

Comprehensive Municipal Guide to Federal Funding 2017



Municipal Advocacy Solutions

Municipal Advocacy Solutions (MAS) works for small communities, cities, and municipal associations from across Canada. We specialize in advancing federal-municipal advocacy and exploring federal government funding opportunities that can solve challenges for our individual Municipal clients.

With the newly minted Federal Budget 2017 released, and several previous announcements of federal dollars for local initiatives, this document aims to summarize and provide recommendations to Municipalities in order to set priorities over the coming year and best prepare for significant federal funding opportunities in the future.

We offer a foundational perspective of the signals the federal government is providing which creates an emergent picture that Municipalities can use to plan, implement and achieve access to federal investment and policy alignment.

Municipal Advocacy Solutions (MAS) began operations in 2016 after recognizing a significant need and gap in the Federal-Municipal funding and lobbying space. We are the only advocacy firm that solely focusses on increased capacity for individual Municipal clients looking to benefit from new federal funding and federal policy discussions at a reasonable cost.

Thank you for taking the time to read this document. **It provides a comprehensive overview of every existing federal fund that Municipalities can apply to or will receive funding from. It is the only product of its kind in Canada.** For more information on the services offered, please scroll down to the bottom of the document or go to www.MunicipalAdvocacySolutions.ca. Should you require any assistance now or in the future, do not hesitate to contact me.

Sincerely,



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Table of Contents

Budget 2017 Highlights	Page 3
Federal Funding Checklist	Page 4
Federal Funds Municipalities	Page 5
Gas Tax Fund	Page 5
GST Rebate	Page 5
New Building Canada Fund	Page 5
-Provincial/Territorial Component	
-Small Communities Component	
Rural/Northern and Community Infrastructure	Page 6
-Budget 2017 Commitment	
-Reducing Diesel Use Fund (Rural+Remote)	
-Northern REACHE	
-Arctic Energy Fund	
-Rural Broadband Funding	
-Enabling Accessibility Fund	
-Opportunities Fund for People with Disabilities (OF Program)	
-New Horizons for Seniors Program	
-Career focus	
- Rail Safety Improvement Program	
Impact Canada Fund	Page 10
-Cleantech Stream	
-Smart Cities Challenge Stream	
Trade and Transportation Fund	Page 11
-National Trade Corridors Fund	
Public Transit Infrastructure Fund	Page 11
-Public Transit in Budget 2017	
Canadian Infrastructure Bank	Page 12
Green Infrastructure	Page 13
-New Bilateral Agreements	
-Low Carbon Economy Fund	
-Electric Vehicle and Alternative Transportation Fuels Infrastructure	
-Disaster Mitigation and Adaptation Fund	
-Investing in Infrastructure to Build Climate-Resilience	
-Emerging Renewable Energy Technologies	
Federation of Canadian Municipalities Funding	Page 15
-Municipalities for Climate Innovation Program	
-The Municipal Asset Management Program	
-Green Municipal Fund (Through FCM)	
Recreation and Culture Funding	Page 16
-Bilateral Agreements	
-Canada Cultural Spaces Fund	
-Community Educational Infrastructure	
Housing and Homelessness	Page 17
-National Housing Fund	
-Investment in Affordable Housing (IAH)	
-Social Housing Operating Agreements	
-Northern Housing	
-Federal Lands for Affordable Housing Fund	
-Homelessness Funding	
Other Potential Funding Opportunities	Page 22
-Marijuana	
-Child Care Subsidies	
Municipal Advocacy Solutions Can Provide Value For Your Municipality	Page 23

Budget 2017 Highlights

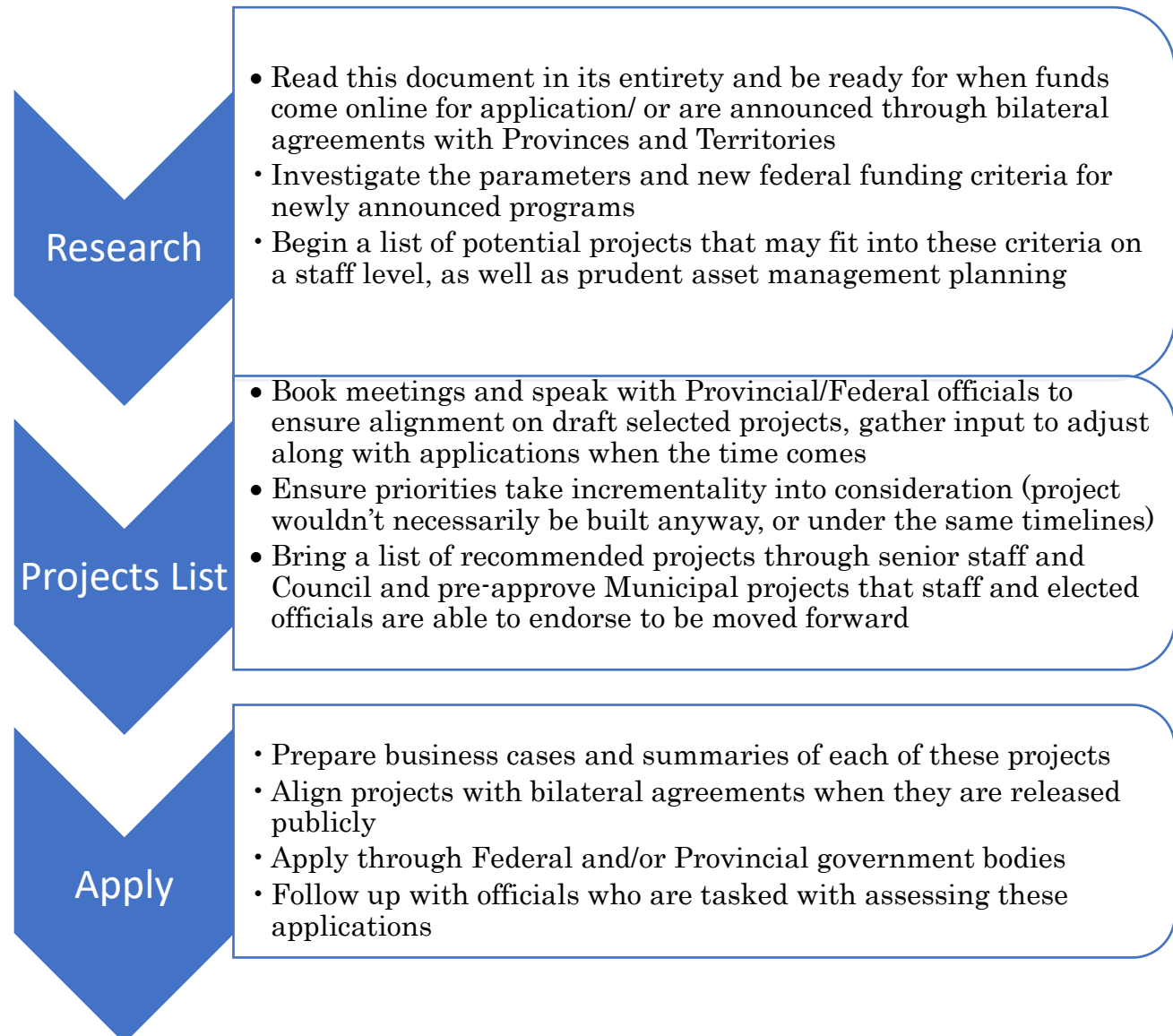
Perhaps the most remarkable thing about Budget 2017 was its aspiration for infrastructure investment over the next decade. The budget provided a roadmap for the next 11 years of federal investment in Municipalities. There are a dizzying array of funds and initiatives being created, re-established, or phased in, all under the rubric of ‘Investing in Canada’ -over 11 years, albeit with a few elections in between.

- **National Housing Strategy-** The Budget didn’t announce one, but it laid more groundwork for an announcement this year including an outline of new funds
- **A New Infrastructure Bank** -After much discussion the Bank was formally established and capitalized with public funds along with the **Invest in Canada Hub** which is being created with a mandate to:
 - (a) promote foreign direct investment in Canada and attract and facilitate that investment; and
 - (b) coordinate the efforts of the government, the private sector and other stakeholders with respect to foreign direct investment in Canada.
- **A Smart Cities Challenge** - Participants create ambitious plans to improve the quality of life for urban residents through better city planning and implementation of clean, digitally connected technology, smart roads, and energy systems.
- **Phase 2 Infrastructure Funding** was confirmed along 4 main categories
 - Rural and Northern Funding Stream – 2 billion over the next decade
 - Public Transit – commits previously announced funding of \$20.1 billion over 11 years to support expansion of services, repair, and infrastructure.
 - Green Infrastructure –\$21.9 billion over 11 years to support such priorities as cleaner air, water, reduced greenhouse gas emissions, and climate adaptation. This includes \$9.2 billion for provinces and territories provided on a base-plus-per capita basis.
 - Social Infrastructure – commits \$21.9 billion over 11 years to funding for culture, recreational, educational, accessibility, and housing infrastructure starting in 2018-19 as announced in the Fall Economic Statement. \$11.2 billion of this funding will be devoted to affordable housing.
 - Trade and Transportation Infrastructure – The Budget confirms \$10.1 billion over 11 years for trade and transportation funding to support trade corridors which get Canadian products to market.
- **Bilateral Agreements to be Signed** – Similar to Phase 1 funding, new bilateral agreements will be signed, however they will be much larger and complex. The government will provide funding for projects as follows:
 - up to 40 per cent federal funding for projects undertaken with municipal partners
 - up to 50 per cent federal funding for projects with provincial partners
 - up to 75 per cent federal funding for projects with Indigenous/Territorial partners
 - For public transit in provinces, the Government will provide up to 50 per cent of eligible costs for rehabilitation projects (capped at 15 per cent of total public transit funding), while funding for new public transit construction and expansion projects will be cost-shared at up to 40 per cent federal funding.

FEDERAL FUNDING CHECKLIST

How to Prepare your Municipality to Receive Significant New Federal Funding

There are some actions Municipalities should take right now to ensure they are ready for when new funding is unveiled, highlighted in relevant order:



FUNDING ACHIEVED

FEDERAL FUNDS FOR MUNICIPALITIES

Gas Tax Fund

By far, the best fund ever created for Municipalities, the Gas Tax Fund is a \$2 billion/year transfer-based investment which flows directly to cities and communities. As a result of Budget 2013, the Government indexed this fund at 2%. The increases are applied in \$100-million increments every few years from 2014-15 to 2023-24. Further to this, the new government has allowed for any programs that are coming to an end, with funds remaining to be flowed through the GTF, rather than lapsing. This is a major step forward. [Further reading.](#)

GST Rebate

The Municipal Goods and Services Tax (GST) Rebate: a 100% rebate of the GST paid by Municipalities, which amounts to about \$850 million annually, will continue to be made available each year for municipal projects, confirmed in Budget 2017.

Those who benefit are defined in the *Excise Tax Act*, as follows:

- incorporated municipal bodies, such as cities, towns, villages, and metropolitan authorities;
- entities determined by the Minister of National Revenue to be a municipality, such as transit commissions and public libraries; and
- entities designated by the Minister of National Revenue, in relation to their delivery of municipal services, such as some non-profit social housing corporations or co-operatives.

New Building Canada Fund

The New Building Canada Fund – **Provincial-Territorial Infrastructure Component** – is an application-based program that recognizes and supports the important role that provinces, territories, and municipalities play in helping to build Canada's public infrastructure. Projects will allow people and goods to move more freely, increase the potential for innovation and economic development, and help to improve the environment and support stronger, safer communities.

The PTIC-NRP started in 2014-2015 under the Conservatives and was scheduled to end in 2023-2024. However, the new Liberal government sped up this funding commitment and now requires project approvals by March 31st, 2018. Funding for new projects is still available but very few P/Ts are still accepting Municipal applications.

- Highways and roads
- Public transit infrastructure
- Disaster mitigation infrastructure
- Connectivity and broadband
- Innovation

- Wastewater
- Green energy
- Drinking water
- Solid waste management
- Brownfield redevelopment
- Local and regional airports
- Short-line rail infrastructure
- Short-sea shipping
- Northern infrastructure (applies to Yukon, Nunavut and Northwest Territories only)
- Passenger ferries services infrastructure
- Culture
- Recreation
- Tourism
- Civic assets and municipal buildings

BCF-Small Communities Fund

The New Building Canada Fund -**Small Communities Fund** (PTIC-SCF) represents 10 percent of the overall Provincial-Territorial Infrastructure Component funding envelope. This Sub-Program provides \$1 billion for contribution funding for infrastructure projects in small communities with populations of 100,000 or less. The PTIC- SCF supports projects of national, regional and local significance that contribute to economic growth, a clean environment and stronger communities.

The PTIC- SCF started in 2014-2015 and was schedule to end in 2023-2024. However, the new government sped up this funding commitment and now requires project approvals by March 31st, 2018.

Rural and Northern Community Infrastructure

Budget 2017 Commitment

The Government will invest \$2 billion over 11 years, beginning in 2018-19 to support a broad range of infrastructure projects, to be allocated to provinces and territories on a base plus per capita allocation basis. These investments will be made through bilateral agreements with provinces and territories, and will have flexible terms, so that funds can be directed to the areas with the greatest need.

Projects could include improving road access or expanding Internet connectivity. Other infrastructure improvements could include the renewal and replacement of energy systems in northern communities, so that remote communities can reduce their reliance on diesel.

17– 18	18– 19	19– 20	20– 21	21– 22	5– Year	22– 23	23– 24	24– 25	25– 26	26– 27	27– 28	Total
					Total							

Rural and Northern Communities	0	150	150	150	200	650	200	200	200	250	250	250	2,000
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Reducing Diesel Use Fund - Rural and Remote Communities

Budget 2017 includes \$220 million to reduce the reliance of rural and remote communities south of the 60th parallel on diesel fuel, and to support the use of more sustainable, renewable power solutions.

Reducing Reliance of 60th parallel	0	40	40	40	40	160	40	20	0	0	0	0	220
						5-year							10-year

Northern Responsible Energy Approach for Community Heat and Electricity Program (Northern REACHE)

Available to Municipalities in the Yukon, Northwest Territories, Nunavut, Nunavik and Nunatsiavut who are looking to reduce reliance on diesel in their communities. Budget 2016 provided \$10.7 million over two years, while Budget 2017 proposes to provide \$21.4 million over four years, starting in 2018–19, to Indigenous and Northern Affairs Canada to continue the Northern Responsible Energy Approach for Community Heat and Electricity Program.

Eligible projects will focus on proven technologies such as solar, wind, energy storage, hydro, biomass heating, residual heat recovery and LED lighting. Priority is given to projects that have a higher likelihood of being built and becoming operational.

Arctic Energy Fund

The Government will also invest an additional \$400 million in an Arctic Energy Fund to address energy security for communities north of the 60th parallel, including Municipal and Indigenous communities.

The Arctic Energy Fund will help Northern communities with “renewal and replacement of energy systems in northern communities, so that remote communities can reduce their reliance on diesel.” This fund is on top of the existing Northern REACHE program to phase out diesel generation in the North.

	17–18	18–19	19–20	20–21	21–22	5-Year Total	22–23	23–24	24–25	25–26	26–27	27–28	Total
Arctic Energy Fund	0	40	40	40	40	160	40	40	40	40	40	40	400

Rural Broadband Funding

The Connect to Innovate program will help realize the Innovation Agenda's vision by investing \$500 million by 2021, to ensure that rural and remote communities across Canada are well positioned to take advantage of the opportunities afforded by the digital age.

The Government launched the CTI program on December 15, 2016 to extend and enhance broadband service in rural and remote communities. The launch of the program took place in December 2016.

The deadline for online submission was April 20, 2017 at noon Eastern time. There could be further intakes in the future but none anticipated at this time.

The Enabling Accessibility Fund (EAF)

- Budget 2017 committed \$77 million over 10 years to expand the activities of the Enabling Accessibility Fund.
- Enabling Accessibility Fund is designed to improve the safety and accessibility of community spaces and workplaces
- Eligible projects will include constructing and renovating infrastructure (e.g., adding ramps, automatic door openers and accessible washrooms), providing accessible information and communication technologies and retrofitting vehicles.

The EAF program accepts applications for funding only through Calls for Proposals (CFPs) which are typically held on a yearly basis. Dates related to future EAF funding opportunities will be determined shortly.

Enabling Accessibility Fund	0	8	8	8	8	31	8	8	8	8	8	8	77
						5-year							10-year

Opportunities Fund for People with Disabilities (OF Program)

The following is a list of activities eligible for funding under the OF program:

- skills for employment
- wage subsidy
- self-employment
- enhanced employment assistance services; and
- employer awareness

To be eligible for funding under the Opportunities Fund, proposed projects must involve a minimum of 8 participants. The requirement to leverage 20% of the total project cost may be waived if a project entails some form of social innovation.

Within rural and remote regions, exceptions may be made vis-à-vis the minimum participant requirement. Applicants must include a strong justification as to why the minimum requirement of 8 participants cannot be fulfilled.

New Horizons for Seniors Program

Community-based projects under the New Horizons for Seniors Program (NHSP) that enable seniors to share their knowledge, skills and experiences with others, and help communities increase their capacity to address local issues, are eligible to receive up to \$25,000 per year, per organization.

Projects must address one or more of the **program's five objectives**:

- promoting volunteerism among seniors and other generations;
- engaging seniors in the community through the mentoring of others;
- expanding awareness of elder abuse, including financial abuse;
- supporting the social participation and inclusion of seniors; and
- providing capital assistance for new and existing community projects and/or programs for seniors.

Applications are open now for Projects for Seniors with a deadline of June 23rd, 2017

Career Focus- Local and Regional Projects

Career Focus provides funding for employers and organizations to design and deliver a range of activities that enable youth to make more informed career decisions and develop their skills.

Career Focus aims to:

- increase the supply of highly qualified workers;
- facilitate the transition of highly-skilled young people to a changing labour market;
- promote the benefits of advanced studies; and,
- demonstrate federal leadership by investing in the skills required to meet the needs of the knowledge economy

The Program is part of the Youth Employment Strategy, a horizontal initiative involving eleven federal departments and agencies.

To be eligible for Career Focus funding, proposed projects must involve a minimum of 8 youth participants. Within rural (defined by Statistics Canada as an area with a population of less than 1,000 and a density of less than 400 people per square kilometre) and remote regions, exceptions may be made vis-à-vis the minimum participant requirement.

For instance, if the total calculated budget for a project is \$100,000, then the applicant (or other partners) is required to provide a minimum of \$20,000 and \$80,000 may be requested of the Department.

Rail Safety Improvement Program

The Rail Safety Improvement Program (RSIP), through Transport Canada, provides grant and contribution funding to improve rail safety and reduce injuries and fatalities related to rail transportation. The program funds:

- safety improvements to existing rail lines
- closures of grade crossings
- initiatives to raise awareness about rail safety issues across Canada

The Federal government is currently accepting a 2nd intake of applications for **Infrastructure, Technology and Research (ITR)** projects for **2018-19 funding**. The next deadline for applications is **August 1, 2017**.

Funding is available as follows:

\$12 million in 2016-17
\$20 million in 2017-18
\$20 million in 2018-19

Impact Canada Fund

Budget 2017 proposes to create a new initiative, the Impact Canada Fund, to introduce a new mission- or “challenge”-based approach for the federal government and help focus and accelerate efforts toward solving Canada’s big challenges. The Impact Canada Fund will focus its initial efforts on two problem-solving streams:

1) Cleantech Stream

Supported by up to \$75 million over two years to address challenges such as helping Canada’s rural and remote communities reduce their reliance on diesel as a power source.

2) Smart Cities Challenge (SCC)

To encourage cities to adopt new and innovative approaches to city-building, the Government proposes to provide Infrastructure Canada with \$300 million over 11 years to launch a Smart Cities Challenge Fund.

Participants will create ambitious plans to improve the quality of life for urban residents, through better city planning and implementation of clean, digitally connected technology including greener buildings, smart roads and energy systems, and advanced digital connections for homes and businesses.

Winning cities will be selected through a nationwide, merit-based competition, facilitated by the Government's new Impact Canada Fund (which is a new fund dedicated to cracking some of the country’s big challenges, focused initially on clean technology and smart cities)

Infrastructure and transportation will also be eligible sectors. Funding is divided amongst the 3 major infrastructure buckets and with slightly different profiling as is listed below.

	17– 18	18– 19	19– 20	20– 21	21– 22	5-Year Total	22– 23	23– 24	24– 25	25– 26	26– 27	27– 28	Total
Public Transit	5	15	2	18	2	42	18	2	18	2	18	0	100
Green Infra	0	20	2	18	2	42	18	2	18	2	18	0	100
Social Infra	0	20	2	18	2	42	18	2	18	2	18	0	100

Trade and Transportation Fund

The Government will invest \$10.1 billion over 11 years in trade and transportation projects.

The Trade and Transportation Corridors Initiative includes the following: a National Trade Corridors Fund; a Trade and Transportation Information System; measures to enable the modernization of Canada's transportation system; the Oceans Protection Plan; and funding to undertake climate risk assessments and address the requirements of existing federally funded transportation assets (VIA Rail Canada Inc., Marine Atlantic Inc. and Eastern Atlantic ferries).

Most relevant for Municipalities is the following fund under this plan:

National Trade Corridors Fund

To address urgent capacity constraints and freight bottlenecks at major ports of entry, and to better connect the rail and highway infrastructure that delivers economic growth across Canada, the Government proposes to establish a new National Trade Corridors Fund.

Investments will target congestion and inefficiencies at marine ports such as Vancouver (vital to expanding Canada's trade with Asia) and Montréal (critical to the success of Canada's Comprehensive Economic and Trade Agreement with the European Union), as well as along the busiest rail and highway corridors around the Greater Toronto Area and other urban centres across the country. Budget 2017 proposes to provide \$2 billion over 11 years to support the Fund's activities.

In addition to identifying priority investments that will help streamline transportation along Canada's major trade corridors, the Fund will look for ways to improve the flow of supplies to northern communities, unlock economic development in Canada's three territories, and create good, middle class jobs.

National Trade Corridors Fund	31	78	156	169	184	618	230	230	230	230	230	230	2,000
	Five year total												Total

Public Transit Infrastructure Fund

The Public Transit Infrastructure Fund (PTIF) is making immediate investments of \$3.4 billion over three years and provides short-term funding to help accelerate municipal investments to support the rehabilitation of transit systems, new capital projects, and planning and studies for future transit expansion to foster long-term transit plans. The Public Transit Infrastructure Fund started in 2016-2017 and is scheduled to end in 2018-2019 with the majority of funding already committed. However, it is very likely that there will be a continuation of the priorities the fund identified with new Budget 2017 dollars.

- The majority of funding has already been committed. For more information see [Building Strong Cities Through Investments in Public Transit](#).

Public Transit in Budget 2017

To support the next phase of ambitious public transit projects, the Government will invest \$20.1 billion over 11 years through bilateral agreements with provinces and territories, with provincial allocations based on provincial ridership levels (70%) and provincial population (30%).

For public transit in provinces, the Government will provide up to 50 per cent of eligible costs for rehabilitation projects (with funding for rehabilitation projects capped at 15 per cent of total system public transit funding), while funding for new public transit construction and expansion projects will be cost-shared at up to 40 per cent federal funding.

Some criteria the government is using includes shortened commute times, cut air pollution, strengthen communities and grow Canada's economy.

The transfer method will be determined based on negotiations with Canadian provinces and territories.

Public Transit Agreements	0	950	851	977	1,150	3,926	2,003	2,227	2,551	3,068	3,150	3,200	20,125
						5-year							Total

Canadian Infrastructure Bank

In the Budget Implementation Bill, it is stated that the Bank will operate as a Crown corporation. The Act also allows for the appointment of a designated Minister (infrastructure), and provides that the Minister of Finance may pay to the Bank up to \$35 billion and approve loan guarantees. The government hopes to have the Bank operational in late 2017.

The Bank plans to:

- Invest in infrastructure projects that have revenue-generating potential and are in the public interest;
- Attract private sector and institutional investors to projects so that more infrastructure can be built in Canada;
- Serve as a centre of expertise on infrastructure projects in which private sector or institutional investors are making a significant investment;
- Foster evidence-based decision making and advise all orders of government on the design of revenue-generating projects; and
- Collect and share data to help governments make better decisions about infrastructure investments.

The Canada Infrastructure Bank will be responsible for investing at least \$35 billion over 11 years, using loans, loan guarantees and equity investments. These investments will focus on large, transformative projects such as regional transit plans, transportation networks and electricity grid interconnections. \$15 billion would be sourced from the over \$180 billion *Investing in Canada* infrastructure plan, including:

- \$5 billion/11 years for public transit systems;
- \$5 billion/11 years for trade and transportation corridors; and,
- \$5 billion/11 years for green infrastructure projects, including greenhouse gas emissions reduction, clean air and safe water systems, and promote renewable power.

Green Infrastructure

Budget 2016 included \$2 billion which is flowing through Infrastructure Canada's [Clean Water and Wastewater Fund](#) (CWWF) to provide communities with more reliable water and wastewater systems.

The Clean Water and Wastewater Fund provides funding to projects that will contribute to the rehabilitation of both water treatment and distribution infrastructure and existing wastewater and storm water treatment systems; collection and conveyance infrastructure; and initiatives that improve asset management, system optimization, and planning for future upgrades to water and wastewater systems.

The Clean Water and Wastewater Fund started in 2016-2017 and is scheduled to end in 2018-2019. However, it is likely the new bilateral agreements will see a continuation of the fund.

New Bilateral Agreements: \$9.2 billion will be provided to provinces and territories over the next 11 years, on a base plus per capita allocation basis, to support priority projects, including those that reduce greenhouse gas emissions, deliver clean water, safely manage wastewater, help communities prepare for challenges that result from climate change, and help build cleaner, better-connected electricity systems.

Low Carbon Economy Fund

- Ottawa earmarked \$2 billion over two years in the 2016 budget for the fund, which is meant to support projects across the country that can prove they would reduce national greenhouse gas emission targets.
- That figure will now be spent over five years, the budget says, after talks with the provinces and territories convinced the federal government of the need to take more time. Figures in the budget indicate that \$750 million for 2017-18 and \$500 million for 2018-19 will no longer be spent and the fund will instead start receiving money in 2019-20. To support provincial and territorial efforts to reduce carbon pollution, the fund will provide investment for projects that reduce greenhouse gas emissions.
- Further details on the allocation of the Low Carbon Economy Fund will be announced in the near future. It is unclear at this point whether Municipalities may be able to apply for funding under this program or if it will strictly be allocated to Provinces.

Other National Green Programs

An additional \$2.8 billion will be invested over the next 11 years through a series of **national programs**. Those of most interest for Municipal funding opportunities include:

Investing in Electric Vehicle and Alternative Transportation Fuels Infrastructure

Budget 2016 provided \$62.5 million over two years, starting in 2016–17, to Natural Resources Canada to support the deployment of infrastructure for alternative transportation fuels, including charging infrastructure for electric vehicles and natural gas and hydrogen refuelling stations. Budget 2017 reaffirmed further funding (\$120 million over 4 years) beginning in 2018.

Current funding is closed but will open again in the near future.

Electric Vehicles and Alternative Fuels	0	30	30	30	30	120	-5 year total
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Disaster Mitigation and Adaptation Fund

- In the event of a large-scale natural disaster, the Government of Canada provides financial assistance to provincial and territorial governments through the Disaster Financial Assistance Arrangements (DFAA), administered by Public Safety Canada. The Disaster Mitigation and Adaptation Fund is incremental to this existing funding and geared towards pre-emptive investments.
- The Government will develop a new, cost-shared Disaster Mitigation and Adaptation Fund for built and natural, large-scale infrastructure projects supporting mitigation of natural disasters and extreme weather events and climate resilience.
- \$2 billion for a Disaster Mitigation and Adaptation Fund to support national, provincial and municipal infrastructure required to deal with the effects of a changing climate.

Disaster Mitigation and Adaptation Fund	0	45	100	100	200	445	200	250	250	255	300	300	2,000
							5-Year Total					Total	

Investing in Infrastructure to Build Climate-Resilience

Federal, provincial, and territorial governments will partner to invest in infrastructure projects that strengthen climate resilience. The government is investing \$281 million for climate adaptation and resilience, for a number of measures, including creating the new Canadian Centre for Climate Services, which will operate out of Environment and Climate Change Canada.

Climate Adaptation and Resilience	21	33	35	35	34	157	21	21	21	21	21	21	281
							5 Year					10 Year	

Emerging Renewable Energy Technologies

\$200 million to support the deployment of emerging renewable energy technologies nearing commercialization.

Emerging Renewable Energy Technologies	0	25	50	50	50	175	25	0	0	0	0	0	200
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Federation of Canadian Municipalities Funding

Municipalities for Climate Innovation Program

Through new federal funding delivered in Budget 2016, FCM officially opened the Municipalities for Climate Innovation Program (MCIP). A few important details:

- \$75 million to local governments delivered through FCM for climate change mitigation and adaptation programming, GHG reduction opportunities, assessment of local climate risks, and integration into Municipal asset management plans.
- More funding will be made available throughout 2017 for investments such as ‘demonstration projects’ and ‘staff support’ grants.
- *Municipalities can apply immediately for various ‘Plans’ and ‘Studies’ funding*

The Municipal Asset Management Program

- FCM's new Municipal Asset Management Program is a five-year, \$50-million program designed to help Canadian municipalities make informed infrastructure investment decisions based on sound asset management practices. The program is funded by the Government of Canada and has just begun funding projects.
- The Fund is to be delivered through FCM to support Municipal asset management capacity building, particularly for small communities.
- Through the Municipal Asset Management Program, Municipalities will be able to access grants to fund activities such as asset management needs or risk assessments; asset management plans, policies and strategies; data collection and reporting; asset management training and organizational development; and knowledge transfer, development and sharing.
- Funding is available to support: Canadian Municipal governments and Municipal partners applying in association with a municipal government
- Funding for up to 80 per cent of total eligible project costs, to a maximum of \$50,000.* Projects must be completed within 11 months from funding approval notice.
- *FCM accepts applications for MAMP projects year-round on a continuous basis; there are no deadlines to apply.*

Green Municipal Fund (Through FCM)

- The Green Municipal Fund is an endowment based program delivered by the Federation of Canadian Municipalities. In Budget 2016 the federal government committed an additional investment of \$125 million over the next two years toward the Green

Municipal Fund endowment to provide grants and loans to Municipalities to improve community sustainability, environmental performance and reduce GHG's.

- Funding is allocated in the following focus areas:
 - Sustainable neighborhood and brownfields action plans
 - Energy efficiency and recovery
 - Transportation and fuel efficiency
 - Water quality and conservation
 - Waste management and diversion
 - Brownfields
- The Capital Projects funding works by offering grants combined with low cost loans to Municipalities in order to reduce borrowing rates. Grants up to 50% are also available for plans, studies and pilot projects.
- *You [can apply](#) year-round for brownfield capital projects, as well as for all plans, studies and pilot projects. Capital projects for waste, water, energy and transportation are subject to deadlines (Next Deadline: August 1, 2017).*

Recreation and Culture Funding

Bilateral Agreements

\$1.3 billion will be provided to provinces and territories through integrated bilateral agreements, on a base plus per capita allocation basis. This investment will be delivered through the second phase of social infrastructure funding. *Municipalities will be required to apply through their Provinces and Territories to receive this funding.*

Cultural and Recreational	0	50	50	50	50	200	67	130	195	225	250	280	1,347
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Incremental to the bilateral agreements, two other cultural/recreation funds exist for Municipalities:

Canada Cultural Spaces Fund

Budget 2016 included \$168.2 million over two years for the Canada Cultural Spaces Fund. Budget 2017 has allocated \$300 million over 10 years to this Fund. The new investment in the Canada Cultural Spaces Fund will be focused on the construction, renovation and equipment needs of creative spaces/hubs, which will help drive growth in Canada's creative economy.

The Fund receives applications on an ongoing basis with requirements to apply through a regional office of Heritage Canada.

Canada														
Cultural Spaces Fund	0	30	30	30	30	120	30	30	30	30	30	30	30	300

Community Educational Infrastructure

To celebrate and promote Canada's linguistic diversity, \$80 million over 10 years will be invested to support the construction of community educational infrastructure in official language minority communities. Working with the provinces and territories, the Government could invest in projects like early childhood centres, community centres and cultural centres.

Community														
Educational Infrastructure	0	4	4	4	8	20	8	8	8	12	12	12	12	80

Housing and Homelessness

Federal Budget 2017 proposes to invest more than \$11.2 billion over 11 years in a variety of initiatives designed to build, renew and repair Canada's stock of affordable housing and help ensure that Canadians have affordable housing that meets their needs. There are many complicated housing funding arrangements already in place federally and available for Municipal governments, which we have attempted to synthesize below.

These investments will be made as part of a new National Housing Strategy, to be announced later this year.

National Housing Fund

\$5 billion over the next 11 years, administered by CMHC to establish a National Housing Fund to address critical housing issues and prioritize support for vulnerable citizens, including: seniors; Indigenous Peoples; survivors fleeing situations of domestic violence; persons with disabilities; those dealing with mental health and addiction issues; and veterans. NHF details will be announced as part of the launch of the National Housing Strategy later this year. So far, we know it will consist of:

1) Co-Investment Fund

A new co-investment fund will be established to pool resources among many housing partners, including governments, the private sector and community organizations, to prioritize large-scale community renewal projects.

2) Affordable Rental Housing Financing Initiative

Building on investments made in Budget 2016, the National Housing Fund will provide municipalities and other housing partners with sustained and improved access to low-cost loans for the repair and renewal of housing units, as well as for the construction of new affordable housing.

- Budget 2016 allowed for up to \$625 million in loans each year for 4 years starting in 2017. *Funding is open right now.*
- This initiative focuses on the riskiest phases of development, specifically for standard apartment projects in Canada. It does not support construction of niche housing types such as retirement homes, single room occupancy, student housing and equity co-ops.

Loans are currently available for:

- Municipalities
- private sector developers and builders
- non-profit housing providers

3) Capital Contributions/Innovation

To develop a stock of affordable rental housing that delivers a better quality of life for residents, CMHC will make up-front capital contributions available to affordable housing providers to encourage innovative approaches to housing development, such as energy efficiency retrofits to lower utility costs, or accessibility modifications.

Affordable Rental Innovation Fund

Announced in Budget 2016, *funding is currently available for this fund.*

The goal of the Affordable Rental Innovation Fund is to encourage new funding models and innovative building techniques in the rental housing sector. CMHC is looking for unique ideas that will revolutionize the sector moving forward. In the process, the \$200M Fund is expected to help create up to 4,000 new affordable units over 5 years.

Eligible applicants will include municipalities, private sector developers and builders and non-profit housing providers (including faith-based organizations).

The minimum criteria that must be met includes: New affordable rental housing units, innovative models of design or financing models, unit affordability maintained for at least 10 years, resource efficiencies in the design, accessibility features must be included, plans viability and sustainability without long-term government subsidies.

In addition to forgivable loans and contributions, innovative funding options will be available to proponents. These options may include: equity capital investments, minority ownership models, dividend payments or other innovative arrangements.

- 4) Preserve the Affordability of Social Housing:** To help social housing providers maintain rent-geared-to-income units when long-term operating agreements expire, CMHC will provide temporary funding to social housing providers as they transition to more sustainable operating models.

Over the next number of years, a large number of operating agreements which help subsidize affordable rental housing will be expiring as CMHC-supported mortgages wind down. The Government intends to preserve the baseline funding related to these agreements, so that Canadians have access to housing options that are affordable and meet their needs (the annual amount is about \$1.5 billion as of 2017). The use and renewal of these funds will be determined over the next year. These funds are in addition to the new investments in affordable housing and homelessness supported by Budget 2017.

In Budget 2016, efficiency retrofits and renovations to existing social housing was announced:

- Energy and Water focused on Canada's existing 570,000 social housing units. For municipalities with these social housing units, this fund could be of much benefit.
- \$500 million in the first year, \$73.9 million in the second year.
- This investment helps address the increasing demand for repairs as social housing units age, and will also improve efficiency and reduce energy use, lowering utility costs and making housing more affordable.

Northern Housing

Budget 2017 proposes to invest \$300 million over the next 11 years to provide targeted support for northern housing. This will provide stable and predictable funding to the territorial governments to help offset the higher cost of construction in the north, and support territorial efforts to improve housing conditions across the region. *These investments, provided as a top-up to the Investment in Affordable Housing initiative and the new multilateral investment framework*, will help approximately 3,000 northern families find adequate, suitable and affordable housing.

Funding for northern housing will be allocated as follows: \$24 million will be provided to Yukon, \$36 million to the Northwest Territories, and \$240 million to Nunavut, where additional funding is provided for Inuit communities and housing need is the greatest.

Support for Northern Housing	0	30	30	30	30	120	30	30	30	30	30	30	300
						5-year							10-year

Reno/Retro 2016 Renovation and Retrofit of Existing Social Housing (CMHC Delivered)

Through Budget 2016, CMHC is delivering a one-time federal investment of over \$77.6 million over two years to renovate and retrofit social housing units directly administered by CMHC.

They issued a one-time Call for Applications in June 2016. This February, the Government [announced](#) the first projects approved for funding under the Reno/Retro 2016 initiative.

They are now proceeding with a second round of commitments and will make final decisions on the remaining applications by the end of June 2017.

Federal Lands for Affordable Housing Fund

Budget 2017 proposes to invest \$202 million over the next 11 years to make surplus federal lands and buildings available to housing providers at low or no cost for the development of affordable housing. This includes funding to top up the existing Surplus Federal Real Property for Homelessness Initiative in 2017–18, and a new expanded initiative starting in 2018–19, which will also provide funding for environmental remediation and for renovations or retrofits needed to ensure that the surplus federal buildings are suitable for use as housing.

Federal Lands for Affordable Housing	2	20	20	20	20	82	20	20	20	20	20	20	202
	5-Year						10-Year						

Homelessness Funding

Through the Homelessness Partnering Strategy, the Government provides direct support and funding to communities across Canada for projects to prevent and reduce homelessness, including Housing First initiatives that help homeless women and men secure stable housing while providing them with support for underlying issues, such as mental health or addiction.

Budget 2017 is investing \$2.1 billion over the next 11 years to expand and extend funding for the Homelessness Partnering Strategy beyond 2018–19, when current funding is scheduled to end.

Over the next year, it is expected the Homelessness Partnering Strategy will be redesigned.

Tackling Homelessness	0	54	203	213	237	707	237	237	237	237	237	237	2,129
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These current projects are funded through regional and/or national HPS funding streams, with funding currently available.

Regional projects

Funding delivered regionally focuses on the needs of homeless and at-risk individuals at the local level, and aims to help individuals gain and maintain a stable living arrangement. The three regional streams are:

- [Designated communities](#)
- [Rural and remote homelessness \(non-designated communities\)](#); and
- [Aboriginal homelessness](#)

National projects

The national funding streams help to develop a better understanding of homelessness based on local data collection, and make surplus federal real properties available to organizations that plan to use the facilities to address homelessness.

- [National Homelessness Information System](#);
- [Surplus Federal Real Property Initiative](#);

- [Innovative Solutions to Homelessness](#)

Other Potential Funding Opportunities

Marijuana

The only mentions of marijuana in the federal budget included \$9.6 million redirected over five years toward public education and monitoring.

In the future, it is possible that funding becomes available for the implementation of the legalization of marijuana and public safety initiatives in Municipalities. Nothing is currently available.

Child Care - Subsidies

Budget 2016 provided an initial \$500 million in 2017–18 for early learning and child care.

Building on this commitment, Budget 2017 proposes to invest an additional \$7 billion over 10 years, starting in 2018–19, to support and create more high-quality, affordable child care spaces across the country.

Over the next three years, these investments could:

- Increase the number of affordable child care spaces for low- and modest-income families by supporting up to 40,000 new subsidized child care spaces.
- Make it more affordable for parents to return to work, with thousands of parents more likely to enter the labour force once child care is made more affordable.

Funding direct to Municipalities will depend on the province. The Government is working with the provinces and territories to develop a National Framework on Early Learning and Child Care, focusing on best practices and new approaches to best serve families.

Municipal Advocacy Solutions Can Provide Value for Your Municipality

One of the services Municipal Advocacy Solutions offers is **comprehensive funding support for individual Municipalities**. This includes matching local priorities with available federal funding, application support, and strategic advice which offers the best chance of receiving funds.

Right now, federal funding is available for roads and bridges, rail projects, broadband + spectrum, affordable housing, recreation centres, remaining NBCF funding, and more. Often times this funding is available to groups such as Provinces + Territories and corporate entities in addition to Municipalities. We strive to direct this funding to Municipalities first and foremost.

Other Services We Offer

Council and Municipal Staff Presentations

Municipal Advocacy Solutions offers Council and Municipal staff presentations on how to maximize your chances of receiving funding from the federal government. These presentations also go through a history of Federal-Municipal relations and topics of relevance today, such as Budget 2017, preparing for marijuana legalization and phase 2 infrastructure investments.

If you are interested in receiving a presentation for Council or staff on these subjects, don't hesitate to contact us.

Municipal Intelligence Reports

Receive the latest intelligence from Parliament Hill and monthly Municipal-Federal reports to your Inbox, customized by region and issues of Interest. We track Parliamentary Committees, Members of Parliament and Bills which can inform your decision-making.

Advocacy to the Federal Government

We help individual Municipalities procure meetings with federal decision-makers and elected officials, briefing note preparation to advance client goals, Hill lobby days, and meet and greet event planning.

Thank you for taking the time to review this document. I hope you found it helpful!