

REGION OF OTTAWA-CARLETON
RÉGION D'OTTAWA-CARLETON

REPORT
RAPPORT

Our File/N/Réf. 03 07-99-0095
Your File/V/Réf.

DATE 8 September 1999

TO/DEST. Transportation Committee

FROM/EXP. Councillor Diane Holmes

SUBJECT/OBJET **FCM INFRASTRUCTURE PROGRAM PROPOSAL**

REPORT RECOMMENDATION

That the Transportation Committee recommend Council approve the Quality of Life Infrastructure Program Proposal as prepared by the Federation of Canadian Municipalities for the Federal Finance Minister and recommend the federal government support this proposal and that the Cabinet and all area MP's be so notified.

BACKGROUND

Attached is the Executive Summary of the Quality of Life Infrastructure Program Proposal prepared by the Federation of Canadian Municipalities for the Federal Finance Minister. This proposal is a national partnership of municipal, provincial/territorial and federal governments, using innovative financing mechanisms, focusing on investments, including core municipal infrastructure, to improve quality of life. The goal is enhanced community sustainability and well-being through strategic investment in environmental and social infrastructure. The full report is available from the Clerk's office.

I am seeking the committee's endorsement of this proposal and its recommendation of same to Regional Council.

Approved by
Diane Holmes

Attach. (1)

FEDERATION OF CANADIAN MUNICIPALITIES



**QUALITY OF LIFE INFRASTRUCTURE PROGRAM
PROPOSAL**

**TO
FINANCE MINISTER PAUL MARTIN**

August 6, 1999

QUALITY OF LIFE INFRASTRUCTURE PROGRAM PROPOSAL

SUMMARY

What is it?

- A national partnership of municipal, provincial/territorial and federal governments, using innovative financing mechanisms, focusing on investments, including core municipal infrastructure, to improve quality of life.

The goal: improved quality of life

- Enhanced community sustainability and well-being through strategic investment in environmental and social infrastructure.

The focus

- Investment in water, waste, energy and transportation systems to increase penetration of efficient and innovative technologies that improve health and protect the environment;
- Investment in affordable housing to increase access to shelter for low-income households and reduce growing levels of homelessness in Canadian communities; and
- Investment in recreational facilities; increased support for the National Strategy on Community Safety and Crime Prevention and Canada's Drug Strategy.

The benefits

- Improved productivity and competitiveness;
- greater efficiency in municipal operations offsetting taxation pressures and/or allowing for investment in other social priorities;
- environmental and health protection, particularly for children and the elderly, through cleaner air, water and soil;
- lower health care costs;
- local job creation and training;
- community economic development;
- increased community safety;
- reduced levels of homelessness and the related costs of emergency shelters, health and social services;
- adequate and affordable housing for the over 289,000 families with children paying more than 50 per cent of their income on housing, and restoration of some of the over 360,000 units in need of major repair; and
- improved quality of life.

EXECUTIVE SUMMARY

The federal government is currently considering themes and priorities for the second half of its mandate and the upcoming Millennium budget. The transition to a new century is an important opportunity to meet the challenges of the future, while addressing some pressing priorities from the past. As a wealthy country, rated by the United Nations as having a superior quality of life, Canada's Millennium budget should demonstrate leadership and vision.

The federal government's Millennium budget should show Canada's ongoing commitment to Canadians through the establishment of a Quality of Life Infrastructure Program.

The Federation of Canadian Municipalities (FCM) believes that the current debate on whether the Millennium budget should emphasize tax cuts or children, productivity or the environment arises from false dichotomies and unnecessary tradeoffs. A Quality of Life Infrastructure Program would improve productivity, lower taxation pressures, protect children, human health and the environment. A focus on sustainable communities improves quality of life.

The Quality of Life Infrastructure Program would invest in:

1. Environmental infrastructure:

- a) waste management systems, including recycling, composting, product stewardship, upgrades of existing landfill sites, methane capture and utilization, upgrading of incineration technology to meet new requirements for dioxins and furans, particulate matter and mercury emissions;
- b) water systems, including treatment, conservation, sewerage, storm runoff and distribution affecting chlorine and aluminum emissions;
- c) energy efficiency, renewable energy, community energy systems;
- d) mobility and accessibility, including municipal and regional road and bridge repair and upgrades, commuter rail, public transit systems and alternative fuels and advanced technologies;
- e) contaminated site remediation (brownfields); and
- g) protection of ecologically sensitive lands.

2. Social Infrastructure:

- a) a cost-sharing infrastructure program for new affordable housing;
- b) support for a national housing foundation;
- c) expansion of the existing Residential Rehabilitation Assistance Plan (RRAP);
- d) taxation changes to encourage affordable housing development;
- e) enhanced CMHC mortgage insurance and direct lending for community housing;
- f) reinvestment of federal housing savings back into housing;

- g) joint funding of housing and mental health services;
- g) increased investment in recreational facilities for children and youth;
- i) continued support for the National Strategy on Community Safety and Crime Prevention, with an increased focus on children and youth;
- j) new resources for Canada's Drug Strategy, including programming for youth.
- k) downtown revitalization, including housing intensification; and
- l) heritage preservation.

Criteria for Quality of Life Infrastructure Program Investments

The Quality of Life Infrastructure Program proposal integrates a variety of current themes into a framework embracing social, economic and environmental objectives to sustain and improve quality of life in Canadian communities. Sub-themes include health, environmental protection, youth at risk, housing, urban safety, community economic development, job creation, productivity and Canadian technological leadership. FCM believes that the following principles should inform the development of project selection criteria:

1. **Equity:** All municipal governments should have equal access to the Quality of Life Infrastructure Program. The program should balance the needs of both urban and rural communities, and demonstrate a regional balance;
2. **Helping those in greatest need:** Investments should assist Canadians in greatest need including vulnerable groups such as youth and the growing number of homeless and families who can no longer afford adequate housing. The Quality of Life Infrastructure Program will leverage investment from other orders of government, and the private and philanthropic sectors to facilitate the development and rehabilitation of affordable housing in communities across Canada. Through the National Strategy on Community Safety and Crime Prevention and *Canada's Drug Strategy*, municipal governments will be aided by a national framework and tools required to achieve safer communities and improved quality of life for all Canadians.
3. **Continuous improvement:** Investments should aim to drive continuous community improvement. For instance, many communities require investment to bring existing core infrastructure up to current environmental and health standards. Other communities have already achieved these important goals. These communities must not be penalized. The Quality of Life Infrastructure Program criteria should be flexible enough to deliver investments that meet current standards and also provide incentives to go beyond the base case to best practice. Grant or investment levels could vary according to the level of environmental and health protection and/or innovation/best practice achieved;
4. **Balance:** Investments should achieve a balance in the need to invest in core infrastructure and programming that delivers environmental and health protection, affordable housing and contributes to improved quality of life and safer communities particularly for vulnerable groups such as children and youth;
5. **Economic efficiency:** Program spending should maximize the use of innovative financing

mechanisms that match project needs. Grants in financing environmental infrastructure projects, for example, are appropriate for those projects not generating direct financial savings for communities. In cases where there are direct financial savings revolving funds, securitization and forgivable loans could be used. Investments in energy efficiency and water conservation would fall into this later category.

6. **Partnerships:** Program spending and policy changes should encourage partnerships and investment from other orders of government and the private and non-profit sector.

FCM is seeking a long-term commitment to a Quality of Life Infrastructure Program that supports environmental and social infrastructure, and promotes partnerships. The Program should be announced in the Millennium budget with resource allocation lower in year one to allow for project and criteria development and completion of federal/provincial and municipal government agreements and to incorporate recommendations from The Auditor General's coming report on Phase II of the Canada Infrastructure Works Program. Investments would then ramp up over a three to five-year period.

Analysis is now under way by the FCM to determine required investment levels and the costs and benefits of establishing a Quality of Life Infrastructure Program. Innovative financing mechanisms would be used to ensure maximum investment and greatest economic efficiency. Financing options would include:

1. tripartite funding, particularly for projects and programming requiring grants;
2. where projects save money, revolving funds, securitization¹ and/or forgivable loans² would be used;
3. policy changes to encourage investment from other orders of government and the private and philanthropic sector.

The upcoming provincial and territorial premiers meeting in Quebec City, August 9 - 11, provides an excellent opportunity for the Quality of Life Infrastructure Program and related issues to be discussed. These discussions should open the door for consideration of a Quality of Life Infrastructure Program when the Government Caucus meets in Halifax, August 16-18.

¹ Loan guarantee

² Loans for feasibility studies. If project proceeds, loan repaid. Project does not proceed loan forgiven.