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for Canadians.
Right now.



Led by the Federation of Canadian Municipalities (FCM), Advocacy Days shines a spotlight on Canadians' most pressing needs—helping to chart a better future for our communities.



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Amid an affordability crisis and the cost of living, **Canadians are struggling.**

In a recent poll*, Canadians have spoken out on their biggest concerns: housing affordability and homelessness, transit congestion, public safety and renewing the infrastructure we rely on every day.

Crucially, they have also expressed trust in municipalities to understand and fix problems. This trust is precious and underlines Canadian municipalities' track record when it comes to taking action on key issues.

However, there is a major issue blocking the vital infrastructure and services that Canadians need: how municipalities are funded.

The Federation of Canadian Municipalities (FCM) is advocating for better use of existing tax dollars, so we can support Canadians with the infrastructure and services they need and deserve.

Our municipalities are striving to deliver on these needs despite a 19th- century revenue framework that was never designed for the realities of the 21st century. Amid record population growth, the need for predictable, adequate municipal funding has only grown more urgent.

We're reaching breaking point.



It's time for a **Municipal Growth Framework.**

Canada's elected municipal leaders want to help achieve affordable housing, end the homelessness crisis, make our communities safer and help Canadians get where they need to go.

We need the funding to take action now on the most critical, immediate issues.

However, only by modernizing municipal funding via a new framework can we make meaningful progress in tackling these issues in the long run.

Municipalities need a fairer and more equitable share of the existing tax dollar.

This would reduce reliance on funding from federal, provincial and territorial governments. It would help provide municipalities with long-term financial sustainability and more consistent, ongoing support for Canadians.

Ahead of a federal election, now is the time to shine a spotlight on what our residents are most concerned with and the measures we need to make a difference.

This brochure outlines the key recommendations FCM is making, so—as a country—we can improve Canadians' lives.



Achieving Housing Affordability

44% of Canadians say housing affordability is their biggest worry.*

Canada is in the grip of a housing and affordability crisis. Stagnant wages, rising costs and inflation are resulting in more people being unable to afford a home. Local governments are working hard to facilitate increased housing construction, but while increasing the supply of new homes is a crucial part of the solution, this won't solve the crisis on its own.

We need a coordinated effort to deliver a Municipal Growth Framework that will ensure the long-term, predictable infrastructure funding for current and new housing. Additionally, we must increase the supply of non-profit housing, including co-op and non-profit rental housing for middle-income households and deeply affordable social housing for low-income Canadians.

To support housing affordability for Canadians, FCM recommends the federal government:

- › **Aim to increase the share of non-profit housing stock.** This will ensure that there is more housing that is affordable in perpetuity.
- › **Prioritize the use of federal public lands for supportive, transitional and non-profit housing.** Public lands should be used for public good. As such, they should be used to create long-term solutions to address homelessness as well as ensure an increased, permanent supply of affordable housing in our cities and our rural and northern communities.



Ending Chronic Homelessness

There has been a 20% rise in Canadians experiencing homelessness in the last ten years. Recent projections have indicated that half a million people could be homeless by 2030.

The federal government must urgently support the work of municipalities in tackling homelessness, which is closely linked to housing affordability. Homelessness is now everyday reality in Canada's big and mid-sized cities, as well as many rural communities. The federal government must respond to the scale of the issue, and significantly increase funding while making it permanent and predictable.

To help our most vulnerable experiencing homelessness, FCM recommends the federal government:

- › **Close the \$3.5 billion annual shortfall identified by the Parliamentary Budget Officer (PBO) in federal spending to tackle homelessness.** Despite recent increases in Budget 2024 to address homelessness and encampments, the federal government is underspending: delaying long-term, lasting solutions.
- › **Make the Reaching Home program permanent and increase its funding, until such time as homelessness becomes brief and non-reoccurring.** The Reaching Home program is a proven, federal initiative that provides continuous funding for wraparound support for vulnerable populations, enabling access to emergency shelters when needed.



Reinforcing Infrastructure Resilience

Quality of roads and traffic congestion rank in the top 3 'Quality of Life' concerns expressed by Canadians, while water main breaks impacted millions in major cities last summer.*

Canada is in dire need of a new generation of infrastructure, with nearly 14 percent of municipal transportation infrastructure in poor or very poor condition. The backlog for transportation and water infrastructure repair and replacement in Canada is now at over \$224 billion. Without urgent investment, our water, wastewater and stormwater infrastructure will be increasingly unable to support businesses or the construction of the new homes Canada needs.

To ensure Canadians can rely on community infrastructure, FCM recommends the federal government:

- › **Reform the Canada Housing Infrastructure Fund (CHIF) due to its current form not fully meeting Canadians' needs so it can better enable municipalities to renew existing municipal infrastructure, and commit \$3 billion over the next three years to be delivered through CHIF or a new, dedicated water and wastewater infrastructure fund.** This would address rural and urban needs related to the renewal of existing municipal infrastructure and growth-related infrastructure to allow for new homes to be built rapidly and facilitate more economic development in our rural regions.
- › **Immediately top-up the Disaster Mitigation and Adaptation Fund (DMAF) program by \$2 billion with an additional \$1 billion earmarked each year for the next decade, and implement a revised Disaster Financial Assistance Arrangements (DFAA) program in 2025 to support recovery and reduce future exposure to climate risks.**
- › **Invest at least \$250 million annually for 10 years in new funding for core rural and northern infrastructure, reflecting the vital economic activity in rural and northern communities that must take place despite higher construction costs as well as labour and supply chain challenges.**



Ensuring Public Safety

Over a quarter of Canadians have said crime in their communities is a top concern.*

One of the most vital responsibilities of all orders of government in Canada is ensuring public safety. For many communities in Canada, policing is their biggest expense. Between 2010-2021, the cost of policing in municipalities increased by 24% in Canada's 20 most populous municipalities. Moreover, local police are increasingly called on to respond to complex situations involving mental health crises or drug overdoses, requiring specialized interventions.

To ensure safer communities for all Canadians, FCM recommends the federal government:

- › **Work with all levels of government to expand investments in community-based mental health and substance use care**—ensuring people in crisis in all our communities receive the right kind of support when they need it, while reducing pressure on police services to manage these complex situations.
- › **Strengthen efforts to ensure optimal RCMP staffing and service levels** in communities by tackling high vacancy rates, officer burnout, and staffing gaps that hinder the delivery of essential policing services across Canada, including in our important rural and northern communities.
- › **Commit to meaningful consultations with municipalities on decisions affecting the future of RCMP contract policing.**

Supporting our Rural and Northern Communities

Home to 17.8% of Canada's population, rural municipalities manage over 30% of the country's municipal infrastructure—much of which is aging. Additionally, sustainable growth and stability across our rural and northern communities is increasingly challenged by climate disasters and unique community needs. Ensuring these communities receive the support they need is a priority for FCM. These specific needs will be the subject of a detailed advocacy paper entitled 'The Future of Rural and Northern Canada' to be released in 2025.

FCM is the national voice for Canada's local governments.

We unite over 2,000 municipalities of all sizes, from big cities to rural and northern communities. Together we represent more than 92% of Canadians. That gives us an unparalleled ability to convene local leaders, and to help design and deliver initiatives that make Canadians' lives better.



Read our recommendations in full.



fcm.ca

*Abacus Data national survey commissioned by FCM, administered electronically to 9,870 Canadian Adults, Aug 26-Sept 5, 2024-
Margin of error: +/- 0.98%, 19 times out of 20.