

Municipalities: Where Canada Grows

A unique challenge: Canada's record- breaking growth

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Demands on local public services and infrastructure are increasing, and pressure is mounting on the outdated funding model that municipalities operate under.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

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



Led by the Federation of Canadian Municipalities (FCM), Advocacy Days mobilizes federal leaders around shared federal-municipal priorities—helping to chart a better future for all Canadians.



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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.

What it means

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.**

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

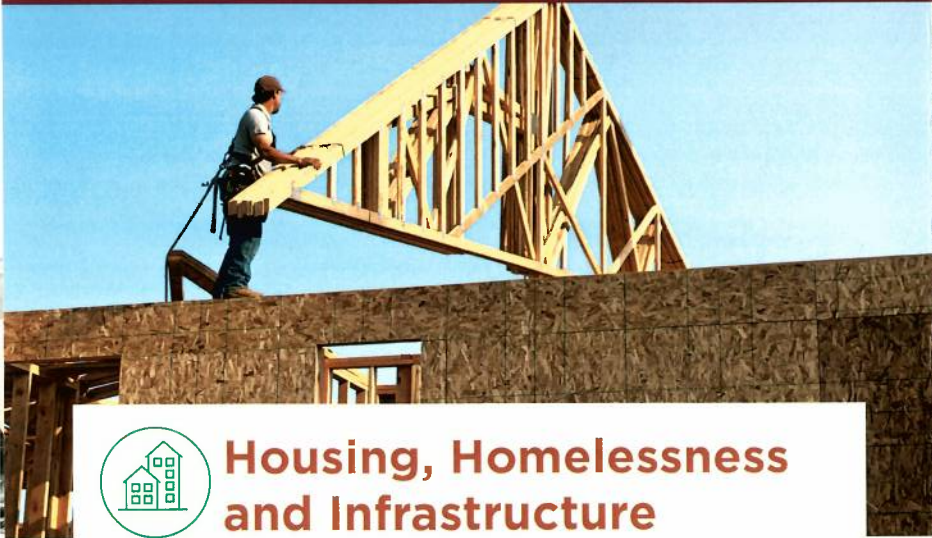
FCM is calling on the federal government to convene provincial, territorial and municipal leaders to negotiate a Municipal Growth Framework that would improve affordability and quality of life for Canadians by enabling municipalities to take concrete action on housing affordability, homelessness and climate change.



Learn how FCM is working to empower Canadian municipalities:



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



Housing, Homelessness and Infrastructure

Canadians are deeply concerned about housing affordability and chronic homelessness. FCM is urging the federal government to work with municipalities to build the right kind of housing supply to support a growing population and end homelessness in Canada. FCM is advocating that the next generation of infrastructure funding be used to revitalize the local infrastructure needed to support growing communities and more housing, and thus ensure communities can thrive.

FCM is recommending that the federal government:

- Optimize the National Housing Strategy (NHS) to rapidly increase the supply of social and affordable housing and improve rental supply, and develop a new acquisition fund to protect existing rental housing.
- Scale up successful programs like Reaching Home and the Rapid Housing Initiative and increase wraparound supports for chronic homelessness.
- Double the Canada Community Building Fund to \$4.4B annually and increase the indexation to 3.5%, while providing much-needed new funding for water and wastewater facilities, community and cultural infrastructure and recreational buildings.
- Establish the Permanent Public Transit Fund in legislation, with new funding starting in 2024-2025 for planning and design costs and annual funding indexed at 3.5% starting in 2026.



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.

FCM recommends the following federal action:

- An immediate top-up to the Disaster Mitigation and Adaptation Fund totalling \$2B in 2024-2025, and commit to long-term investments 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.

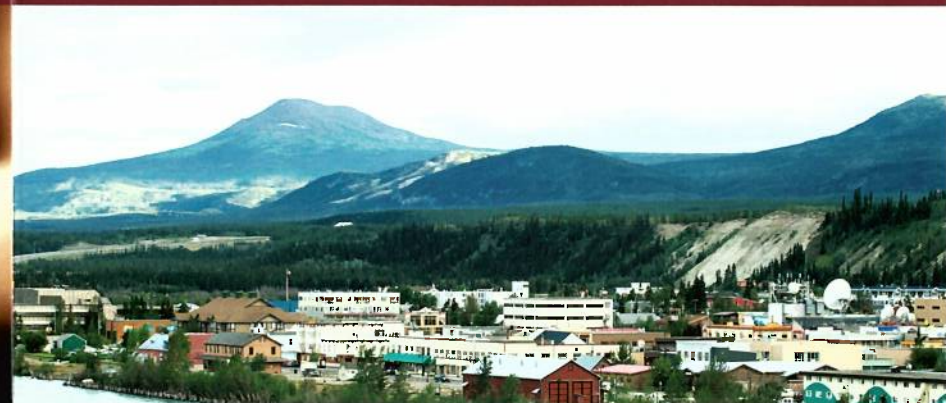


Public Safety, Mental Health and Substance Abuse

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.

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.



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.

FCM is advocating that the federal government:

- 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.