

Members of The Standing Committee on Industry, Science and Technology,

The fact that we need large-scale government spending to recover from the COVID-19 pandemic's economic impacts is clear; how best to apply that spending is not. Do we continue with business support and low-interest loans? Do we continue individual-focused programs like the CERB and expanded employment insurance? And how do we best leverage this spending to support existing government priorities like building resilience and transitioning to a low-carbon economy?

One answer to these questions is a strategy of municipal land and property grants: give towns and cities access to and control over the resources within their boundaries, allowing them to generate revenue, facilitate local economic development, and plan more effectively for the impacts of climate change.

Municipalities are often stuck between a rock and a hard place, unable to control development on either private land or Crown land and perversely incentivized by the prospect of tax revenue to permit projects that may not be in line with their vision for a resilient community. By financing municipal acquisition of land, the federal government can give control over municipal development back to the community, allowing it to reconfigure its development plans to be in line with both changing natural hazards and the economic conditions that the pandemic has caused. Land acquisition would also allow municipalities more effective ways of preserving and creating active transit corridors, community gardens, and other innovative projects geared towards climate change mitigation and adaptation, as well as the social and economic benefits these initiatives can bring. By giving municipalities control over their remaining undeveloped land, we empower them to use locally appropriate solutions to systemic problems, a strategy that is proven at the global scale.

Many municipalities are facing economic crises at both a government and community level; federal support for businesses has helped, but we're seeing dramatic budget cuts and austerity measures across many cities in Canada due to lost tax revenue. By giving municipalities access to land, the government can create opportunities for revenue generation through land sales, leases, and more innovative uses of that property. It would also allow municipalities to encourage the kind of economic development that makes the most sense locally. In this way, land grants could both support municipal budgets directly and facilitate healthy and local economic growth in the longer term.

Municipal land grants could function in a few different ways. First, for municipalities with undeveloped Crown land within their borders, federal and provincial governments could work together to facilitate a one-time land transfer. Crown land in the immediate surroundings of municipal boundaries may also be worth considering, particularly in areas where that land has a high community value. Second, the federal government could directly finance land and property purchases with a dedicated fund distributed through a grant system. Municipalities could apply to the fund for specific purchases and plans, and there could be a cap on grant recipients (adjusted for local land costs). Lastly, the federal government could finance long term, low-

interest, government-to-government loans supporting municipal land purchases, giving municipalities the freedom to invest in community projects without the pressure of needing immediate returns.

Federal programs geared towards economic recovery are inherently top-down and struggle to reach those who need it most -- including our municipal governments. There's an increasing body of evidence that resilience to systemic shock cannot be developed without being driven by input at the community level. Let's take this opportunity to support and empower our municipalities with an economic stimulus that drives local agency, allowing our communities to recover from the pandemic in vibrant and sustainable ways that will enable us to thrive in the coming decades.

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