



FEDERATION  
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# Frontline solutions for Canada's recovery

ELECTION 2021 RECOMMENDATIONS  
FROM CANADA'S LOCAL GOVERNMENTS



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# Prioritizing frontline solutions

Among governments, municipalities work closest to people's daily lives. We see what's needed and what works on the ground. And we're ready to work with every federal party to deliver frontline solutions to some of Canada's biggest national challenges.

All pandemic long, we've seen cracks exposed in the foundation of this incredible country. We've seen how unequally people thrive and struggle, and we've resolved to become more resilient to future threats—whether that's a virus or climate change. Most of all, we've learned how much we can achieve when we work together.

This election is an opportunity for federal parties to show how they'll build a stronger, more inclusive, more sustainable Canada on the other side of COVID-19. And FCM's message to every party is clear: Canada's local governments are ready to work with you to get the job done.

Our cities and communities are the places where Canadians live, work, start businesses and raise families. These are the places where local leaders have been protecting people, businesses and vital services throughout the pandemic. These are also the places where many national challenges can be addressed first, fastest and most effectively—from job creation to climate change to the housing crisis.

FCM unites more than 2,000 municipalities of all sizes, representing more than 90 percent of Canadians. On their behalf, we are proposing frontline solutions for a strong, inclusive, sustainable recovery that's rooted in communities of all sizes. Solutions that reflect our commitment to equity, anti-racism and tackling systemic oppression. Solutions that build on a rich and deepening federal-municipal partnership that has been building better lives for Canadians through successive governments.

Canada's recovery is an opportunity to learn from this pandemic and to achieve even more than we once imagined possible. We've all seen what's possible when you directly empower municipal leaders on the front lines. We are ready to work with every party to make meaningful progress on our shared national objectives in the next Parliament—to build an even better Canada in the wake of COVID-19.

# Building for the future

Our cities and communities are where real progress happens for real people. With the right tools, they're where local leaders can address climate change and create good jobs, economic growth and better lives for Canadians—now and for years to come.

Municipal leaders turn federal investments into jobs and outcomes people can see and feel. Outcomes like safer roads that keep people moving, and cultural/recreation facilities that bring people together. Like modern transit that shortens commutes, lowers emissions, and gets frontline workers where they need to go. Like climate innovation that protects people from new weather extremes and gets Canada closer to net-zero emissions.

The impacts of climate change are already reaching every region of the world, Canada is warming at 2-3 times the global average, and we are getting closer to irreversible climate tipping points. Saving lives and protecting our communities requires unprecedented investments in low-carbon infrastructure like transit and water management, in climate resiliency and disaster mitigation, and in local pathways to net zero-emissions.

Canada's recovery is an urgent opportunity to empower local leaders who deliver frontline solutions that work. That's how we'll create the jobs and economic growth that are so vital to our nationwide recovery—as we build the inclusive and sustainable future we all want.

## Community infrastructure

- Expand Canada's best infrastructure renewal tool** by permanently doubling the Canada Community-Building Fund (formerly Gas Tax Fund), increasing the annual transfer in 2022-23 to \$4.6 billion—and boosting its annual growth index from 2.0 to 3.5 to reflect construction inflation realities. This directly empowers local leaders to create jobs and build better lives—from upgrading roads and bridges to keep people moving to expanding cultural-recreation facilities to bring people together.
- Ensure cleaner water for Canadians nationwide** by investing at least \$500 million annually for 20 years in municipal water and wastewater infrastructure—including treatment system upgrades, sewer separations, septic projects and asset renewal such as lead pipe replacements, culverts and lagoons. Canada's recovery is the right time to set Canada on a path to a future where everyone has reliable access to clean, safe supplies of the water, including drinking water, that is so essential to human health and economic development.
- Bolster rural and northern infrastructure** by committing at least \$250 million annually in new funding for 10 years at the conclusion of the Investing in Canada Plan's rural and northern stream (i.e. starting 2028-29 or earlier if all funding is committed). This provides communities with vital predictability for rural and northern infrastructure solutions that cannot be fully funded through other federal programs.

## Public transit and transportation

- Commit to a multi-year solution to pandemic-induced transit operating shortfalls** to protect shared investments in building out Canada's transit networks. Otherwise, continuing shortfalls until ridership fully recovers will force cities to scale back service levels and/or job-creating capital improvements—disproportionately impacting the millions of Canadians who rely on transit to access essential services and participate in economic life.
- Maintain permanent, predictable capital funding for transit expansion** to reduce congestion, shorten commutes, and help create net-zero communities. This starts with maintaining \$3 billion in permanent annual funding starting in 2026-27. Canada's transit plan should continue to support both urban and rural mobility needs, including the full range of expansion projects—subways, regional rail, light rail, bus rapid transit—alongside low-to-zero emission fleets, and on-demand and fixed-route projects in rural areas.

- ☑ **Commit to develop a sustainable funding model for inter-community passenger bus service.** These threatened services are critical to smaller communities, to our national economy, and to a national transit network that is equitable and accessible. In communities of all sizes, transit services are disproportionately relied upon by women, racialized and Indigenous people, students, seniors, and persons with disabilities.
- ☑ **Expand funding for rail safety,** including grade crossing improvements, to make communities safer and contribute to local compliance with the federal Grade Crossing Regulations.

## Climate resilience and disaster mitigation

- ☑ **Rapidly scale up support for disaster mitigation and climate resilience projects** protecting communities from climate impacts—including wildfire mitigation, drought reduction, flood prevention and restoration of wetlands, shorelines and other natural assets. We are calling for \$2 billion over a three-year recovery period, followed by at least \$1 billion in long-term annual funding starting in 2024-2025.
- ☑ **Strengthen natural infrastructure:** invest \$100 million annually for 10 years—including to enable municipalities to purchase forests, wetlands and green spaces to create or expand parks and protected areas—building on recent federal investments to support local conservation, urban biodiversity, low-carbon resiliency and access to nature.
- ☑ **Continue strengthening local capacity** by investing \$500 million over five years to:
  - update regional climate modelling and natural hazard maps, and fund local vulnerability and risk assessments
  - integrate equity, Indigenous knowledge and social infrastructure considerations into project planning
  - integrate climate considerations into asset management planning at the asset and community levels

## Local pathways to net-zero emissions

- ☑ **Deepen federal-municipal coordination,** aligning national and local climate action and identifying sectoral opportunities to scale up local solutions for deeper GHG reductions. Alongside transit modernization, local solutions represent some of Canada's most practical and available pathways to achieve net-zero by 2050.
- ☑ **Scale up investments in local pathways to net-zero** to a level that will allow Canada to achieve its 2030 climate target. Through targeted programs that build upon investments already made—including through FCM's federally-endowed **Green Municipal Fund**—we can support capacity building and capital projects in key areas:
  - **Community energy generation,** energy storage and district energy for community buildings and neighbourhoods. Electricity generation is responsible for 8.4% of Canada's GHG emissions (61 million tons).
  - **Deep energy retrofits** of residential, commercial and community buildings; sustainable affordable housing; and net-zero building codes. Homes and buildings represent 12% of Canada's GHG emissions (91 million tons).
  - **Active transportation and multi-modal systems,** including bike paths, pedestrian bridges, and first-and-last-km solutions like bike-share, e-bikes and cargo bikes to reduce reliance on personal vehicles that represent 4.6% of Canada's GHG emissions (33.5 million tons).
  - **Zero-emission municipal fleets,** including pickup trucks, vans, municipal waste trucks and charging solutions. Light-duty trucks and heavy-duty vehicles generate 16% of Canada's GHG emissions (120 million tons).
  - **Waste and water infrastructure** including landfill gas management, organic waste diversion, wastewater energy efficiency and circular economy initiatives. Landfills represent 3.2% of Canada's GHG emissions and a targeted \$500 million investment could reduce emissions by 2-2.5 million tons.
  - **Local resiliency and natural climate solutions,** including tree planting, canopy preservation and natural asset management. A typical hardwood tree can store a ton of carbon dioxide by the time it reaches 40 years old.
  - **Net-zero communities and land use planning,** integrating mobility, housing and equity considerations to reduce energy and travel demands while improving health, affordability and access to services

# Affordable places to live

From the front lines of Canada's housing crisis, local governments bring crucial expertise to the shared objective of tackling chronic homelessness—and affordability across the housing spectrum—to support an inclusive national recovery.

Appropriate housing that's affordable provides security that we all need to raise healthy families and be our best selves, as workers and as neighbours. But the pandemic has driven home the depth of Canada's housing crisis. We've seen it in the lives of frontline workers who go home to overcrowded, inadequate housing. And in the lives of thousands who've struggled to stay safe—with no home at all.

But we've also seen promising action from governments working together. Through the federal Rapid Housing Initiative, local leaders are supporting thousands of Canadians who've faced COVID-19 from a place of homelessness. They are repurposing available buildings, lands and modular housing as permanent affordable housing, creating jobs as they go. They are showing what's possible when we governments join forces to drive frontline action.

Now Canadians need us to be more ambitious. That's why we're proposing frontline solutions to eliminate chronic homelessness and improve affordability across the housing spectrum—as a centrepiece of an inclusive recovery. This will require all governments at the table, building solutions that deliberately address the inequities that Indigenous, Black and people of colour disproportionately face in accessing housing. And we'll need durable solutions, including wraparound supportive housing, for those facing mental health and substance use challenges.

## Ending homelessness

- ☑ **Establish a clear and measurable timeline** to achieve the shared goal of ending chronic homelessness, working with municipalities and our community housing partners—while actively aligning the mandates of the Canada Mortgage and Housing Corporation and Employment and Social Development Canada to support this goal and timeline.
- ☑ **Grow the proven Rapid Housing Initiative:** Commit an additional \$5.5 billion over five years to create at least 18,000 more supportive and deeply affordable homes for Canadians experiencing homelessness—maintaining the allocation-based Major Cities Stream and maximizing program flexibilities to empower communities to meet the goal of housing 27,000 vulnerable Canadians. (The RHI's existing funding is creating 9,200 new units).
- ☑ **Permanently double the Reaching Home program** to develop and deliver more community-based systems, supports and services needed to end homelessness—essential complements to the homes created by a scaled-up RHI. This requires an additional \$282 million annually starting in 2024, including at least \$50 million for the Rural and Remote stream. (Budget 2021 included a temporary doubling for 2020-21 to 2023-24.)

## Protecting and expanding affordable housing options

- ☑ **Protect low-rent market housing from “renoviction” and conversion**—by launching a program supporting its acquisition by the community housing sector. An initial capitalization of \$585 million would support the acquisition of 10,000 low-rent units. Further improve and protect rental housing by optimizing and expanding incentives for landlords to repair and energy-retrofit properties without increasing rent levels.
- ☑ **Create a non-market rental housing program** that offers affordable and convenient choices so communities can retain workers, prevent homelessness, and protect local economies. With recent reports stressing the cost and economic impacts of inaction on providing workforce housing, we recommend investing \$11.5 billion over the next five years to support the construction of at least 70,000 new units owned and operated by the community housing, not-for-profit and co-op sectors.

- ☑ **Introduce a dedicated Indigenous housing strategy**, committing at least \$3.3 billion over the next 5 years to create at least 20,000 new housing units for Indigenous households in communities—urban, rural and northern—addressing a significant gap in the National Housing Strategy.
- ☑ **Promote purpose-built rental construction** by expanding incentive programs to produce more units annually, while increasing minimum affordability requirements and aligning with municipal incentive programs. This will help tackle rental supply shortages and reduce pressure on the home ownership market.

## Co-designed housing solutions

- ☑ **Commit to stronger intergovernmental coordination on housing affordability**, building on the new Federal-Municipal Housing Working Group bringing together senior federal and municipal representatives to jointly identify and develop solutions to Canada's housing crisis.
- ☑ **Work with FCM to redesign and expand the Federal Lands Initiative** to align with local programs, making more federal land available faster, empowering municipalities to identify surplus federal and/or other publicly available lands, and ensuring the Canada Lands Company's mandate prioritizes affordable housing.
- ☑ **Work with FCM to co-design new incentives to expand municipal tools and foster housing innovation**—including scaling up locally-driven “missing-middle” housing, intensification, transit-oriented development, accelerating e-permitting, etc.

## Supportive communities

- ☑ **Confront mental health challenges** so often linked to chronic homelessness, by committing to a formal intergovernmental working group that includes municipalities. Through this, increase the transparency of mental health transfers and their local impacts; and jointly develop long-term solutions to ensure wraparound supports for new supportive housing units, including those delivered through the Rapid Housing Initiative.
- ☑ **Tackle the opioid crisis and save lives** by rapidly scaling up access to local safe supply programs. This can include building on recent emergency funding through Health Canada's Substance Use and Addictions Program (SUAP), which supports projects aimed at pharmaceutical alternatives to the toxic illegal drug supply and prevent overdoses, alongside other harm reduction and treatment strategies.
- ☑ **Support community safety** by engaging with FCM on RCMP contract policing issues: (a) expanding community partnerships, leveraging successful community policing models and supporting anti-racism and equity initiatives that are run by and serve racialized communities; and (b) ensuring financial sustainability as local governments pay a growing share of policing costs with limited revenue tools and no ability to run deficits.

# Digital inclusion for all Canadians

Fast and reliable broadband Internet is essential to our economy and our daily lives. Ensuring all Canadians can connect online is key to building a strong recovery that everyone can take part in.

Having a fast and reliable Internet connection means entrepreneurs can sell their products globally. It means doctors can access patient records, farmers can find real-time data, municipalities can serve residents better—and communities can reach their potential. Yet COVID-19 has exposed how unequally people access this vital tool.

When lockdowns forced Canadians online for work and school, some simply didn't have that option: two million of us still can't access an affordable, reliable, high-speed Internet connection. Most of those Canadians live in rural, remote, northern and Indigenous communities. The pandemic has also underscored how income inequality can put digital services out of reach in communities of all sizes.

Municipalities have welcomed recent federal investments broadband infrastructure. Now we need to ensure these investments drive results for people on the ground—quickly. Let's ensure all Canadians can connect online—to modern commerce, to modern opportunities, and to each other. Let's make sure every community is part of Canada's recovery.

## Building a framework for success

- ☑ **Convene a national roundtable on digital infrastructure**—with all orders of government—to develop a Canada 2030 vision for broadband connectivity, including ensuring deeper coordination with provinces and territories so that broadband funding streams and deployment strategies are complementary and future-proof.
- ☑ **Establish a national target for digital affordability** that reflects the diverse economic realities of communities across the country—as an essential counterpart to Canada's existing universal service objective for fixed broadband speeds (50/10 Mbps).
- ☑ **Establish a broadband progress monitoring framework** to ensure communities see results, including an obligation on the federal government to report to Parliament annually on progress achieving the universal service objective for speed, and recommended affordability target—in communities of all sizes and regions.
- ☑ **Continue enhancing federal broadband mapping data** and commit to an accelerated process for correcting mapping errors, to support efficient progress toward achieving universal high-speed Internet access.

## Supporting progress on the ground

- ☑ **Support broadband for hardest-to-reach areas** by adding a needs-based stream to the Universal Broadband Fund (UBF)— at least \$150 million more annually for the next four years—targeting small ISPs and community partners who struggle to compete with high-scoring UBF applications in easier-to-serve areas.
- ☑ **Launch a municipal digital capacity building program** to develop technical expertise and support local and regional broadband infrastructure planning and deployment in underserved communities.
- ☑ **Create a one-window intake process** to access all federal broadband funding streams to make the process more accessible to all applicants, building on progress made through the coordinated funding approach with the Universal Broadband Fund and Canada Infrastructure Bank.



# Governments working together

The pandemic has exposed strengths *and* vulnerabilities in Canada's social and economic systems—and our intergovernmental systems as well. Canada's recovery needs to boost our resilience on all fronts, including the resilience of the federal-municipal partnership.

Municipalities own 62 percent of Canada's infrastructure, deliver vital services, and help achieve federal objectives—social, economic and environmental. Yet they're rarely at the table when other governments discuss national challenges. For operating revenue, they still rely on user fees, and property taxes that represent just 10 cents of Canada's tax dollar—and cannot run deficits. What's more, the pandemic has accelerated a transition to e-commerce, telework and digitization that will continue to erode land-based fiscal tools like property taxes.

On the road ahead, we are calling for federal leadership on modernizing municipalities' tools and authorities, to better reflect their role in people's lives and the national economy. And as we all move towards recovery, local leaders must be at the table with local expertise that will make every dollar count and drive results for Canadians.

As a start, we are recommending intergovernmental working groups on urgent national priorities—from housing affordability to reaching net-zero emissions. Stronger coordination will be key to advancing the Truth and Reconciliation Commission's call to action. And fundamentally, FCM is ready to bring a frontline lens on equity, anti-racism and systemic oppression to our intergovernmental collaboration.

## Federal-municipal engagement

- ☑ **Formalize federal-municipal collaboration** by (a) establishing political-level working groups on key priorities, including housing affordability, pathways to net zero, digital inclusion and mental health; and (b) engaging municipalities in federal-provincial/territorial processes at the administrative and technical level where policy and operational issues are discussed.
- ☑ **Lead on place-based approaches to local and regional challenges**—such as post-COVID downtown renewal, neighbourhood-level revitalization, economic transition and regional economic development—by leveraging innovative tripartite agreements, including the Urban Development Agreement model.
- ☑ **Commit to a dialogue with FCM on municipal resilience**, including federal leadership required to modernize municipal finances and authorities over the long term, to align with local governments' contemporary role in Canadians' daily lives and national economy.
- ☑ **Advance the Truth and Reconciliation Commission's Calls to Action** by deepening engagement and coordination with all orders of government, to redress the legacy of residential schools and move forward on reconciliation between Indigenous and non-Indigenous people.
- ☑ **Engage Western Canadian municipal leaders** on place-based economic development and pathways to net-zero emissions, while continuing investments in addressing abandoned oil and gas wells, trade infrastructure, economic diversification and energy sector transformation. Developing national utility corridors is one example of regulatory innovation to help get resources to market.
- ☑ **Elevate rural communities federally** by working with FCM and municipal leaders to ensure a rural lens is applied to federal policy development and program design—better empowering local leaders to succeed in the context of their unique financial, administrative, geographic and demographic realities.