Building better lives

Our municipal vision for the 2019 federal election
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In Election 2019, our message to national parties is clear: empowering Canadians’ local leaders is a clear choice to build better lives nationwide.
Summary: Building better lives

The Federation of Canadian Municipalities unites nearly 2,000 local governments of all sizes, in every province and territory, representing more than 90 percent of all Canadians.

These are the governments closest to people’s everyday hopes and challenges. We’re building better roads, bridges and public transit to get them moving. We’re building communities with clean water, decent housing and rich recreational opportunities. We’re building solutions to complex challenges, from housing affordability to new weather extremes.

In short, local governments are building better lives. How? By making the most of largely outdated tools and relationships with other orders of government. That means squeezing value from the fraction of Canada’s tax dollar that we manage, asserting our local voice in national conversations, and working with the federal government to shape funding programs.
It’s time to take a big step forward. This election, we’re calling on all national parties to commit to modernizing how we work together, to get even more done for the Canadians we all serve. Our recommendations include:

- **Renew Canada’s core infrastructure.** Permanently double the Gas Tax Fund transfer to renew the roads, bridges, water systems and other infrastructure that supports our quality of life. Then boost its annual growth to 3.5 percent to keep pace with construction costs.

- **Build tomorrow’s public transit.** Launch a permanent, direct federal funding mechanism for 21st century public transit – unlocking local expertise to cut commutes, lower emissions and provide affordable access to everything our communities have to offer.

- **Tackle housing affordability.** Continue boosting access to social and affordable housing for low-income Canadians, while engaging directly with municipalities to tackle the wider disconnect between rents, home prices and income levels.

- **Protect Canadians from climate change.** Invest in local adaptation projects to protect families and businesses from extreme weather events, while continuing to scale up support for local projects that can significantly help reduce Canada’s greenhouse gas emissions.

- **Champion rural and northern communities.** Modernize programs and funding tools to recognize the realities and expertise of smaller communities, while committing to close the Internet access gap and promote local economic development.

Municipalities are key partners in tackling federal challenges, from housing affordability to economic growth. And our recommendations build on our direct partnership – by modernizing our toolbox and how governments work together to build better lives.
Municipalities are responsible for 60 per cent of the roads, bridges, water systems and other infrastructure that supports our economy and quality of life.

Yet we collect just 10 cents of every Canadian tax dollar – to manage not just infrastructure but also a growing slate of essential services. That’s why the federal Gas Tax Fund (GTF) is so vital. FCM worked with successive governments to launch and enhance this tool. Each year, it flows reliable funds directly to the governments closest to Canadians to renew the core infrastructure they rely on.

Our challenge with the GTF is its scale. Every year, it leaves countless projects unfunded, and the list keeps growing. The 2019 federal budget took the game-changing step of doubling the transfer, for this one year. And municipalities are using every dollar to drive thousands of projects forward. But what makes sense this year makes sense next year – and for as long as Canadians want us to build livable, sustainable communities for their families.

This election, committing to permanently double the GTF means choosing a better quality of life for Canadians nationwide. And boosting its annual growth index to 3.5 percent will protect its value in the face of rising real-world construction costs and economic growth.

Unlike other programs that focus on new construction, the GTF gives municipalities flexibility to prioritize the rehabilitation or replacement of what’s already in place. Choosing to double the GTF means better and safer roads, cleaner drinking water, quality recreation facilities, and so much more. Choosing to double the GTF is a bold, straightforward commitment to building better lives for Canadians.
Recommendations

- Permanently double the proven federal Gas Tax Fund transfer, empowering municipalities to reliably renew and strengthen the core infrastructure that supports our quality of life and our Canadian economy.

- Boost the Gas Tax Fund’s annual growth index from 2.0 to 3.5 percent to protect its value to Canadians in the face of rising construction costs and to better reflect real economic growth.

Learn more about these recommendations at BuildingBetterLives.ca
Did you know…?

• FCM worked with successive governments to launch the Gas Tax Fund (2005), make it permanent (2011) and index it for 2% annual growth (2014).
• In 2018-19, the GTF flowed $2.2 billion to 3,600 municipalities (around 2% of municipal revenues).
• The GTF’s 2% annual growth rate consistently falls behind rising construction costs.
• Budget 2019 included a $2.2 billion GTF “top-up” for municipalities – for this year only.
• The GTF has never been linked to gas taxes. That was an earlier idea, and the name stuck.
• $1 billion invested in infrastructure generates at least $1.6 billion in economic growth.

The GTF drives results

Every year, the GTF brings thousands of infrastructure projects to life across Canada. In addition to renewing roads, bridges and water systems, municipalities are finding many ways to build better lives with this proven tool.

Wastewater treatment
Lake Country, BC
The district doubled its wastewater treatment plant’s capacity while cutting energy consumption by 50%, and now releases less hydrogen sulfide and methane into the environment.

Solar roof
Victoria, PEI
GTF dollars helped the town design and implement a sustainable energy strategy, which included retrofitting the community centre and installing solar panels on its roof.

For more success stories, see FCM.ca.

Water meters
Lasalle, ON
The town used GTF funds to replace 85% of its water meters, which were no longer accurate, while bringing utility billing in-house to better serve residents.

Cycling/walking path
Terrebonne, QC
The city is working on a multi-functional path to keep pedestrians and cyclists safe near a busy road, thanks to the long-term predictability of the GTF.
Our infrastructure vision

Building federal infrastructure programs that deliver for Canadians starts with getting program design right – and putting local governments at the core of delivery. That means:

- **Investing in both new and existing infrastructure:** It’s tempting to prioritize new construction and emerging priorities over renewing what we already have. But it’s cheaper to repair at regular intervals than to rebuild failing infrastructure from scratch later.

- **Adopting allocation-based funding models:** Direct and predictable allocations to municipalities support smart planning, and recognize that local governments are well placed to design and deliver cost-effective solutions to shared challenges.

- **Recognizing that infrastructure is planned over decades:** Long-term – or better, permanent – funding aligns with the realities of building infrastructure that’s meant to last. For core assets, permanent funding models unlock invaluable planning efficiencies.

- **Funding a range of priorities through complementary programs:** There can be no effective one-size-fits-all infrastructure program. The range of recommendations in this platform reflects this reality and represents a bold vision for building a better Canada.

For more, see *The Case for Growing the Gas Tax Fund: A Report on the State of Municipal Finance in Canada* (FCM, 2019)
Fast, efficient and affordable public transit is the backbone of the cities and communities Canadians want us to build: modern, livable and sustainable.

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

FCM has worked with successive federal governments to move public transit up the national agenda. And the current 10-year federal transit plan is working: its predictable funding allocations are fueling key system expansions in cities and communities across the country.

But building modern transit takes decades of continuous planning and delivery, and local planners are already running into the current federal plan’s 2027 sunset date. Longer-term funding stability is the key to moving forward for Canadians – responsibly, cost-effectively and without interruption.

That’s why we’re calling for a permanent federal funding mechanism. This election is an opportunity to set Canada on a path to truly world class public transit, and we urge every national party to seize it.

This major step will deliver major national returns on investment. Each dollar invested in transit generates three dollars in economic growth. It helps us recover the $15 billion in productivity Canada is losing to congestion each year. And as we get people moving in cities and communities across the country, we’ll be building better lives for millions of Canadians.
Recommendations

- **Launch a permanent federal funding mechanism for Canadian public transit.** Maintain existing funding commitments through 2027-28, then commit $34 billion until 2037-38 with a consistent spending profile ($3.4 billion annually). This should include $30 billion in direct transit system allocations, plus at least $4 billion in a merit-based stream to support needs that can’t be met by allocation formulas alone.

- **Accelerate the mass adoption of low-to-zero-emission transit and municipal fleet vehicles** – investing $300 million annually for 10 years, starting 2020-21, enabling the replacement of half of the diesel buses on the road today with fully electric models by 2030.

Learn more about these recommendations at [BuildingBetterLives.ca](http://BuildingBetterLives.ca)

Moving toward zero-emission transit

Transportation accounts for nearly one-quarter of Canada’s greenhouse gas (GHG) emissions. And while expanding transit reduces emissions, the majority of our transit vehicles are still diesel powered. That presents an opportunity to rapidly reduce GHG emissions – one that C40 Cities has identified as the top action cities can take to fight climate change.

Electrifying half of all transit buses in a decade would reduce Canada’s GHG emissions by 10.5 million tonnes. That’s the equivalent of taking more than two million cars off the road. And this alone would cover 13 percent of the additional reductions Canada must now achieve to meet its 2030 Paris Climate Agreement target.

Municipalities and public transit agencies are already demonstrating electric buses and other low-to-zero-emission transit and fleet vehicles. With new federal funding, we can move from the pilot phase to mass adoption in a decade – improving urban air quality and taking real action on climate change.
Housing is the bedrock of the livable communities we strive to build – where people want to work, contribute, raise their families and start businesses.

Yet right across this country, students, seniors and families are struggling to find housing they can afford. That’s putting intense pressure on household budgets, local economies and people’s quality of life. Local leaders continue to make the most of limited tools to respond – but continued federal leadership is critical. So we’re looking to every national party for clear commitments to tackle Canada’s housing affordability crisis.

The national housing strategy that FCM helped shape was a breakthrough for low-income Canadians. Maintaining its priorities and funding levels is vital to continuing the important work we’ve started. But we’ll also need to address key gaps for Indigenous households in our communities, and for vulnerable people who need supportive housing.

We also need fresh approaches to tackle the growing gulf between rents, home prices and incomes. We’re proposing concrete next steps, from protecting lower-cost rental housing, to supporting seniors, to strengthening federal data on affordability challenges. And because municipal expertise is essential, we’re calling for a new forum where all orders of government join forces to address complex roots of unaffordability – from speculation to short-term rentals.

Housing is so much more than a roof over your head. It makes our communities welcoming places to live and work, and attractive hubs for job creation and economic growth. And we’re ready to work with every party to ensure every Canadian has an affordable place to call home.
Recommendations

- **Continue growing the supply of social and affordable housing for vulnerable Canadians**, by maintaining the national housing strategy’s priorities and funding levels, while addressing key gaps:
  - Expand **supportive housing** for those dealing with mental illness, substance use or other challenges ($365M/year).
  - Invest in culturally-appropriate affordable housing for **Indigenous households** in our municipalities ($162.5M/year).
  - Better empower municipalities to identify **surplus federal lands** to make housing projects viable ($20M/year).

- **Provide strong leadership on Canada’s broader housing affordability crisis**, engaging directly with municipalities.
  - Create a **market rental preservation program** with incentives to repair/retrofit lower-cost properties ($250M/year).
  - Help **seniors** age safely at home, with new support for adaptations such as grab bars and ramps ($30M/year).
  - Create an **Affordability Indicator** to illuminate trade-offs between housing and transportation costs.
  - Launch a **new forum** where orders of government join can forces to tackle housing affordability.

Learn more about these recommendations at [BuildingBetterLives.ca](http://BuildingBetterLives.ca)
Protect Canadians from climate change

Our cities and communities are on the front lines of new weather extremes. We’re also on the forefront of protecting Canadians before and after disaster strikes, and taking local action to reduce greenhouse gas (GHG) emissions.

From more frequent floods and fires, to rising sea levels and melting permafrost, climate change is wreaking havoc on homes and businesses. By 2020, these climate effects will cost $5 billion annually – forecast to reach a staggering $43 billion by 2050. And municipalities are making the most of limited tools to build resilient communities that keep people safe and secure.

With support from initiatives like FCM’s Municipalities for Climate Innovation Program, local leaders are assessing local risks and taking action by re-naturalizing floodplains, upgrading infrastructure and reducing GHG emissions. But opportunities to protect communities far outstrip current tools and federal funding commitments.

When disaster strikes, Canadians look to their local governments first. This election, we’re calling on every federal party to empower local leaders with the right tools to adapt to climate change, and protect families and businesses from new weather extremes.

That means putting federal adaptation funding on a long-term track that reflects the scale of our challenge. Investing in resilience now – from flood mitigation to wildfire breaks, shoreline stabilization and enhancing natural infrastructure – avoids steeper costs later. Improving Canada’s flood maps is an urgent necessity. And building municipal capacity to assess and respond to climate risks is key to identifying the most cost-effective resiliency projects over the coming decades.
Recommendations

- Rapidly scale up dedicated federal funding for critical disaster mitigation and climate change adaptation projects:
  - Immediately top-up the Disaster Mitigation and Adaptation Fund to unlock ready-to-go projects, with $2 billion in new funding available from 2020-21 to 2023-24.
  - Commit to developing an ambitious, long-term investment plan for disaster mitigation and adaptation, with a minimum 20 year time frame and at least $1 billion in new annual funding starting in 2024-25.
  - Urgently engage municipal, provincial/territorial and Indigenous partners to assess the state of adaptation efforts, and the scale of investment needed to make Canada’s cities and communities resilient over the long-term.

- Create a targeted program to update Canada’s flood plain maps – investing $500 million over 5 years to support municipal and provincial/territorial partners in updating, assessing, mapping, and mitigating the risks of flooding

- Continue to build local capacity to assess and respond to climate risks – working with municipalities to build a comprehensive understanding of the full range of risks from climate change, the impact to local services and infrastructure, and the tools and resources required to reduce those risks.

Learn more about these recommendations at BuildingBetterLives.ca
Reducing greenhouse gas emissions

Municipalities influence more than half of Canada’s GHG emissions and we’re leading the way in driving low-carbon solutions, from green municipal fleets to low-GHG waste systems. Scaling up this local innovation is crucial to meeting Canada’s climate change targets.

Since 2000, FCM’s Green Municipal Fund has brought 1,300 sustainability initiatives to life and cut 2.6 million tonnes of GHG emissions. With major investments in Budget 2019, GMF is expanding its mission to drive cost-saving energy efficiency across Canada.

This election, we’re urging national parties to build on this progress.

• Our proposed market rental housing preservation program (see p. 13) incentivizes energy efficiency retrofits for aging lower-cost housing, reducing GHG emissions along with utility costs for tenants and owners.

• Our public transit recommendations (see p. 11) can transform Canada’s carbon footprint. A study by the Société de transport de Montréal found that for every tonne of GHGs emitted by their transit system, 20 tonnes are avoided in the Greater Montreal area. FCM’s call for a permanent federal funding mechanism for transit will enable municipalities to plan long-term – integrating transit and land-use planning, growing ridership and building lower-carbon communities.

• Accelerating the transition to low-to-zero-emission transit and municipal fleet vehicles (see p. 11) is real and rapid climate action. Electrifying half of the buses on the road today over the next decade would reduce Canada’s GHG emissions by 10.5 million tonnes. That’s the equivalent of taking more than two million cars off the road – and represents 13% of the additional reductions Canada must now achieve to meet its 2030 Paris Climate Agreement target.
Champion rural and northern communities

Rural, northern and remote communities are essential to Canada’s quality of life. They’re home to key industries – from agriculture to natural resources – and they drive nearly one-third of Canada’s economy.

Smaller communities also face unique challenges – from geography to climate and demographics. These can’t be tackled with cookie-cutter federal approaches. Local leaders are making the most of outdated tools to build better lives for residents. But building on recent progress means doing more to unlock their local expertise in local realities and local needs.

That’s why we’re calling on every federal party to commit to building a “rural lens” into the heart of the federal government – bringing local realities to the table, and modernizing federal tools to empower local leaders to build better lives.

Ensuring reliable access to fixed and mobile high-speed Internet means entrepreneurs can get their goods to market, doctors can access patient records and students can study from anywhere. Permanently doubling the Gas Tax Fund transfer empowers local leaders to deliver cost-effective solutions to the local challenges they understand so well. And tailoring federal programs to the realities of smaller communities – from disaster mitigation to housing to transportation – unlocks the power of local expertise to deliver solutions that work.

Ten million Canadians call Canada’s rural and northern communities home. They are farmers and ranchers. Entrepreneurs and small business owners. Students, seniors and families. And because these communities are so deeply intertwined with the rest of Canada – through our national economy and our way of life – progress here is progress for us all.

30%
National GDP generated in non-metropolitan areas

10M
Canadians living outside census metropolitan areas

2M
Canadians who can’t access a reliable Internet connection
Recommendations

• **Build a “rural lens” and northern priorities into the heart of federal government**, adapting programs and policies to reflect the realities and expertise of smaller communities.

• **Modernize and streamline funding tools** that rural, northern and remote communities rely on – including by permanently doubling the Gas Tax Fund transfer for infrastructure.

• **Maintain or exceed recent broadband investments**, and commit to clear standards and timelines to achieve CRTC speed targets – to achieve universal Internet access.

Learn more about these recommendations at [BuildingBetterLives.ca](http://BuildingBetterLives.ca)
Local governments are vital partners to the Government of Canada. Our local expertise and solutions are helping to tackle national challenges – from economic growth and climate change to reconciliation and public safety.

Building on our partnership builds better lives for Canadians. This document offers a roadmap for nation-building progress on core infrastructure, public transit, housing affordability, disaster mitigation and rural/northern priorities. On the road ahead, FCM will continue working with the federal government on emerging priorities and challenges. In particular, we are calling on national parties to commit to kickstarting progress on the following shared objectives.
**Opioid crisis**

Local first responders are on the front lines, reviving people from overdoses, distributing overdose-prevention drugs and educating the public about the poisoned drug supply. Municipalities are piloting and implementing community-based solutions – but this national public health emergency requires sustained and expanded federal leadership to rapidly scale up all aspects of the response.

- Expand access to a variety of **harm reduction options**, as identified within the community.
- Work with local governments to **bolster community capacity** to tackle the crisis.
- Work with partners to increase access to a variety of **treatment options**, coordinating with municipalities to ensure there are pathways from municipal services into treatment.

**Reconciliation**

Strengthening Canada’s relationship with Indigenous peoples is an essential and long-term effort in which all orders of government must be engaged. Municipal leaders are doing their part to foster local reconciliation efforts while building collaborative partnerships with neighbouring Indigenous communities.

- **Continue advancing reconciliation** by addressing past injustices and the inequities experienced by Indigenous people, taking the lead of National Indigenous Organizations.
- Alongside investment in reserve communities, **enhance federal investment in Indigenous people and organizations in urban, rural and remote communities**, including in social/affordable housing construction, and through initiatives such as the Urban Programming for Indigenous Peoples Framework.

**Non-medical cannabis**

Our communities are where cannabis products are produced, sold and consumed. Legalization means new bylaws and processes for local police and up to 17 other departments, and new responsibilities including land zoning, business licensing and responding to nuisance complaints. This expanded mandate comes with real ongoing costs that must be recognized through the long-term approach to legalization.

- Ensure municipalities have **sustainable and long-term financial tools** to fully cover operational and enforcement costs of cannabis legalization – keeping Canadians safe and well-served.
- Commit to **full support for ongoing municipal costs** in the long-term cannabis excise tax revenue sharing agreement to be renegotiated with provinces and territories.
Rail safety

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

- As recommended by the Railway Safety Act Review, expand engagement with local governments on rail safety issues, ensuring that Transport Canada’s oversight regime is informed by their expertise, technical knowledge and on-the-ground 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.

Plastics

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. FCM is calling on all federal parties to commit to:

- Make industry responsible for the full lifecycle of the products and packaging they sell.
- Use existing federal powers under the Canadian Environmental Protection Act to establish a national framework for Extended Producer Responsibility (ERP) that includes national definitions and enforceable performance standards and targets.
- Introduce complementary recycled content requirements and government procurement policies that support a transition to a circular economy for plastics.
- Support the expansion of Canadian recycling capacity at the local level.
The Federation of Canadian Municipalities is the national voice of local government.

FCM brings together nearly 2,000 municipalities 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 implement municipal-federal initiatives that improve the lives of Canadians.

We’re building local solutions to national challenges.

Municipal leaders work with FCM to drive solutions that boost our economy and quality of life. We have a track record of constructively shaping federal policy – from the federal Gas Tax Fund to the national housing strategy. Every year, FCM staff and its elected board of directors connect hundreds of times with federal officials at all levels.

FCM’s Big City Mayors’ Caucus (BCMC) convenes 22 large Canadian cities. BCMC mayors meet to drive action on national challenges – from affordable housing to cannabis legalization. Through BCMC, cities partner with the federal government to build better lives for Canadians.

FCM’s Rural Forum brings together municipalities located in rural regions or with significant rural segments. Together, they are working to empower millions of Canadians in the face of unique demographic, geographic or climatic challenges.

We’re building municipalities’ capacity to build better lives.

For more than 30 years, FCM has partnered with the Government of Canada to deliver national and international programs. These programs are building municipal capacity on everything from climate resilience and empowering women in local government, to strengthening partnerships with neighbouring Indigenous communities.

Since 2000, FCM’s Green Municipal Fund (GMF) has brought life to 1,300 local initiatives, cutting 2.6 million tons of GHG emissions. In Budget 2019, the Government of Canada entrusted an additional $1 billion to GMF’s scaled-up 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. Our Municipalities for Climate Innovation Program (MCIP) provides vital funding, training and tools to 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.