

Municipalities: Where Canada Grows



Federal Budget 2024

The Federation of Canadian Municipalities (FCM)'s
recommendations for Canada's communities



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OF CANADIAN
MUNICIPALITIES

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A unique challenge: Canada's record- breaking growth

In 2022-2023, Canada's population grew by more than 1.1 million. As our country rapidly grows, local governments are on the frontlines of some of the most pressing challenges Canadians are facing today.



The solution: A new Municipal Growth Framework

Demands on local public services and infrastructure are increasing, and pressure is mounting on the outdated funding model that municipalities operate under.

To turn Canada's historic growth into the success it needs to be, we must reimagine how we fund the **core pillars** that support a good quality of life for Canadians—from having an affordable and safe place to live and raise a family, to having access to diverse economic opportunities, to enjoying stronger links with neighbours and community. FCM is calling for a national discussion on a new Municipal Growth Framework to unlock municipal capacity and a better quality of life for all Canadians.



What it means

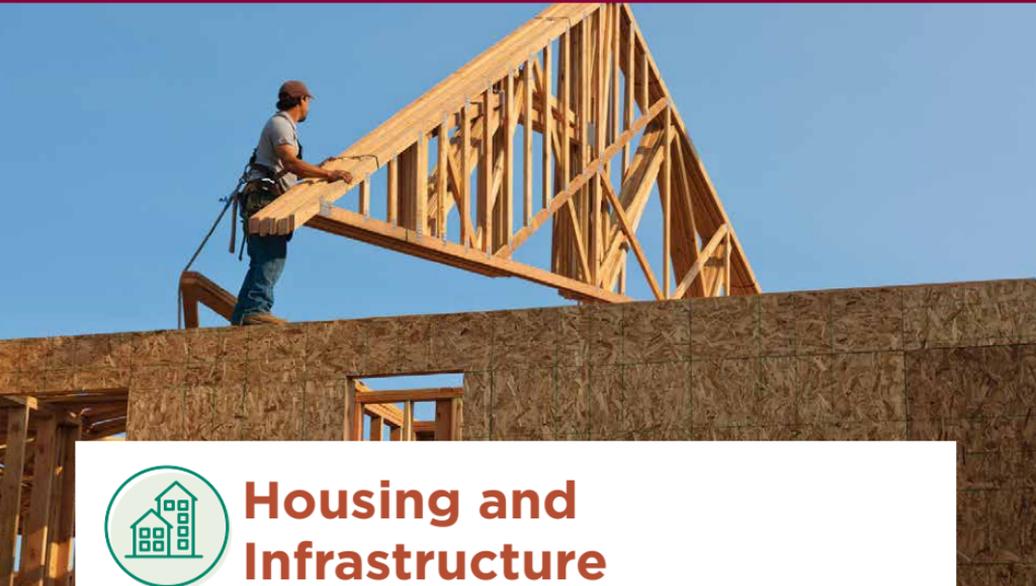
A new framework would link municipal funding with national economic activity and population growth, better facilitating municipalities in providing front-line services.

Municipalities across the country work hard to foster economic activity and help local and regional businesses thrive, **but the growth they are facilitating is not reflected in the revenue they receive.**

With municipalities better equipped to face their growing responsibilities head on, everyone would benefit, and local governments could move beyond continuous cycles of funding requests and short-term planning.

FCM is calling on the federal government to commit in Budget 2024 to convene provinces, territories, and municipalities to negotiate a Municipal Growth Framework. This will position Canada to enable long-term growth and prosperity and better respond to the needs of a rapidly growing population, through sustained investment in infrastructure, housing development and ending chronic homelessness.





Housing and Infrastructure

Canadians are deeply concerned about housing affordability. We need to build more homes more quickly to accommodate our growing population, and municipalities are doing their part to approve new development. However, all new housing needs municipal infrastructure to support it. As federal infrastructure programs wind down, municipalities are facing a gap in federal funding this year just as population growth is at an all-time high.

In Budget 2024, FCM is calling on the federal government to:

- Establish a new dedicated water and wastewater fund and extend funding for community, culture and recreational facilities.
- Double the Canada Community-Building Fund to \$4.4B annually and increase the annual index to 3.5%.
- Establish the Permanent Public Transit Fund in legislation, with new funding starting in 2024-25 for planning and design costs as well as annual funding indexed at 3.5% starting in 2026.



Homelessness

Homelessness and the rapid increase of encampments is a serious issue across Canada. While a multi-faceted approach is needed to end chronic homelessness, municipalities urgently require additional support from federal, provincial and territorial governments.

In Budget 2024, FCM is calling on the federal government to:

- **Increase the Reaching Home homelessness prevention and response program** to \$564 million per year for 2024-25 and 2025-26 to urgently support encampment residents and make the program permanent at \$282 million per year starting in 2026-27, with an annual index of 3% per year, including at least \$50 million per year for the Rural and Remote Homelessness funding stream.
- In collaboration with municipal governments, create a federal asylum seeker resettlement system that ensures the long-term housing and resettlement needs of asylum seekers are met.



Homelessness (continued)

- Protect renters from 'renoviction' and conversion by investing in a community housing sector-led acquisition fund to support housing providers in purchasing existing rental properties through an initial capitalization of \$2.5 billion in low-interest loans and \$500 million in government contributions to support the acquisition and preservation of at least 10,000 low-rent units.
- As part of the forthcoming federal Housing Action Plan, help **prevent people from falling into homelessness** by combating the financialization of housing and increasing the portion of Canada's housing stock that is owned by non-profits and co-ops, while building the capacity of municipalities to use local levers to create more non-market housing.
- As part of a Municipal Growth Framework, **develop a comprehensive federal-provincial/territorial plan to end chronic homelessness** including through long-term investments in supportive housing and the associated wraparound health and social supports.



Climate Change

In recent years, Canadians have been confronted with record-breaking heatwaves, flooding, hurricanes, and wildfires that have severely damaged homes, businesses, and communities. The number of affected communities across the country is expected to continue increasing, with the rate of extreme weather events having increased globally by approximately 83% in the last 20 years.

In Budget 2024, FCM is calling on the federal government to:

- Replenish the Disaster Mitigation and Adaptation Fund (DMAF) with \$2B in new funding in 2024-25, and commit to a long-term investment of \$1B annually for 10 years.
- Ensure that municipalities are provided with support during and immediately after a disaster, including improved coordination and services for evacuees from impacted communities. FCM also recommends that the modernization of the Disaster Financial Assistance Arrangements (DFAA) is coordinated with other federal programs and provides upfront funding for communities to build back better.
- Deepen federal-municipal collaboration on achieving Canada's 2030 climate target on a pathway to net-zero emissions, including by implementing the Canada Green Building Strategy.

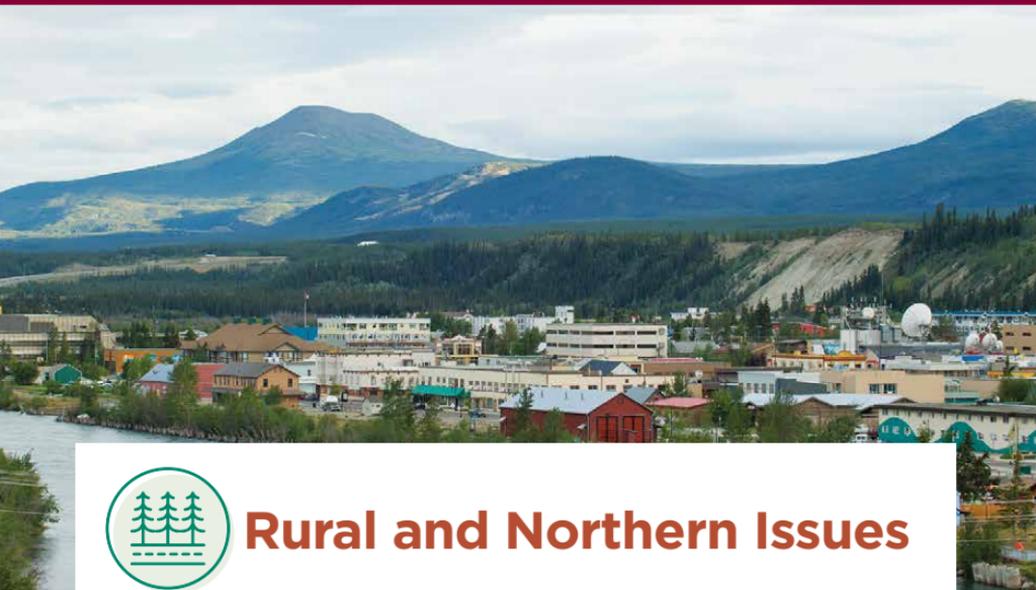


Community Well-Being and Safety

For many communities in Canada, policing is their biggest expense. Municipalities pay a growing share of policing costs, but they cannot run deficits and lack the revenue-generating tools that other orders of government have access to.

In Budget 2024, FCM is calling on the federal government to:

- Meaningfully consult municipalities about decisions related to the future of RCMP contract policing, including funding decisions.
- Work with all orders of government to address and invest in community-based mental health and substance use care.
- Develop a comprehensive national mental health strategy that addresses the interconnected issues of housing, homelessness, and substance abuse, while increasing mental health investments in communities with sustainable, long-term funding.
- Support diverse women in local leadership and decision-making spaces by scaling up outcomes from the successful CanWILL program, creating more opportunities for municipalities and our partners to advance systemic change and to address and overcome barriers.



Rural and Northern Issues

Since 2017, Canada's rural population has increased. With rural Canada contributing nearly 30% of Canada's GDP, supporting and resourcing Canada's rural infrastructure and services are key for sustainable growth.

In Budget 2024, FCM is calling on the federal government to:

- Bolster rural and northern infrastructure by investing \$250 million annually, over and above doubling the Canada Community Building Fund.
- Continue the roll-out of improved broadband and digital connectivity by adding a \$150 million needs-based stream to the Universal Broadband Fund.
- Strengthen rural connections and improve economic development by establishing a federally-led national strategy for intercommunity passenger bus service and investing further in northern and remote airports, ports and harbours.

We are FCM

FCM is the national voice for Canada's local governments. We unite 2,100 municipalities of all sizes, from big cities to rural and northern communities, as well as provincial and territorial municipal associations. Together we represent more than 92% of Canadians. That gives us an unparalleled ability to convene Canada's on-the-ground leaders, and to help design and deliver initiatives that build better lives for Canadians.



Learn how FCM is working to
empower Canadian municipalities:



[fcm.ca](https://www.fcm.ca)