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Canada Community Building Fund Re-Negotiation 2024

Overview

- The Canada Community-Building Fund (CCBF) provides more than \$2.4 billion in annual capital funding directly to municipalities through a predictable allocation mechanism, and municipalities of all sizes use the CCBF to deliver direct results for Canadians by building and renewing critical core public infrastructure, including water infrastructure, local roads, public transit and community, and cultural and recreational facilities.
- Provinces are currently engaged in renegotiating the Canada Community Building Fund (formerly the federal Gas Tax Fund) bilateral agreements with the federal government. The current 10-year agreements expire this year. Alberta has stated they expect the fund to be renewed, with approximately \$266 million to flow to the province in 2024-25. [See this link](#) for more information on how the fund currently works in Alberta.
- Earlier this spring Infrastructure Canada provided a Housing Commitments and Reporting Guidance document to provinces. This document outlines proposed conditions related to CCBF funding that would be applied to provinces and municipalities, particularly those with a population over 30,000.
- FCM supports the federal government's stated goal of investing in municipal infrastructure to increase local housing supply. We agree that all orders of government need to work together to address the housing crisis. However, we are also advocating to ensure that the fund remains a source of **direct, predictable long-term funding for local infrastructure priorities, without onerous new conditions** – especially given that municipalities are going through a period of historic growth.

Potential Changes and Impacts

*** PLEASE NOTE: Negotiations between provinces and the federal government as signatories to the CCBF agreements are ongoing. FCM is not privy to developments at the negotiating table. The proposals outlined in the early federal guidance document may not reflect the current status of negotiations.**

Guidance document draft proposals *

- The Government of Canada would provide a Statement of Priorities outlining housing actions each year that would be expected in order for funding to flow to signatories. For example, this could include asking the province to implement measures related to zoning, expedited local permitting and approvals processes, or local housing needs assessments.

- Provinces would be required to respond to indicate the measures they will be taking and confirm how they will use the CCBF funding to build the enabling infrastructure to improve housing.
- By March 31, 2025, ultimate recipients (i.e. municipalities) with a 2021 Canadian Census population of 30,000 or more would be required to complete and make available to the federal government a Housing Needs Assessment prepared according to federal guidance. Provinces would have discretion to extend this requirement to smaller communities if desired.
- Provinces would be required to compile data on housing outcomes for communities over 30,000 and report on an annual basis, for each project, how many units of new housing units were enabled and how many affordable housing units were enabled or preserved. If a community clearly demonstrates in their Housing Needs Assessment that their community has no housing pressures, they would not be subject to all the same requirements.

Possible impacts *

- **Shift away from asset management and state of good repair:** There is a need to clarify that municipalities will still have flexibility to allocate CCBF funding to renew existing assets based on age or condition, and to allocate funding to projects that contribute to housing supply more indirectly, such as by maintaining or increasing services for existing and future residents and enabling the overall growth of the community or region.
- **Impacts on predictability:** While annual letters and reporting was part of the previous CCBF 10-year agreement, the proposed new policy measured to be decided each year risk increasing administrative burden and delaying the timing of the first payment each fiscal year. FCM is recommending that municipalities receive the first payment of each year in July without delay, regardless of the status of annual negotiations on the Statement of Priorities, in order to proceed with critical local infrastructure projects.
- **Shift to provincial/municipal role:** Proposed changes in the early guidance document could result in significant decisions being made at the provincial level without adequate local input. Outside BC and Ontario, municipalities are not formally at the negotiating table and will not have a voice. FCM is recommending that the CCBF agreements require provinces to include municipalities in decision-making processes regarding measures that directly impact them.

Join us to advocate

- **FCM has prepared a toolkit to help with our drive to renew the CCBF without onerous conditions.** Feel free to customize these in line with your local insight—after all, you know the reality on the ground better than anyone. The toolkit contains:
 - Key messages
 - Template resolution for adoption by your municipal council
 - Template letter to communicate the resolution to your federal Member of Parliament
- Together, our collective efforts will ensure our voices are heard during this critical window in time, as we continue to advocate for a **Municipal Growth Framework** that will empower local governments.