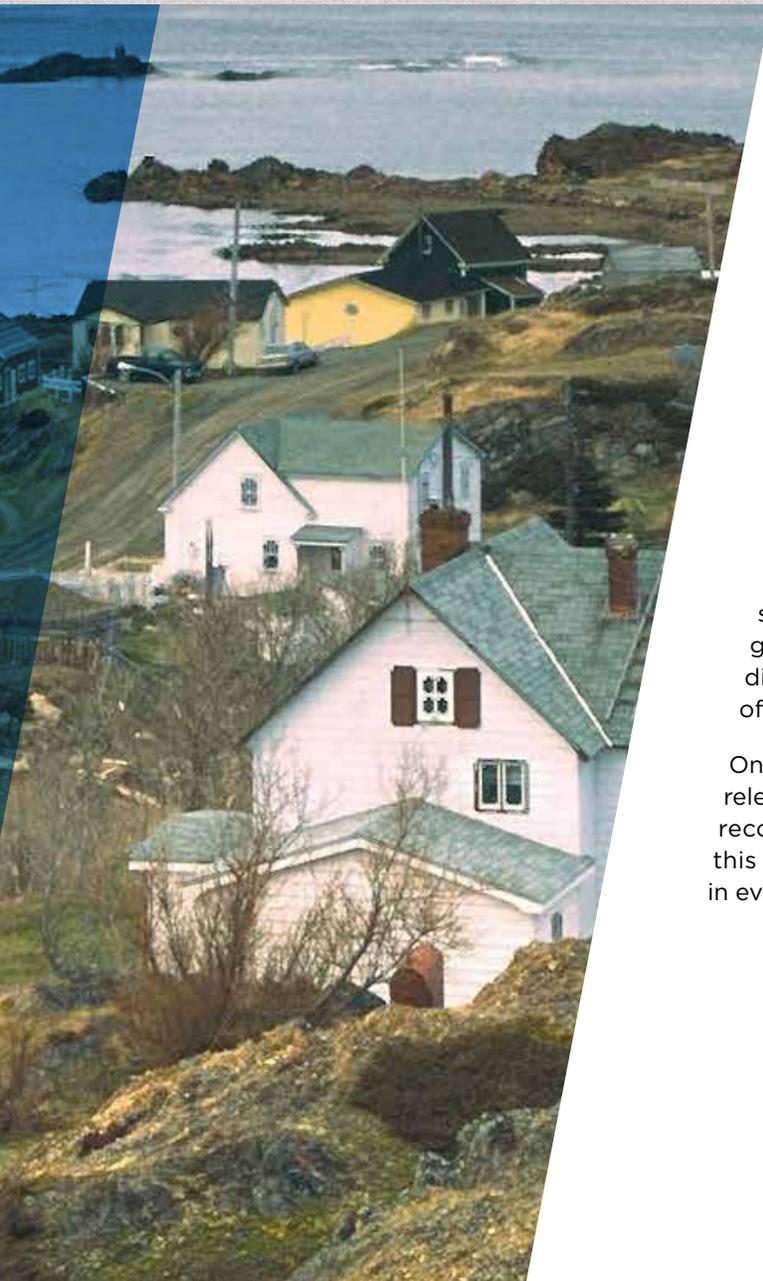


SEIZING THE MOMENT FOR NORTHERN AND REMOTE COMMUNITIES

FCM recommendations for federal budget 2017



With unprecedented long-term infrastructure investment promised and poised to be committed, the upcoming federal budget has the potential to transform this country.

To unlock that potential, this investment must benefit Canadians from coast to coast to coast. That includes nearly 150,000 people living in our three territories, Labrador, and northern regions of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Quebec.

Northern and remote communities are integral to Canada's social, economic and environmental fabric. In 2017, any genuine nation-building must support their economic diversification and growth in the face of unique challenges of climate, geography, high costs and sparse population.

On January 17, the Federation of Canadian Municipalities released *Seizing the moment*—our 2017 federal budget recommendations. This companion booklet highlights how this moment must include northern and remote communities in every region.



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UNLOCKING THE RURAL AND NORTHERN COMMUNITIES FUND

Last fall, the federal government announced plans to dedicate \$2 billion to rural and northern infrastructure needs over 11 years. This investment has the potential to transform northern and remote communities—to improve our quality of life and drive long-term economic development.

But for this historic investment to drive historic outcomes, key decisions remain at the federal level. This investment must be delivered in ways that respect our communities’

fiscal and administrative constraints, with enough program flexibility to respond to local needs.

If Budget 2017 gets this right, northern and remote communities will benefit from major upgrades to transportation networks, clean water facilities, waste treatment systems, and other vital infrastructure to support decades of growth and improve our quality of life.

Recommendations:

- Ensure the design of this new fund directly recognizes low population densities in Canada’s northern and remote regions. (Previous federal programs have allocated funding to provinces/territories using a base-plus-per-capita allocation approach.)
- Streamline project identification and reporting requirements so northern and remote communities can access funds efficiently and fairly, recognizing their short construction seasons, high costs, capacity gaps and significant unmet needs.
- Ensure projects move forward in northern and remote communities by maintaining a 75% federal cost-share in territories (50% in provinces), and by building maximum flexibility into federal fund stacking rules.
- Work with local and provincial/territorial partners to ensure programs are sufficiently flexible to respond to local needs and priorities, and the realities of local asset management planning.



ENSURING SAFE AND AFFORDABLE HOUSING

Secure housing is the foundation of livable, inclusive communities—and of any successful strategy to attract people and investment for the future. But with high costs of living, northern and remote communities have unique challenges housing workers, families, seniors and vulnerable populations.

With construction and utility costs driving up housing prices, northern households disproportionately rely on subsidized

social housing—well over half of renters in all three territories. This leaves the North deeply vulnerable as federal social housing operating agreements continue to expire.

FCM has called for a bold Budget 2017 commitment to solutions to the nationwide housing affordability crisis. This must include distinct investment for northern and remote communities, where housing needs are both distinct and acute.

Recommendations:

- Launch a distinct Northern Housing Fund (NHF) for locally-relevant affordable housing solutions, as outlined below.
- Protect the affordability of existing social housing by replacing expiring federal rent-geared-to-income subsidies with predictable funding from the NHF.
- Ensure the safety and quality of social housing stock in the North through a mix of grants and loans for required repairs and retrofits.
- Invest in new social and affordable housing, as part of a national new-build program, but with a higher per-unit funding allocation that recognizes higher construction costs in northern regions.
- Launch a portable housing allowance, where a designated portion of the 15,000 vulnerable households receiving rent assistance each year would be from northern communities.
- Align Phase 2 Social and Green Infrastructure Fund components, expanding the investment available for complementary projects—such as cost-saving energy-efficiency retrofits to social housing.



CONFRONTING THE CHALLENGE OF CLIMATE CHANGE

Climate change is the challenge of our times, and northern and remote communities are on the front lines, disproportionately impacted by rising temperatures.

Weather extremes and thawing permafrost threaten vital infrastructure—and therefore our health, safety and economy—imposing heavy recovery costs on local governments. But with fair allocations from the expanded Green Infrastructure Fund, we can build more climate-resilient communities, even as communities scale up local innovation to reduce greenhouse gas emissions and energy costs.

Recommendations:

- Secure investment for northern and remote climate change adaptation and mitigation initiatives through a municipal carve-out of the 11-year Phase 2 Green Infrastructure Fund (GIF), designed within the parameters outlined below.
- Flexibly support local climate adaptation needs that vary widely by community—including snow load enhancements; forest fire protection; upgrades to roads and ports; overland flooding mitigation; and permafrost adaptations.
- Promote greenhouse gas reductions by supporting green projects that bring cost-savings to communities—such as improving the efficiency of diesel generating units, upgrading hydro turbines, and transitioning to renewable energies.
- Optimize GIF investment for northern and remote communities by maintaining a 75% federal cost-share in territories (50% in provinces) and building maximum flexibility into federal stacking rules.

BUILDING CONNECTIONS FOR ECONOMIC GROWTH

Northern and remote communities need stronger connections with the rest of Canada to support economic development and reduce the costs of consumer goods.

The new federal Trade and Transportation Fund opens a window of opportunity to improve the air, land and marine links these communities rely on. And now that the CRTCC has declared broadband Internet an essential service, it's time strengthen digital connections as well—working toward extending reliable broadband access to businesses and residents in every community.

Recommendations:

- Support northern and remote transportation needs with a carve-out in the new Trade and Transportation Infrastructure Fund (TTIF) for airport, marine and road infrastructure projects—vital to growing and diversifying local economies.
- As a special priority for the northern and remote TTIF carve-out, ensure support for projects to upgrade airport runways and airstrips to accommodate higher-capacity aircraft.
- Optimize TTIF investment for northern and remote communities by maintaining a 75% federal cost share in territories (50% in provinces) and building maximum flexibility into federal stacking rules.
- Close the broadband gap, working with FCM and municipalities to implement the *Connect to Innovate* program, and to extend reliable and affordable broadband Internet access to every northern and remote community.