonnes of GHG emissions, while creating 10,000 person-years of employment. Budget 2019 invested nearly $1 billion to expand GMF’s mission to drive cost-saving energy efficiency across Canada—through greener community buildings, more efficient affordable housing, and local programs that will help people retrofit their own homes for lower energy bills.

Launched in 2018, the federal Disaster Mitigation and Adaptation Fund (DMAF) is empowering municipal governments to build more climate-resilient communities. For instance, DMAF support for the City of Saint John’s flood mitigation strategy means an upgraded sea wall and pumping stations, and new protection for electricity infrastructure on the waterfront. Eighty-five northern Saskatchewan communities are better protected from wildfires thanks to 141 fuel mitigation initiatives across 1,072 hectares of municipal land. Across Canada, municipalities are using DMAF to keep families and businesses protected. Funded at $2 billion over 10 years, DMAF’s very first intake supported 39 projects with $1.3 billion—the majority driven by municipalities—underlining the need to scale up federal tools.

Through the Pan-Canadian Framework for Clean Growth and Climate Change, federal programs are helping municipalities reduce GHG emissions and adapt to climate change. Successful programs include the Canadian Centre for Climate Services, which is helping municipalities incorporate climate models into infrastructure decisions; the Zero-Emission Vehicle Charging Infrastructure Program, which is supporting the installation of public charging stations; and the Low Carbon Economy Challenge Fund, which has funded municipal projects that reduce emissions from buildings and municipal waste streams.

FCM’s Municipalities for Climate Innovation Program (MCIP) provides critical support to communities of all sizes that want to move forward on climate adaptation and mitigation. Launched with federal funding in 2017, this 5-year $75 million program is empowering local leaders to assess current practices and innovate. We’ve engaged local municipalities with funding, training and tools to conduct local climate risk assessments, work with neighbouring communities to identify solutions and upgrades to strengthen infrastructure against climate impacts, and develop long-term plans to reach significant GHG emission reduction targets.
Next steps

To empower municipalities to protect Canadians from new climate extremes:

- **Urgently scale up dedicated funding for local disaster mitigation and climate adaptation** by increasing the Disaster Mitigation and Adaptation Fund by $2 billion for 2020–21 to 2023–24—and eliminating the $20 million project eligibility floor so communities of all sizes in all regions can benefit.

- **Strengthen local capacity to assess and respond to climate risks** by committing to support municipalities, through proven models like FCM’s Municipalities for Climate Innovation Program, to build a comprehensive understanding of: climate risks; impacts to local services and infrastructure; costs of adaptation; and optimal ways to reduce risks and protect Canadians.

- **Develop an ambitious, long-term investment plan for disaster mitigation and climate adaptation** by convening municipal, provincial/territorial and Indigenous partners to assess current adaptation efforts and estimate investment required to protect our communities over the long-term—building on research conducted by FCM and the Insurance Bureau of Canada that estimates the need at $5 billion per year.

- **Support natural climate solutions** by designing and implementing the proposed $3 billion in new federal programming in consultation with FCM to ensure it addresses municipalities’ needs and leverages their role as owners and managers of natural infrastructure.

To achieve deep GHG emission reductions in our cities and communities:

- **Accelerate the mass adoption of zero-emission transit vehicles**—working with FCM to design a funding program enabling the replacement of half of the diesel buses on the road by 2030. This would reduce Canada’s GHG emissions by 10.5 million tonnes—13 percent of the additional reductions required to meet Canada’s 2030 emissions target. (See Modern public transit.)

- **Accelerate the mass adoption of electric cars and zero-emission municipal fleet vehicles**—confirming municipalities are within the scope of election commitments to expand the network of public charging stations across the country, and to increase the adoption of zero-emission vehicles in corporate fleets.

- **Develop a market rental housing preservation program** that incents property owners to invest in energy retrofits. This complements new investments in FCM’s Green Municipal Fund and election commitments to offer interest-free loans to homeowners—supporting renters by encouraging their landlords to upgrade aging and inefficient buildings. (See Housing affordability.)

- **Engage FCM in the development and implementation of federal climate policies and programs**, ensuring municipalities have the funding, data, capacity-building resources and regulatory frameworks needed to achieve deep GHG emissions reductions within their field of influence—primarily from buildings, transportation and waste.
Natural resources power the economies of communities of all sizes and regions—from northern mining towns to Bay Street. And municipalities in resource-rich regions rely on their development for tax revenue and for good jobs to support the next generation of residents.

With an eye to the future, these municipalities are looking to the federal government to support nation-building energy infrastructure projects. At the same time, municipalities recognize the impacts of climate change firsthand, as wildfires, floods and storms hit our communities harder and more often. And we know we hold keys to solutions that change how we get around, how we heat and cool our homes and businesses, and how we manage water and waste (see Climate action).

Canada’s energy sector is at the outset of a transition toward renewable sources—and this must be a just transition for the workers and communities who’ve built this industry. Canada has committed to keep GHG emissions below levels that will contribute to catastrophic climate change. But a comprehensive federal climate and energy strategy must have the future of communities in oil and gas producing regions at its heart.
Next steps

- **Advance nation-building energy infrastructure projects** to increase international market access—recognizing that additional export capacity will address the persistent cost differential facing Canada’s oil and natural gas products.

- **Promote local community benefits** by working with provinces, territories and industry to ensure that municipalities receive adequate financial benefit from conventional and renewable energy development.

- **Consider impacts of energy infrastructure projects on local communities** during federal impact assessments, including positive economic benefits, as well as economic, social, health and environmental risks—ensuring approved projects meet high environmental standards and respect provincial, territorial and municipal jurisdiction.

- **Support communities in energy-producing regions** by investing in infrastructure, renewable energy and local economic development programming, helping communities diversify their economic base and municipal tax revenue sources over the long-term.
Rural progress

Rural and remote communities are essential to Canada’s economy and quality of life. And with flexible tools and a voice at the table, their local leaders will be ready to build better lives for millions of Canadians.

- **30%** Portion of Canada’s GDP generated in non-metropolitan areas
- **10M** Canadians living outside census metropolitan areas
- **2M** Canadians who still can’t access a fast, reliable Internet connection
- **275,000** Kilometres of roads owned and maintained by rural municipalities
- **38%** Portion of roads in “fair, poor or very poor” condition and requiring upgrades
Shared opportunity

Fostering strong, thriving rural communities builds better lives for millions of Canadians—and helps set this entire country on a path to sustainable prosperity.

Rural, northern and remote communities are home to key industries—from agriculture and natural resources to manufacturing and tourism. Together, they drive nearly one-third of Canada’s economy.

Rural communities face distinct challenges arising from their geography, climate, demographics and more. These can’t be tackled effectively with cookie-cutter federal approaches. We make the best progress together when federal tools equip local leaders to leverage local expertise—to deliver cost-effective solutions that work.

That’s why it’s so important to apply a rural lens to federal policies and programs. In practice, that might mean adapting funding eligibility criteria or streamlining processes to account for local realities. Fundamentally, it means bringing rural expertise to the table, more often, as national solutions are developed.

Moving forward on urgent priorities will deliver swift benefits. Expanding rural Internet access means more entrepreneurs can access more markets, doctors can access patient records faster, and students can study from anywhere. Reliably supporting local disaster mitigation protects people living in rural communities—communities that disproportionately bear the costs of adapting Canada to new climate extremes.
Progress highlights

The Investing in Canada Infrastructure Program (ICIP) has strengthened federal investment in rural, northern and remote communities. Over a decade, ICIP’s rural and northern stream is supporting better roads and bridges, clean water, wastewater treatment and a range of rural transportation priorities. Various ICIP funding streams are already kick-starting everything from a new multi-use community complex in Centreville, New Brunswick; to major upgrades to a trail system around Fort Simpson, Northwest Territories; to a new water treatment plant for Powell River, BC; to $112 million in upgrades to rural highways, roads and bridges across Canada. ICIP recognizes the financial realities of rural governments by boosting federal cost-sharing to 50 percent—up to 60 percent in communities with populations under 5,000, and up to 75 percent in the Territories.

Meanwhile, the one-time doubling of the Gas Tax Fund (GTF) transfer implemented through Budget 2019 delivered an immediate boost to the tool rural communities rely on most for infrastructure renewal. Dawson City, Yukon, is using its GTF top-up to upgrade critical drinking water infrastructure. From Mahone Bay, Nova Scotia, to Air Ronge, Saskatchewan, residents will see additional road improvements. Across the country, rural municipalities are making the most of this direct funding tool that recognizes that they are best placed to identify urgent local priorities.

Budget 2019 also committed unprecedented new funding—$2.7 billion over a decade—to help achieve the goal of universal high-speed Internet access. Following up, the government’s national connectivity strategy (High-Speed Access for All) responds to FCM recommendations to prioritize improved access for rural households and businesses. Together, this funding and this strategy set the table for historic progress on the rural Internet gap—if we move forward, together, with urgency.

In January 2019, the federal government named Canada’s first Minister of Rural Economic Development. Municipalities welcomed this encouraging response to FCM’s advocacy for deeper federal engagement with rural Canada. By June 2019, Canada’s new rural economic development strategy (Rural Opportunities, National Prosperity) was responding to FCM’s call to build a “rural lens” into federal government. It specifically recognizes the need to empower rural communities by bringing more rural voices to the decision-making table, and to streamline funding processes to ease administrative burdens for rural and small local governments.
Next steps

- **Prioritize rural high-speed Internet access** by maintaining or exceeding recent broadband investments; committing to clear standards and timelines to achieve CRTC speed targets; developing a new target for rural and northern mobile access; and engaging communities in developing strategies to close the broadband gap. (See Telecom & broadband.)

- **Continue incorporating a “rural lens” into the heart of government**, building on the 2019 rural economic development strategy (Rural Opportunities, National Prosperity)—by adapting programs and policies, and streamlining funding tools, to reflect the realities and expertise of rural and small communities.

- **Support a range of rural mobility solutions** by:
  - Ensuring a new permanent transit funding mechanism includes a merit-based component to address challenges that can’t be met by ridership-based allocations alone—including regional bus, para-transit and seniors shuttles services. (See Modern public transit.)
  - Working with municipalities in the short term to address gaps in inter-city transportation services, avoiding a one-size-fits-all approach.

- **Empower rural communities to adapt to climate extremes** by adopting FCM’s recommendations for immediate and long-term adaptation funding—while re-evaluating the Disaster Mitigation and Adaptation Fund’s $20 million project eligibility threshold so communities of all sizes can qualify. (See Climate action.)

- **Support seniors in rural communities** to age safely and affordably in their homes, by introducing a program that offsets the cost of home adaptations, including grab bars, ramps and lifts.

- **Support greater immigration and economic growth in rural communities** through programs such as the 5-year Rural and Northern Immigration Pilot, the Atlantic Immigration Pilot and the proposed Municipal Nominee Program. (See Immigration.)

- **Implement a Tourism Community Infrastructure Fund**, as committed in the Liberal Party platform, to support local needs of communities that rely on tourism, with $25 million delivered annually through the regional economic development agencies.

- **Introduce housing data enhancements** that provide more frequent reporting on rural housing markets, including demand, supply and affordability metrics.
Northern priorities

Local governments are building better lives for Canadians living in our three territories, Labrador, and the northern regions of six provinces. And their message is clear: unlocking the tremendous potential of our northern economy depends on having people and infrastructure in place—while adapting our communities to impacts of our changing climate.

Resource-driven development based on fly-in camps does not automatically benefit northerners themselves. That requires strategies to support economic diversification, along with infrastructure that supports sustainable communities, and that connects them to each other and the rest of Canada.

Local leaders come to the table with indispensable expertise on local challenges arising from their climate, isolation, terrain, demographics, high costs and other socio-economic realities. So moving forward requires smart, long-term federal support—but also a commitment to engage territorial and local governments in its design and delivery.
Next steps

In addition to next steps laid out under Rural progress:

- **Actively account for northern realities** in designing policies, programs and funding tools—engaging northern expertise through FCM to ensure federal initiatives drive real, cost-effective outcomes in our communities.

- **Recognize the urgency of scaling up flexible funding tools in the North**—including a scaled-up Disaster Mitigation and Adaptation Fund (see Climate action) and a scaled-up Gas Tax Fund transfer for core infrastructure renewal (see Strong infrastructure).

- **Ensure the proposed Clean Power Fund is accessible** to northern and remote communities to support their transition from diesel-fueled power to clean, renewable energy sources.

- **Tackle northern housing affordability challenges** by launching two housing construction programs—for supportive housing, and for affordable housing for Indigenous households—with $100,000 per-unit northern top-ups that recognize higher local building costs (see Housing affordability).

- **Engage northern and remote community governments**, through FCM and the provincial and territorial municipal associations, in the implementation of the newly launched Arctic and Northern Policy Framework.
Municipalities are key partners in managing and growing the full suite of telecommunications infrastructure that underpins Canada’s economy. We’re also recognized as nationwide champions for bold action to close the rural-urban Internet access gap.

Two million Canadian households still can’t access the reliable Internet connection that’s so vital to our economy and quality of life. FCM has worked with successive governments to start closing that gap, leading to Budget 2019 investments worth $2.7 billion over a decade.

We’re ready to help build on those new investments and ensure they drive real frontline outcomes. And we stand ready to help guide the modernization of the Telecommunications Act—respecting municipalities’ role in managing public space for the benefit of all users, while ensuring new cost burdens do not fall onto local property taxpayers.
Next steps

- **Maintain or exceed recent federal broadband investments**, and commit to clear standards and timelines to achieve CRTC Internet service objectives (50/10 Mbps) in communities of all sizes across Canada.

- **Develop a new target for rural and northern mobile access**, and re-evaluate targets for fixed and mobile broadband on a regular basis—ensuring northern and remote communities do not continue to fall behind.

- **Engage FCM in developing a response to the Telecommunications Act review**, ensuring federal legislation and policy achieves the following:
  - Maintains municipalities’ legislated role in managing public space—particularly vital right-of-way corridors—for the benefit of all users, building on our federal-municipal partnership.
  - Ensures legislative or policy changes do not indirectly transfer costs to local property taxpayers (e.g. via congestion, changes to landscape, or damage to infrastructure).
  - Ensures municipal rights-of-way jurisdiction is respected as new technologies such as 5G are developed (including by maintaining jurisdiction between the CRTC and Innovation, Science and Economic Development Canada in governance of “small cell” antennas).
  - Support a national broadband strategy with elements that enhance accountability, transparency and cooperation among federal agencies, orders of government and industry to improve service across rural Canada.

- **Engage rural municipalities**, through FCM, in developing and implementing additional programs and strategies to eliminate Canada’s broadband Internet gap.
Legal cannabis

Our communities are the places where—as of October 2018—non-medical cannabis is legally produced, sold and consumed. To keep people safe and well-served for the long term, municipalities need adequate funding tools.

Legalization has required new bylaws and processes for local police and up to 17 other departments. It has also brought new responsibilities ranging from land use management to business licensing and enforcement. And this expanded mandate comes with real ongoing costs.

Despite Ottawa’s intent to help fund local costs through provinces, many provinces still haven’t shown how funds will flow to municipalities. One year in, we stand ready to work with this government to ensure municipalities have the right tools to successfully and sustainably implement this marquee federal initiative to legalize cannabis.
Next steps

- **Recognize that municipalities require long-term financial tools** to fully and sustainably cover operational and enforcement costs of cannabis legalization—as a baseline requirement of keeping Canadians safe and well-served.

- **Ensure the long-term cannabis excise tax revenue sharing agreement** between the federal government and provinces and territories includes a transparent and predictable mechanism for covering municipal costs.
Substance use

From opioids to methamphetamines, this country faces a public health emergency fuelled by a poisoned drug supply. Orders of government need to work together, with renewed urgency, to tackle this crisis in an enduring way.

Local first responders are on the front lines, reviving people from overdoses, distributing overdose-prevention drugs and educating the public about the drug supply. Municipalities are piloting and implementing community-based solutions.

With early leadership from our Big City Mayors’ Caucus and its Task Force on the Opioid Crisis, FCM led the call for a coordinated national response. And this national crisis requires sustained and expanded federal leadership to scale up all aspects of that response.
Next steps

- **Expand access to a variety of treatment options,** including harm reduction, by implementing election platform commitments—ensuring that the approaches supported federally are those identified by communities, and that they bolster local capacity to tackle this public health emergency.

- **Improve access to safe-supply programs** to treat substance use disorder—supporting doctors, health authorities, provinces and professional colleges to provide regulated substances free of charge through the health care system.

- **Invest in the construction of new supportive housing,** expanding this proven pathway to recovery for those dealing with substance use, mental illness and other challenges. (See Housing affordability.)
Indigenous partnership

Strengthening Canada’s relationship with Indigenous peoples is an essential and long-term effort in which all orders of government must be engaged. And our federal-municipal partnership is key to moving forward.

Municipal leaders are doing their part to enable local reconciliation, building relationships with Indigenous peoples and governments—based on respect for rights and an honest understanding of history. With support from FCM’s federally-funded Community Economic Development Initiative, they are building better lives with neighbouring First Nations through joint economic development partnerships.

We want to build a better Canada where Indigenous people have full and fair opportunities to thrive—including the over 60 percent who live in the cities and communities that we administer as local governments.
Next steps

- **Support construction or acquisition/rehabilitation of culturally appropriate social and affordable housing** for Indigenous households in our communities—beyond existing National Housing Strategy funding—developed in deep collaboration with the Indigenous housing sector. (See Housing affordability.)

- **Continue advancing reconciliation** by addressing past injustices and contemporary inequities—taking the lead of National Indigenous Organizations while engaging Indigenous and non-Indigenous communities in ongoing efforts to build better lives.

- **Enhance federal investment in Indigenous people and organizations** in urban, rural and remote communities—including through initiatives such as the Urban Programming for Indigenous Peoples Framework.
Gun and gang violence

In a global context, Canada’s cities and communities are very safe places to live. And we’re working to make them safer—through local policing, crime prevention strategies, social development and wide-ranging efforts to boost our local quality of life.

One of our toughest contemporary challenges is gang activity that too often erupts as gun violence in public spaces. Communities of all sizes are responding with a full range of prevention, intervention and enforcement efforts—to keep our families safe and discourage young people from getting involved with gangs, drugs and violence.

This remains a challenge for all orders of government, and we welcome federal efforts to tackle gang violence. A key to lasting progress will be to deepen engagement with frontline local governments in the design and delivery of new and expanded federal programs.
Next steps

- **Support crime prevention through social development**, ensuring municipalities have the tools to invest in social foundations of our communities—including shelter, libraries, health facilities, parks, recreation facilities, and support for cultural development.

- **Engage FCM and municipalities in the design and implementation** of federal programs that address gun and gang violence in our cities and communities, including the Liberal Party platform commitment to invest an additional $50 million per year over five years to help municipalities meet the needs of communities at risk.

- **Respect the following principles in designing new programs:**
  - Dedicate a sufficient portion of funding to local governments for their most urgent needs, recognizing the critical role of municipal services in responding to gun and gang violence.
  - Support a full range of municipally-defined prevention, intervention and enforcement efforts in communities of all sizes.
  - Provide both short-term funding for pilot projects to promote innovation, and long-term funding for established initiatives to ensure their sustainability.
  - Streamline application, data collection and reporting requirements to make funding accessible to both institutional and grassroots initiatives.
Plastic waste

Reducing plastic waste is a complex challenge that will require collaboration among industry and all orders of government. Federal leadership is needed to establish the conditions that will enable Canada to move towards a more circular economy for plastics.

Next steps

- **Make industry responsible for the full lifecycle** of products and packaging, using federal powers under the *Canadian Environmental Protection Act* to establish a national framework for Extended Producer Responsibility.
- **Support a transition to a circular economy for plastics**, by introducing complementary recycled content requirements and government procurement policies, and by supporting the expansion of local recycling capacity.

Rail safety

Rail transportation supports our economy and quality of life. But the tragic derailment and explosion in Lac-Mégantic, Quebec, highlighted the risks of transporting dangerous goods through our communities. While progress has been made in recent years, the federal government must continue to prioritize measures to improve rail safety.

Next steps

- **Expand engagement with municipalities on rail safety**—as recommended by the *Railway Safety Act* review—ensuring the Transport Canada oversight regime is informed by their technical knowledge and frontline expertise.
- **Continue to expand funding for grade crossing safety improvements**, including crossing openings, closures and grade separations, in order to reduce trespassing and improve pedestrian safety.
Immigration

Immigration is central to the future growth, economic security and cultural diversity of our cities and communities. The Municipal Nominee Program proposed in the Liberal Party platform is an important new tool that will enable local governments to work with the immigration system to attract and support new Canadians.

**Next steps**

- Engage municipalities, through FCM, in the design of the Municipal Nominee Program to ensure it enables municipalities of all sizes and capacities to nominate and welcome immigrants, helping to ensure future growth and enriching the cultural milieu of our communities.