State of Canada's Cities

At the Crossroads

Maximizing Possibilities

November 2023

Canadian Urban Institute | Institut Urbain du Canada

Canadian Urban Institute — Institut Urbain du Canada

CUI is Canada's Urban Institute. We are a national platform where policy makers, urban professionals, civic and business leaders, community activists, and academics can learn, share, and collaborate with one another from coast to coast to coast. Our mission is to support vibrant, equitable, livable, and resilient cities in Canada through research, engagement, and storytelling.

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UNIVERSITY OF TORONTO | SCHOOL OF CITIES

The School of Cities is a unique multidisciplinary hub for urban research, education, and engagement creating new and just ways for cities and their residents to thrive. Based at the University of Toronto and in a fast-growing, culturally diverse, and economically dynamic urban region, the School of Cities supports leading scholars, practitioners, and community members spanning disciplines and lived experiences to co-create new understandings, policies, and practices.

The School of Cities understands why cities matter – for sustainability, prosperity, inclusion, and justice. Providing public access to the research and analysis that informs change is one of our primary objectives. The School is producing a growing set of insights into the most pressing issues of our time, in the form of publications, maps and videos and created in collaboration with affiliated faculty, visiting scholars, expert practitioners, students, and community organizations. The School of Cities is proud to support the work of the Canadian Urban Institute and this report.

State of Canada's Cities

Canada has led before, regularly topping the global city lists for livability and vibrancy, but to hold our own we need to demonstrate bold leadership with a clear vision, which today's political discourse makes challenging. Our city building community is a diverse one, with highly accomplished urban planning and design professionals, for profit and not-for-profit real estate development sectors, corporate business leaders and institutional investors, rigorous academics evaluating change, and community-based practitioners working on all aspects of urban resilience.

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Land Acknowledgement

The head office of the Canadian Urban Institute is located in Toronto, the traditional territory of many nations, including the Mississauga's of the Credit, the Anishinaabe, the Chippewa, the Haudenosaunee and the Wendat peoples, and is now home to many diverse First Nations, Inuit and Métis peoples from across Turtle Island. Toronto is covered by Treaty 13, signed with the Mississauga's of the Credit, and the Williams Treaty, signed with multiple Anishinaabe Nations.

This place continues to be home to many Indigenous peoples from across Turtle Island and we are grateful to have the opportunity to work on this land.

Further, CUI is cognizant that many urban planning practices reinforced racist and exclusionary practices of colonialism.

The work of city-building today must include confronting the legacies of the past and search for new approaches that centre around equity and inclusion, making cities for and with everyone.

No matter where one resides in Canada, we are having common conversations about how to connect people and place in ways that benefit everyone. The State of Canada's Cities is about all of us across urban and suburban regions, Indigenous communities and a wide range of rural and remote locations.

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Introduction

Canadian Cities and Their Place in the World

Canadian cities are deeply connected to each other and to a significant number of other cities around the world. The quality of Canadian domestic life is dependent on the quality of our urban dynamics. Our population is diverse with varying densities across a vast landscape. To improve our urban quality of life, we need to learn from each other, and the experiences and practices of international cities.

We need to keep track of key metrics, indicators of succeeding and failing, and we need to do it consistently and visibly. The Canadian Urban Institute (CUI,) is developing a small number of key indicators that can be reviewed each year to track our progress together. The challenge is deciding which indicators give us the most realistic picture of a given city or region, whether that city is large or small, east or west, or located on the prairies or one of coastal areas.

Message from the Canadian Urban Institute's President Mary Rowe

For three and half years, since the COVID-19 pandemic arrived in Canada, our cities have been besieged by the challenges posed by living communally with the threat of a virus spread by one of urban life's most salient characteristics: proximity. Cities are by definition places where people congregate to earn, learn, contribute, exchange, and expand their lives and livelihoods. The pandemic and our collective response to it has shifted the evolving future of our cities. As we consider the future, we must contend with what we have learned if we want stronger Canadian cities in the future.

The Canadian Urban Institute (CUI) was founded more than 30 years ago as a charitable organization, created to highlight the best in city building, at a time when Canada's population was just under 28 million and 76 percent of us lived in an urban environment. Over the last three decades, our population has grown by nearly 12 million; Canada now tops 40 million people, with 82 percent of us living in cities, making Canada one of the most urbanized countries in the world. The story of this growth is a complex mix of immigration, rural to urban migration, and development of unceded Indigenous land. The mixed legacies of our urban history were magnified during COVID-19, when disenfranchised communities experienced the worst risks and perils of the pandemic.

At this crucial juncture, CUI has invited policymakers, researchers, practitioners and civic activists to assess the state of Canada's cities. What's been working, what has not, and how can we arrive at a shared agenda for change? For Canada to realize its potential as a just, flourishing and resilient society, the places where we live, work and play need strategic investment. Contributors to this first annual State of Canada's Cities report are calling for clear and practical change that considers decision making, policymaking, investment choices, business practices and community norms.

In early 2020, CUI began documenting civic responses to the pandemic with online and virtual sharing platforms. We convened key people and developed research reports to encourage city builders to learn from each other and, as Samuel Beckett famously said, "fail faster". This inaugural document, and the convening that accompanies it, encourages us all to be brave and thoughtful in applying what we learned through COVID-19. We need to quickly adopt and formalize what worked well. We also need to set aside old approaches that have not generated the anticipated benefits, despite our best intentions. Finally, it is imperative that we challenge ourselves to take the bold steps Canada needs to maximize every possibility that urban life promises.

For many years, our common Canadian adage was to strive for peace, order and good government. Emerging from this season of disruption, is that an adequate reflection of the expectations we now have of our country, our province or territory, our region, our city, our community, or our neighbourhood? From the thousands of people that engaged with CUI throughout the pandemic, including the contributors to this report, we heard a resounding rejection of the status quo and a hopeful call for new approaches: on-the-ground action creating housing, making places for recreation and cultural expression, stimulating and supporting local economies, renewing downtowns as places for people and commerce, and supporting hyper-local approaches to building community resilience and inclusion.

Canada is a vast geography with a relatively small population, which increases pressure on a relatively few large urban regions to generate solutions to solve density and climate change urgencies. At the same time, thousands of smaller communities are challenged by inadequate access to financial and social services. They are all working hard to build on their existing assets to generate new livelihoods for their citizens. We are learning that no matter where one resides in Canada, we are having common conversations about how to connect people and place in ways that benefit everyone. The State of Canada's Cities is about all of us across urban and suburban regions, Indigenous communities and a wide range of rural and remote locations.

The contributors to this report make it clear that there are no simple solutions, no single answers for untangling the Gordian knots of Canada's economic, social and environmental future. There are, however, a number of critical actions that need to be taken now. We need new mechanisms that invoke horizontal thinking, despite our vertical system of governance. We need a much higher tolerance for trying new, and perhaps risky, approaches. We need alternate and flexible land development and building uses, tech-enabled mobility and climate strategies that harness the tacit knowledge of a well-established resource processing and manufacturing workforce. We need new ways to think about "ownership": of housing, land, transit, public spaces and institutional assets. We need granular data and practical ways of knowing, that directly inform place-based public policy development and investment, especially when it comes to the big moves needed, like for infrastructure and financial services. We need data that tells us when we are succeeding and when we are failing so that we can continue to adapt our strategies. And we need to embrace approaches that tackle the root causes of homelessness, addiction and mental health.

COVID-19 taught us that narrow jurisdictional focus is woefully insufficient. In so many cases, what worked was an "all hands on deck" attitude, when Canadians rallied and did what was needed. Our interdependency across neighbourhoods, cities, and regional and rural communities became abundantly clear. We need to nurture that awareness and avoid hackneyed constitutional anxieties that undermine resilience and local economies. The pandemic made it crystal clear that all policy is local. Canada

is not alone in striving to create new forms of governance that reflect local realities. This is what Gil Lee Chin (and now Zita Cobb) champion as the new way forward for a connected global network of local places.

CUI is in the connective tissue business. We value the support and contribution of our many funders, partners, collaborators and community co-conspirators who are joining with us to significantly improve Canada's urban life. Canada's urban future is ever-evolving and public policy approaches at federal, provincial and municipal orders of government must evolve as well. Private, institutional and community sectors also need to keep adapting. Together we are facing a poly-crisis of multiple interacting demands, hastened and certainly exacerbated by the pandemic, but which have been decades in the making.

The nimbleness with which responses were developed to combat COVID-19 at the local and national scales is now required to build more equitable, robust, green economies from coast to coast to coast. Reliable data, measurable prototyping and rigorous evaluation all require bold leadership and action. Can we recast our Canadian mantra, building on our aspirations for peace, order and good government to create a society committed to reconciliation, creativity and responsive government? Can we imagine a Canada full of opportunity that holds out hope for people around the world? We are a country of many places, collectively contributing to a shared future. As the world around us is increasingly plagued by global, seemingly intractable challenges, our work is to build communities that enable innovation, create sustainable infrastructure, and maximize the possibilities hastened through proximity.

As with every CUI effort, this report marks another beginning. It is neither exhaustive nor conclusive. It is a contribution to the plurality of voices, solutions and challenges that is Canada. It is a series of provocations we invite you to engage in. Add your own perspectives, raise challenges to what is presented here and point out the inevitable missed opportunities. I want to reserve a special thank you to each contributor and attendee who has taken up this early and critical challenge. It is only with these renewed efforts that this critical urban conversation can be sustained.

Take courage in our common work.

Mary W. Rowe

President, Canadian Urban Institute

Message from School of Cities Director Dr. Karen Chapple

Canada's cities are on the front line of the world's greatest challenges, most obviously climate change and income inequality, but also health, security, housing, migration, accessibility and more. Every day, a diverse coalition of public, not-for-profit, and private sector actors come to work to ensure that urban systems are serving the public while advancing broader goals of prosperity, sustainability, equity and inclusion.

Less visible, but just as fundamental to cities' success, are Canada's outstanding universities. Magnets for global talent, our universities are training the city and community builders of tomorrow while expanding the frontiers of knowledge. And at the School of Cities, we are reinventing the university's role in the community. As a think-and-do tank, we connect multidisciplinary university talent with communities to co-create new and just ways for cities and their residents to thrive.

Key to our urban engagement—and that of our many sister institutions across Canada—is the Canadian Urban Institute (CUI). Through its university partnerships, CUI ensures that researchers are tackling the questions that matter most to communities on the ground, while encouraging cities to experiment boldly with our innovations. Together, through rigorous research and open dialogue, we are launching an era of city and community rebuilding that transforms our great cities into the sustainable urban agglomerations we need in the 21st century.

Our cities power Canada's competitiveness and thus the well-being of its people. At a time of global crisis, our cities are our greatest strength—and Canadian cities are ranked among the best in the world. Thus together we must address the multiple threats to their affordability, civic infrastructure and quality of life. We must build a national—and then global—network of urban research and civil society institutions that identifies and implements the creative approaches that empower cities to lead the way. The stakes could not be higher.

Karen Chapple

Director, School of Cities, University of Toronto

Planning for Growth

National Realities Rooted in the Regional

Planning for Growth

The Anchoring Role of Regions for Canadian City Life

Regions are the critical structures for Canadian life. None of us live in "Canada"; we inhabit geographic places that follow an age-old pattern: wilderness, rural and agricultural areas give rise to densities of human settlement we know as our villages, towns and cities. This empirical fact stands regardless of national identities, as important as those are. A Canadian today is not the same as a Canadian in 1867.

It is an oft-repeated fact that most Canadians used to live in those more rural settings, while today most of us live in places with many neighbours nearby. The inversion of rural to urban requires tremendous and continuous negotiations to sustain what we need and value. The earlier versions of those negotiated differences are valuable, but may no longer be sufficient to address our emerging needs. The speed of the transition has been brisk and continues to the present. One implication is that we need to keep actively and consciously adapting our social, economic, legal and governance processes to suit these changes.

Canada is a diverse network of regions where a small city in Alberta may have more in common with a city in New Brunswick than it does with the major city a couple of hours away. Or consider laws and arrangements that were developed long before the idea of cities of millions were a reality in Canada. Highly developed, intelligent and adaptable regional governance will be central in imaging what our future together will look like.

> A Canadian today is not the same as a Canadian in 1867.

Why Urban Regions Matter:
The Heart of Canada's Growth and Prosperity

With 40 million Canadians and counting, urban regions are the foundation of the country's growth strategy. We have the opportunity to build a better country by building better cities and urban regions.

Canada's urban regions are large (Figure 1) and growing quickly. A mix of robust local economies and high levels of immigration provide an opportunity to build cities that are more economically vibrant, socially inclusive and environmentally sustainable. To capture this opportunity, significant investments in hard and soft infrastructure will need to be made that involve cooperation among all orders of government. More recently, these investments have fallen short, especially in housing and public transportation, resulting in issues of affordability and long commutes. Regional-scale planning is essential for building cities that are simultaneously dense, livable and sustainable. Cities themselves can contribute to reducing greenhouse gas (GHG) emissions by choosing to grow through infill rather than sprawl.

The regional scale is the best scale to integrate systems (economy, housing, transit, environment). As cities grow they require more investment (not a linear relationship). For example, Halifax has the goal of doubling in size—this does not mean doubling the infrastructure they already have but figuring out how to enlarge the capacity of systems like transit to serve a larger population. Regions tend to grow or decline due to cumulative causation that can be difficult to manage. Strong economies attract people and investment but simultaneously become unaffordable or unsafe or unlivable, which may lead to decline. Canada has several large urban regions of over one million people (Figure 2).

FIGURE 1

Metropolitan Regions, 2021: Population Size and Number of Municipalities

Toronto
Population (2021): **6,202,225**
Number of Municipalities: **24**

Montréal
Population (2021): **4,291,732**
Number of Municipalities: **93**

Vancouver
Population (2021): **2,642,825**
Number of Municipalities: **38**

Ottawa-Gatineau
Population (2021): **1,488,307**
Number of Municipalities: **25**

Calgary
Population (2021): **1,481,806**
Number of Municipalities: **9**

Edmonton
Population (2021): **1,418,118**
Number of Municipalities: **34**

Québec
Population (2021): **839,311**
Number of Municipalities: **30**

Winnipeg
Population (2021): **834,678**
Number of Municipalities: **13**

Hamilton
Population (2021): **785,184**
Number of Municipalities: **3**

Kitchener-Cambridge-Waterloo
Population (2021): **575,847**
Number of Municipalities: **6**

0   20   40km

—— **Municipal Boundary (CSD)**

Source: Toward the Metropolitan Mindset: A Playbook for Stronger Cities in Canada (2023). Retrieved from https://schoolofcities.utoronto.ca/the-metropolitan-mindset/

FIGURE 2

Regional Populations in Canada, 2021
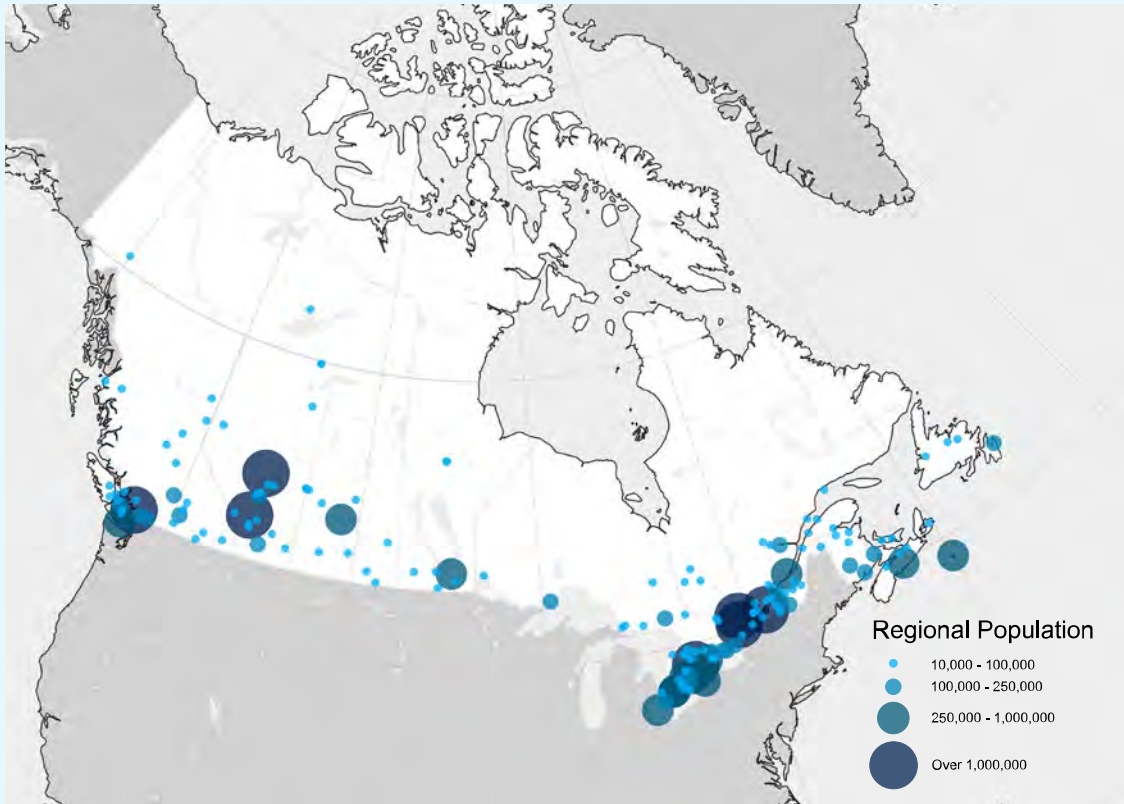
Source: Statistic Canada, 2021 Census.

With 64 percent of Canada's population living in cities with a population of 250,000 or greater (Figure 3), it will be critical to develop solutions that work very well in those large urban settings. This will include the wider regional networks.

FIGURE 3

Share of Canadian Population by Size of Urban Region, 2021
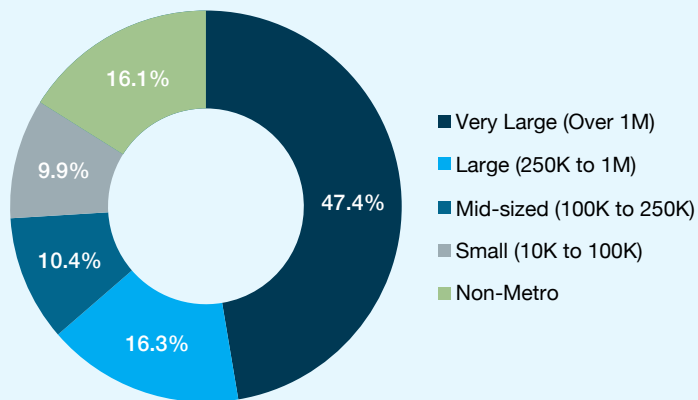
Source: Statistics Canada, 2021 Census of Population.

Almost half of Canadians live in cities with a population greater than one million, as shown in Figure 4. This further emphasizes the need to put Canada's growth and development in a significantly urban context. The infrastructure, governance systems and service delivery approaches in the largest of Canada's cities present an opportunity to reach a majority of Canadians. 26 percent of people live in communities with populations of less than 100,000. The challenge in these settings is offering improved service and growth across a widely distributed area.

FIGURE 4

Population of Canada's Largest Urban Regions, 2021

City	Population
Toronto	6,202,225
Montréal	4,291,732
Vancouver	2,642,825
Ottawa - Gatineau	1,488,307
Calgary	1,481,806
Edmonton	1,418,118
Québec	839,311
Winnipeg	834,678
Hamilton	785,184
Kitchener - Cambridge - Waterloo	575,847
London	543,551
Halifax	465,703
St. Catharines - Niagara	433,604
Windsor	422,630
Oshawa	415,311
Victoria	397,237
Saskatoon	317,480

Population (millions)
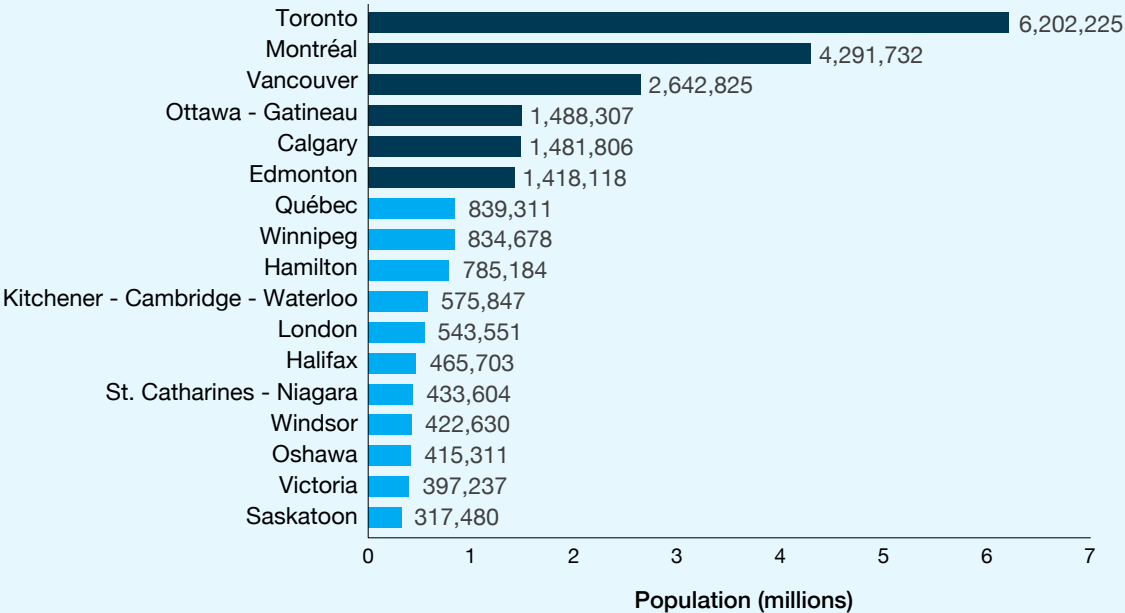
Source: Statistics Canada, 2021 Census.

Canadian urban growth is happening fastest in the largest cities, as shown in Figure 5. In the past 20 years, 64 percent of population growth was in the six largest regions, areas with populations greater than one million. Most of Canada's international migration is to these large centres. This presents a range of challenges, including a counterpoint—that the proportion of both deaths and births is higher in Small and Non-Metro areas (including rural areas). Affordability is a significant problem in large cities, as are long commutes and a greater perceived sense of crime.

While most big cities are gaining population from immigration, most are losing population from domestic migration (Figure 5).

In and Out Migration to Canadian City Regions, 2022
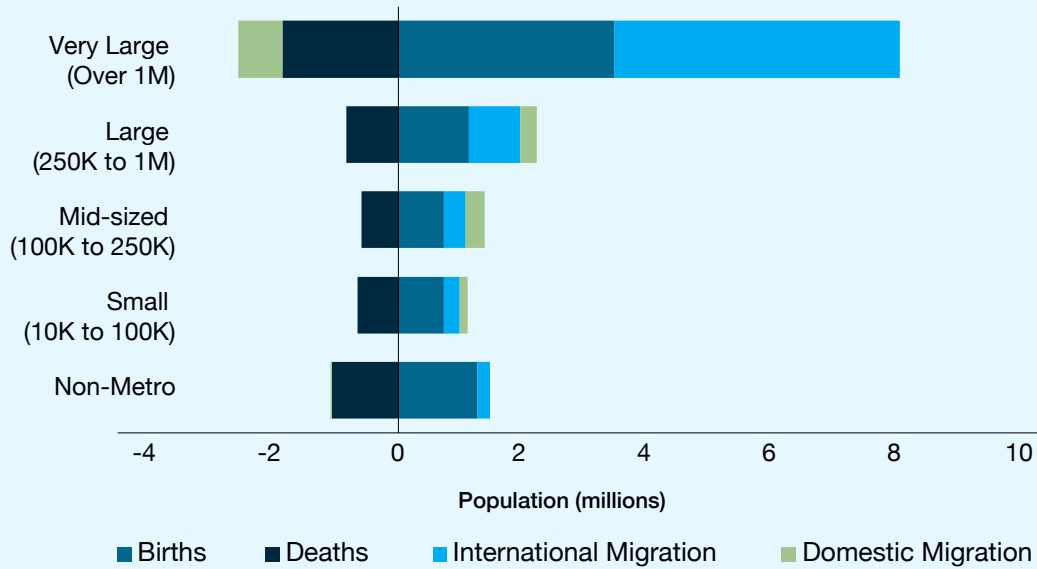
Source: Statistics Canada, 2021 Census.

In Canada, there are higher levels of immigration in larger city regions, with a notably higher share of temporary residents (i.e., students, temporary workers) (Figure 6). Improving our cities will require that we gain a better understanding of how we account for the population of temporary residents when undertaking housing, population and planning projections.

In Canada, 80 percent of population growth occurs in urban areas with populations greater than 250,000 (Figure 7). The inverse means that less than 20 percent of population growth is occurring in areas with populations of less than 250,000.

The population is becoming increasingly concentrated in fewer but larger urban regions. This can be good for efficiency and productivity. It has some potential negative connections to affordability that are somewhat solvable with investment, but can also threatens national unity if resentment toward larger cities grows in the rest of the country, which is common in many countries. Barriers can take the place of collaboration between smaller and larger cities or urban and rural areas, even though collaboration offers the potential for mutual benefit. If growth is urban (i.e., dense) it can also be more environmentally sustainable.

FIGURE 6

Migration To and From Canadian Urban Regions, 2022
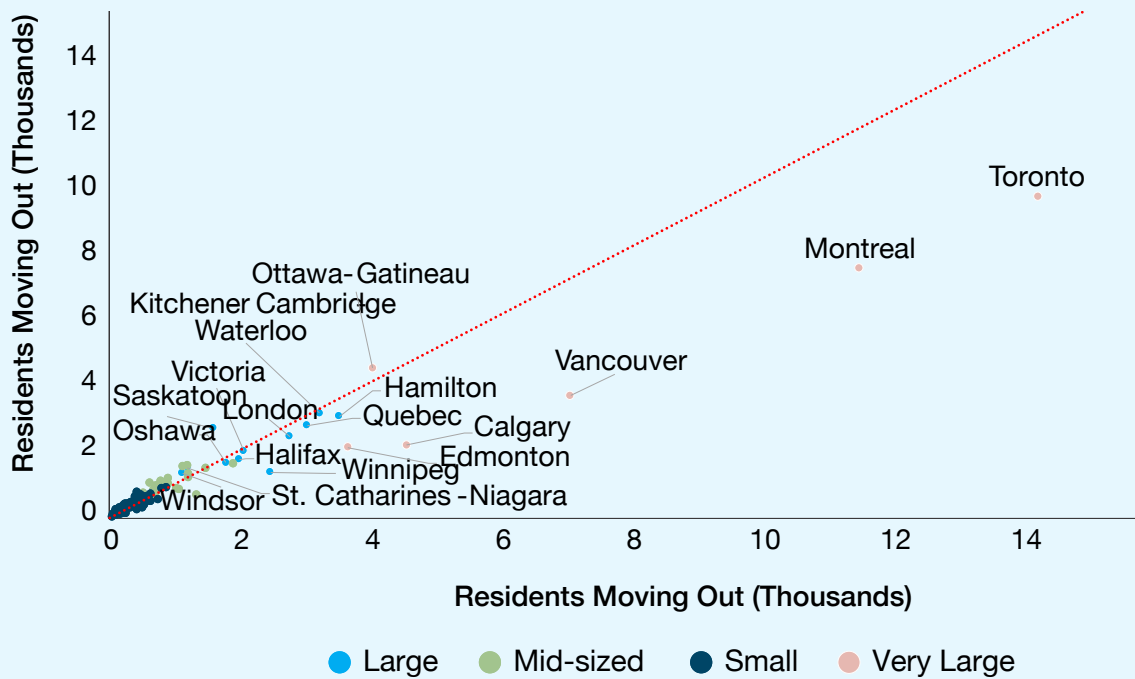
Source: Environics Analytics.

FIGURE 7

Immigrants Arriving in 2023 as a Percent of Total Local Population
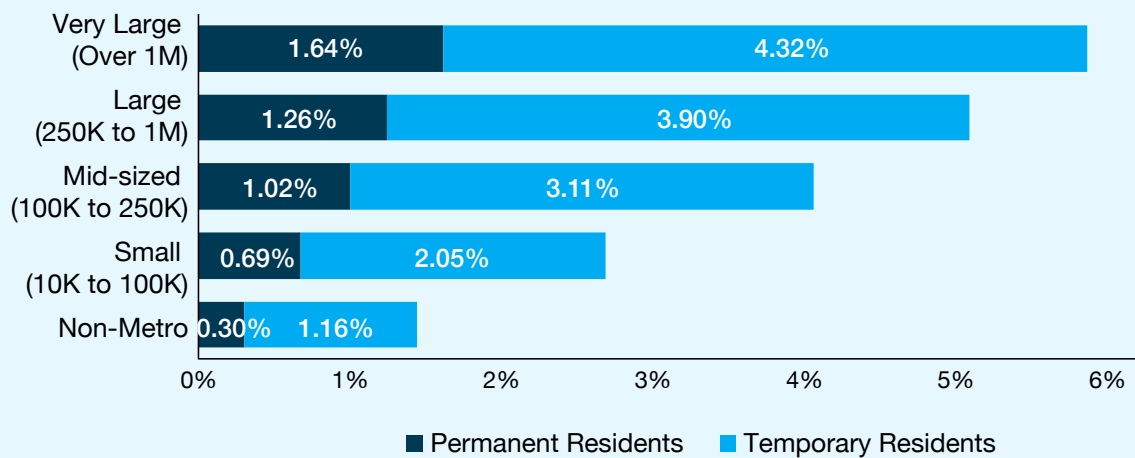
Source: Environics Analytics.

The older population of Canadian cities is projected to increase as a share of the overall population, as shown in Figure 8. This increase will be greatest in smaller cities and communities.

Share of Population Growth by Region Size, 2001-2021

- Very Large (Over 1M)
- Large (250K to 1M)
- Mid-sized (100K to 250K)
- Small (10K to 100K)
- Non-Metro
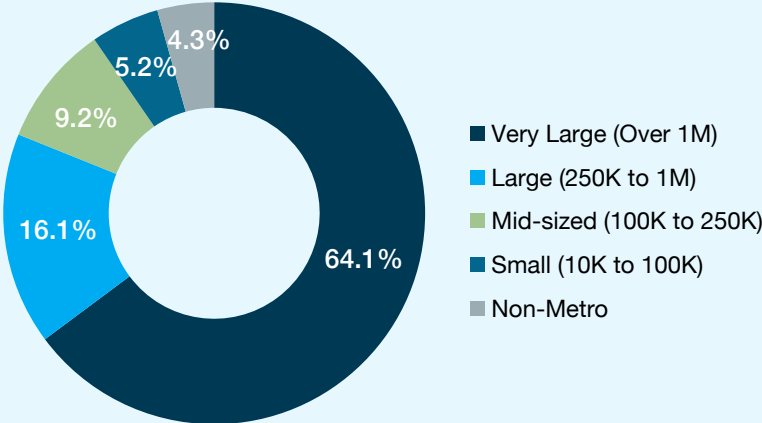
Source: Statistics Canada, 2021 Census.

Population Projections by Age Group and Region Size, 2023-2028

- Age of Population: 0 - 14
- Age of Population: 15 - 29
- Age of Population: 30 - 44
- Age of Population: 45 - 59
- Age of Population: 59 - 74
- Age of Population: 75+
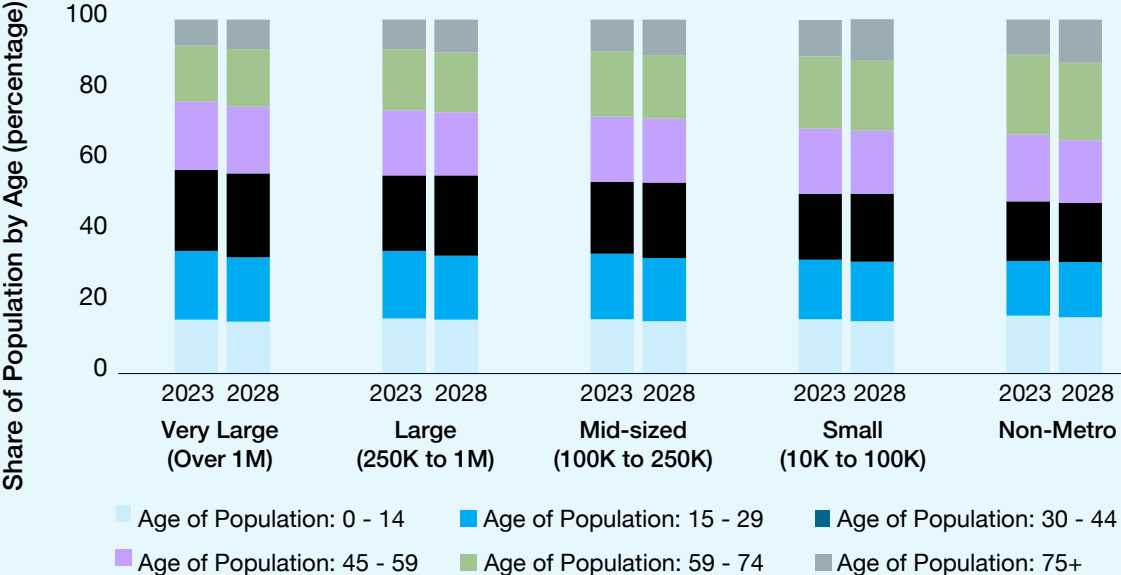
Source: Environics Analytics, 2023.

Up to the Task: How Universities Can Support Cities

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Andy Yan is Director of the City Program and Associate Professor of Professional Practice in Urban Studies at Simon Fraser University (SFU). Prior to his SFU appointment, Andy had extensively worked in the non-profit and private urban planning sectors with projects in the metropolitan regions of Vancouver, San Francisco, New York City, Los Angeles and New Orleans.

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Anneke Smit, PhD is Director of the Centre for Cities (C4C) and Associate Professor in the Faculty of Law at the University of Windsor. She is a lead on the Parks Canada-funded University of Windsor National Urban Park Hub (UW-NUPH) and a founder of the newly-launched C4C Housing Systems Innovation Lab.

John Brown, PhD

Professor of Architecture and Dean of the School of Architecture, Planning and Landscape, University of Calgary

John Brown, PhD, is Professor of Architecture and Dean of the School of Architecture, Planning and Landscape at the University of Calgary. He is a registered architect, Immediate Past President of the Royal Architectural Institute of Canada, a founding partner of the residential design/build company Housebrand and Garden Loft, a start-up venture exploring new forms of senior's housing.

Karen Chapple, PhD

Director, School of Cities, University of Toronto

Karen Chapple, PhD, is Director of the School of Cities and Professor in the Department of Geography and Planning at the University of Toronto. Chapple, who is Professor Emerita at UC Berkeley, received the 2023 Regional Studies Association's Sir Peter Hall Award for Lifetime Contribution to the Field.

With almost 1,500 universities and colleges, Canada is a global player in higher education, currently enrolling over two million students. University-driven research and development power the economy, talented graduates fill the workforce, and universities anchor culture, expertise and neighbourhoods in our cities.

Yet, as Canadian cities struggle with some of the most acute challenges of our time—housing unaffordability, inequality and exclusion, the climate crisis, inefficient and unsustainable modes of transportation, and more broadly, the decline of physical and social infrastructure—Canadian universities can do far more to support their communities.

We highlight four key policy actions:

- Better support for international students
- Training the city builders of tomorrow
- Tighter research collaboration with municipalities and other community partners on issues such as housing and transportation
- Taking seriously university and college leadership and their catalytic roles as anchor institutions in the community

Action 1: Support international students

In the past decade, Canada's international student population grew at a rate of over 10 percent per year, exacerbating pressure on urban housing markets.[i] Unable to live near campus, students find housing far from campus, experiencing long commute times and exacerbating congestion. Others take housing close to campus but find themselves in cramped or otherwise inadequate conditions and at the mercy of unscrupulous or absentee landlords.

Universities must work with municipal governments to prioritize the building of appropriate and sufficient student housing, and to demand robust active and public transportation networks to allow all students to move through the city without a car. We must also work to support municipal and regional transit systems by incentivizing ridership by students, staff, and faculty. After graduation, some international students are also prospective future residents and members of the Canadian workforce, and early acculturation, including social and professional networking, increases the chances for successful and fulfilling social and economic integration.

Action 2: Train city builders

Canada needs to attract and cultivate the talent that will produce the innovation needed to meet cities' challenges and create a practice and culture of lifelong learning. From the engaged citizen to the aspiring undergraduate to the seasoned practitioner, universities have the potential to train, upskill, and inspire the city builders of tomorrow, and to ensure they have the best and up to date tools and techniques to diagnose and solve society's most complicated and pressing problems. Yet doing so will require moving more deliberately on multiple fronts.

Urban issues, from convoluted municipal budgets and zoning codes to crumbling infrastructure and unsustainable land use patterns, are stuck in bureaucratic silos. Breaking out of these requires the multidisciplinary and collaborative expertise that universities are well-placed to foster. Opportunities for students to engage in cross-disciplinary and community-engaged city-building education and research are key. To support a diverse pool of talent, universities and colleges also need to strengthen pipelines from equity-deserving and underserved communities to higher education, and create multiple points of learning to enter, upgrade and excel into emerging and established urban practices throughout one's working life. Universities are where city builders start and continue their academic and professional journeys.

> **Urban issues, from convoluted municipal budgets and zoning codes to crumbling infrastructure** and unsustainable land use patterns, are stuck in bureaucratic silos. Breaking out of these requires the **multidisciplinary and collaborative expertise** that universities are well-placed to foster.

Action 3: Improve research collaboration

To spur innovation on urban challenges, universities need to support researchers to connect more directly to policymakers across all levels of government and other community partners. To enable rigorous co-produced and community-relevant research, universities must work with government to create and share urban data resources as well as other learning modalities from experience-based learning to learning from the land. And to ensure that research reaches communities, universities need to mobilize knowledge using 21st century communication techniques from the grassroots to the top-down.

Action 4: Embrace universities as anchor institutions

Lastly, universities need to step up more as anchor institutions. It is not rocket science: location is a key piece of fulfilling a university's mission. Universities that both support and leverage their location can lift up cities while securing their own future. Universities can help re-knit the community and economic fabric that was frayed by the pandemic.

Depending on the context, this may mean the creation of satellite locations strategically situated in parts of the city that could benefit from the institutional lift provided by the presence of a particular school or faculty. For example, medical schools are located in hospitals because everyone benefits from the proximity. Patients and health systems benefit from the co-location of a large pool of emerging talent and cutting-edge researchers. Faculty and students benefit from experiential learning and applied research that can only happen when embedded in the real world. When these teaching hospitals are located in distressed urban areas, the community also wins from the economic "shot in the arm" that comes from having students and faculty working, and potentially even living, in the local neighbourhood. In short, everyone wins.

Given the dire state of our cities, it's time to consider the potential impact of relocating other faculties, particularly professional schools of design, social work and law, into the heart of the city, where the needs they serve are most required. These schools provide an economic boost and positive spillover effects to the local economy at the same time that they actively deploy their city-building disciplines into the community through work-integrated learning, community-based research, and community-directed service. And once there, universities need to take seriously the opportunity for leadership that the location provides.

Our universities must help rebuild our cities, rather than simply capitalizing on them. The work of city building is hard and requires an all hands-on-deck approach. It is time for our universities and colleges to step up to listen, lead and empower.

In 2000, the Southern California Institute of Architecture, one of America's premier design schools, relocated from a suburban campus to a vacant warehouse in south downtown Los Angeles, one of the most dangerous neighbourhoods in the city. Their presence has been largely credited with the emergence of what is now called the Design

District, filled with galleries, artist spaces, restaurants, retail, and most importantly, mid-range density housing. A once derelict part of the city has been transformed into a safe, vibrant, and still-affordable place to live and work. Leveraging their position as anchor institutions to encourage and support municipalities to (over-) invest in active transportation, public transit, and public spaces in and between neighbourhoods where universities are located–while also ensuring the implementation of policies to prevent displacement of existing residents—is a key role for universities.

Implementing this kind of transformative academic engagement in the city also requires a fundamental change in the way universities and governments think about procurement and infrastructure. Universities need to implement a value-based procurement process that integrates Sustainable Development Goals into the decision matrix. This will help ensure that the purchasing power of the school is leveraged to empower the local economy and support businesses owned by Indigenous people and those from other equity-deserving communities. Government needs to expand the definition of its major capital funding programs to include long-term leasing of existing buildings in strategic off-campus locations and capitalize on the underutilized buildings prevalent in many downtowns, particularly since the persistence of work-from-home has emptied out a significant number of office towers. As we know, the most climate-friendly capital project is refurbishing a structure that's already been built.

Put bluntly, our universities must help rebuild our cities, rather than simply capitalizing on them. The work of city building is hard and requires an all hands-on-deck approach. It is time for our universities and colleges to step up to listen, lead and empower.

i Flood, Brian. "2023 Canadian Student Housing Overview." Cushman and Wakefield, 10 Apr. 2023, https://www.cushmanwakefield.com/en/canada/insights/canadian-student-housing-outlook. Accessed 15 Aug. 2023.

Regional Innovation for City Flourishing

Karen Wichuk, LLB, MA, ICD.D

CEO, Edmonton Metropolitan Regional Board

Karen Wichuk, LLB, MA, ICD.D is the CEO of the Edmonton Metropolitan Region Board. She has previously served in various executive roles within the public and post-secondary sectors, including as the first Executive Lead for Health City, an Alberta-wide initiative to transform innovations from the health sector into solutions that have commercial application and global relevance.

Can Canada's municipalities transcend traditional boundaries and usher in an era of boundless possibilities, where complexity fuels innovation and collaboration, and regions unite for a brighter and more prosperous future?

For nearly 70 years, a regional planning and servicing body has existed in Edmonton, in some form or another, as a cornerstone of a strong and prosperous metropolitan region. The Edmonton Metropolitan Region Board (EMRB) is the most recent iteration of this collaborative entity.

Regionalism was born out of necessity due to reoccurring economic boom cycles and exponential growth. The EMRB brings together the 13 largest municipalities in the region, both urban and rural, with a total population of 1.5 million residents. Today, the region is poised for further dramatic growth—another one million people and an estimated half a million new jobs are expected in the next 20 to 25 years. Managing this accelerated growth requires vision, ingenuity, collaborative effort, innovation and effective long-term growth planning. It also requires a collective leap of faith and the ability to adapt, while knowing that we cannot foresee every nuance and outcome in advance.

Substantive regional planning can address complex questions. Considerations include:

- **How to manage the environmental impact of solid waste** generated by another million people, and the associated businesses and industry;

- **How to ensure food security** by preserving some of Canada's richest prime agricultural lands;

- **How to move the additional people and related goods and services** to, from and around the region;

- How to determine the **infrastructure requirements needed to build communities** that are climate resilient and able to adapt to the changes we are witnessing; and

- How to **achieve a livable region with a smaller environmental footprint**, while building the homes and communities that our diverse populations need now and into the future.

By developing and implementing an award-winning 30-year regional growth plan, Re-imagine. Plan. Build, the EMRB has a roadmap for seamlessly coordinating future growth. Our plan provides a compelling vision and a policy framework comprised of six interrelated policy areas that are structured to enable the region's growth and global competitiveness: economic competitiveness and employment; natural living systems; communities and housing; integration of land use and infrastructure; transportation systems and agriculture.

The EMRB's forward-thinking plans, like the regional growth plan, are its biggest advantage. Each includes regional stakeholder input and key performance indicators, and in some cases, targets to determine whether the plan and its policies are having the desired effect. The plans are "evergreen"—responsive and adaptive to new challenges and emerging opportunities.

The integrated nature of our work allows us to leverage economies of scale, as well as the capacity of member municipalities, and to share best practices. We see clear examples of cost savings, efficiency and value creation. For example, we created and launched Edmonton Global in 2017 to attract foreign direct investment to the region. The organization has since attracted $2.6 billion in investment, supporting 3,500 jobs and $160 million in payroll annually.

Another example is our integrated regional transportation master plan (IRTMP), which was developed in collaboration with representatives from the Government of Alberta's transportation department. The IRTMP is a 25-year plan based on a unique methodology that prioritizes regionally significant transportation infrastructure projects. The outcome is a list of projects that all 13 municipalities have agreed to, and which is submitted to the Province for consideration in its annual capital planning.

The EMRB has also been proactive in agriculture, the second largest economic driver in Alberta. We know that continued growth of the agriculture and agri-foods sector could lead to an estimated $10 billion increase in our region's annual Gross Domestic Product by 2033. To unlock this potential for growth, economic diversification, job creation and investment attraction, we need to provide certainty for investors and producers. Our regional agriculture master plan, a first for the Region and the Province, aims to steward our prime agricultural lands while increasing value-added agriculture outputs. It will protect over 721,000 acres of prime agricultural lands. This is critical for our region, and Canada, to ensure our food security and safeguard the environment, by protecting watersheds and mitigating impacts of climate change.

Regional planning cannot be done is silos—our work is inherently integrated. We cannot plan for the housing needs of the region without visionary land use planning and strong regional transportation, infrastructure and servicing plans. And, of course, planning is informed by a robust understanding of growth projections, forecasting economic drivers and labour market requirements. An integrated approach is what enables success, by leveraging economies of scale and increasing cost effectiveness and value creation.

Regional planning also requires proper funding and certainty of funding within municipalities and across all orders of government. To effectively do this work, we need all orders of government to consider appropriate, predictable and sustained funding models.

The benefits of long-term regional planning are many and far-reaching. It acknowledges that while some trade offs will occur, what benefits one part of the region will benefit the entire region. We are stronger together.

Action items

- **Commit to regional collaboration** as a significant benefit for long-term viability.
- **Require an integrated approach** to both policy development and funding frameworks.
- **Require regional funding models** that integrate all three orders of government.

Toward the Metropolitan Mindset: A Playbook for Stronger Cities in Canada

Don Iveson

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Mayors and civic leaders across Canada have long argued, quite rightly, that we need to empower our cities. But granting new powers to just one central city and not its immediate neighbours may actually make matters worse. Take some of our most pressing challenges: housing markets, climate impacts, transportation gridlock, labour availability, energy transition—none of them begin or end at municipal boundaries. To build stronger cities for today's issues, we need to shift our thinking from a municipal to a metropolitan mindset.

The metropolitan mindset means moving past the traditional, zero-sum logic that so often pervades local politics, where city leaders compete with their neighbours for scarce resources. We urgently need an approach that inspires, enables and sustains collective problem solving across municipal borders. This shift requires extraordinary collaboration among local authorities and across all orders of government. But more than that, it requires us to understand, plan and govern our cities as metropolitan systems.

Consider that Canada's ten largest metros are home to more than 20 million residents—more than half of Canada's national population—accounting for 60 percent of national GDP. Despite their social, economic and environmental importance, these metropolitan areas are governed inconsistently, pushed and pulled by more than 275 separate local governments in five different provinces and dozens more intergovernmental authorities.

> **The metropolitan mindset means moving past the traditional, zero-sum logic** that so often pervades local politics, where city leaders compete with their neighbours for scarce resources.

The solution is not to replace or consolidate this jurisdictional web with, say, ten mega-governments, one for each of these metropolitan regions. This would be administratively challenging and unwise, to say nothing of time consuming. No; the point is to design better metropolitan institutions through mutual learning, deliberation and thoughtful consideration of Canada's distinct institutional traditions and metropolitan histories, to encourage greater collaboration between existing authorities and political leaders.

In a recent paper published by the University of Toronto's School of Cities, we offer two parallel playbooks to cultivate the metropolitan mindset in Canada. One is at the local level for municipal leaders, and one is at the provincial level, where key powers and resources are concentrated. The playbooks are a starting point for greater dialogue between governments, industry, civil society and the public about the future of metropolitan governance across Canada.

The local playbook focuses on building trust—the key ingredient needed to move past a scarcity mindset and spur collaboration. This means engaging in a five-part process: building dialogue, developing a multi-sector coalition of supporters, creating a shared vision of a collective future, building momentum for change and committing to

continuous improvement. Local leaders need not agree with one another at every step, but they must foster relationships with their neighbours that can withstand disagreement through mutual respect and a process of give and take.

The provincial playbook is all about raising expectations—making it clear to local municipalities that the metropolitan mindset is critical to provincial prosperity. A five-part strategy can catalyze this change: the Province can clearly define expectations, support local problem solving, offer to devolve power while increasing municipal resources—making the metropolitan mindset part of regular business—and scheduling regular checkups on progress and challenges. The goal is not to impose solutions, but rather to champion and backstop the cause no matter which way electoral winds blow.

We have emphasized the primacy of provincial and local jurisdictions for practical and constitutional reasons, but there is nothing stopping the federal government from adopting a metropolitan mindset as well—in fact, it is well suited to the task. Data collection and reporting on census metropolitan areas, for example, has long been undertaken by Statistics Canada. And, there is precedent for Indigenous governments and organizations to engage in metropolitan collaboration, too, as witnessed in Metro Vancouver. But without mayors and provincial leadership, we risk remaining stuck with metropolitan myopia.

Ultimately, the degree to which local and provincial governments embrace the metropolitan mindset will no doubt differ from city to city and province to province. The mindset does not come naturally, nor easily. It must be carefully tended by both local leaders and provincial governments. Even so, metropolitan problem solving remains our best hope for collectively addressing our most difficult urban challenges, and thus, for building stronger cities and a stronger Canada.

Action items

- **Formally evaluate current municipal relationships** against the detailed metropolitan mindset playbook to determine strengths and weaknesses on the status of trust at the metropolitan scale.

- **Use the detailed metropolitan mindset playbook** to establish a framework in every province that increases attention to metropolitan approaches for collaboration, to meet high priority needs.

How Data and Statistics Support Canadian Cities and Communities

Anil Arora

Chief Statistician, Statistics Canada

Anil Arora is the Chief Statistician of Canada, since September 2016. He has led significant transformational initiatives throughout his career, with experience and partnerships spanning all three levels of government, the private sector and international organizations, including the UN and the OECD. Mr. Arora is currently the chair of the OECD committee on statistics and statistical policy, Vice Chair of the bureau for the conference of European Statisticians, and the Chair of the High-Level Group on the modernization of official statistics. He was named among the top 25 immigrants in Canada in 2022 and is a sought-after speaker and thought leader.

In today's dynamic landscape, data is the lifeblood of informed decision making. As the level of government closest to Canadians, cities and their communities depend on reliable data to develop effective policies. Cities are where most of us live and where policy decisions and their effects intersect with housing, economic development, social cohesion, safety, and much more.

Cities are also vibrant and are the subject of increased focus as the current policy context of growth through immigration further intensifies these interrelated issues. Statistics Canada has provided a coherent data infrastructure and the needed statistics that are essential for decision making. Objective statistical information is vital. It provides a solid foundation for informed decisions by elected representatives at various levels that impact cities directly and indirectly.

However, the COVID-19 pandemic and pace of growth revealed that this infrastructure needs enhancements in terms of frequency, detail and integration for it to be relevant and responsive to major social, economic and climate change shifts.

Using standard definitions, concepts and methods that can create comparable indicators for issues such as well-being, social inclusion, economic development and health of local government finances can have the biggest impact on effective decision making, learning from what works or does not and assessing the impacts of choices. There are other considerations regarding city data, too.

> **Investment in data is integral to funding desired policy outcomes.** Funding authorities should align data reporting to funding requests. This approach will ensure a transparent and equitable process of funding submissions for cities, but also ensure data availability to assess the efficient use and impact on desired policy outcomes.

Governance is a critical issue. There is often confusion surrounding data custodianship, access, and privacy protection. By developing and implementing world-leading frameworks, such as necessity and proportionality, with ethics review boards and external expert advisory committees, along with ongoing consultations with industry professionals, academia, government bodies and international associations, Statistics Canada is demonstrating data stewardship and leadership.

Investment in data is integral to funding desired policy outcomes. Funding authorities should align data reporting to funding requests. This approach will ensure a transparent and equitable process of funding submissions for cities, but also ensure data availability to assess the efficient use and impact on desired policy outcomes.

Statistics Canada has taken several significant steps to integrate the specific data needs of cities in our outputs, including the extensive dissemination of the 2021 Census of population at the local level; the release of information on specific population groups through the Disaggregated Data Action Plan; and the launch of the Centre for Municipal and Local Data, which contains visualization tools such as the Municipal Financial and Socio-Economic Dashboard, Municipal Quality of Life Dashboard, the Rural Data Viewer and the publication of standards of interest for municipalities.

Advances in meeting the needs of cities have been facilitated by valuable relationships, including our partnership with the Federation of Canadian Municipalities (FCM). Working with the FCM, we encourage data literacy within their membership and have also identified areas of collaboration to produce data on topics as diverse as infrastructure, housing, public transit and finances.

Statistics Canada has also carried out collaborative work with various cities on a range of specific and horizontal issues to help strengthen the data ecosystem. For example, we worked with the City of Vancouver during and after the COVID-19 pandemic to help inform timely policy decision making. We provided advice on methodology and collection to the City of Edmonton for their Business Census and helped the City of Toronto define their information needs related to housing and homelessness. These collaborative efforts are moves in the right direction and aligned with our role as the country's data steward. However, to achieve tangible results, we encourage even greater collaboration from all levels of government, in addition to increased data flows, strategic investments and clarity on custodianship and privacy of data.

Data is a team effort. Cities, municipalities, Statistics Canada and all stakeholders need to work together and pull in the same direction. By investing in data literacy, data access, legislation, adequate data infrastructure, partnerships and responsible data stewardship, we can better equip Canadian cities and communities with the information they need to advance and progress.

Action items

- **Make data** (e.g., Statistics Canada) an explicit part of effective policy planning for cities.

- **Advocate for ongoing development of national data infrastructure** (e.g., Statistics Canada) to ensure the frequency, detail and integration of data is meeting demand.

- **Support data collection growth for vital city themes** such as well-being, social inclusion, economic development, and health of local government finances.

- **Educate civic leaders on the value of data stewardship and governance** (e.g., Statistics Canada) as a critical part of city infrastructure.

- **Establish pathways for funding** that is to data to ensure objective policy outcomes.

- **Support Statistics Canada partnerships** with cities and city-oriented organizations to expand policy growth for Canadian communities.

Why Housing Matters: Supply and Affordability

Housing affordability has diminished across cities and regions that are characterized by high levels of migration from within and outside of Canada. It will limit many hoped-for gains if we do not address the driving dynamics. Many places in Canada that need housing the most—large urban regions—are also the least affordable places to secure adequate housing.

As regions grow they also tend to become more expensive, often masking higher income levels. The dynamic at work is that shelter costs increase at a faster rate than incomes. Ratios of income to housing costs rise as regions get bigger, driving affordability further out of reach. Renters are more prevalent in larger urban regions and they tend to spend a higher share of their income on shelter. In turn, this makes it difficult to obtain stable housing and leads people to seek opportunities elsewhere through out-migration.

Housing supply and affordability is a generational crisis, exacerbated by a mismatch between supply and demand, rising borrowing and land costs, supply chain constraints and policy gaps. Identification of the challenges must highlight the cascading effect of the unaffordability of housing, leading to displacement of households, loss of essential workers and an increase in the number of individuals facing dire financial conditions.

Additional strain is placed on financial assistance and other services. While addressing the current challenges, this section introduces best practices in producing broader housing choices, access across the income spectrum and the links between housing and other urban issues, including economic development, transportation and infrastructure. An important aspect of looking at housing challenges will be safeguarding supply and affordability for the hundreds of thousands of newcomers to Canada and ensuring housing is appropriate (e.g., multi-generational) and close to jobs, education, transportation and amenities.

Very Large cities grow the fastest, settle the most immigrants and generate the greatest GDP among all Canadian cities. However, they are also the most challenging places to live in terms of income and dwelling costs. The relationship between the value of a dwelling and household income (Figure 10) shows a very strong trend from the Non-Metro to the Very Large scale. The ratio of income to dwelling value is approximately 1:5 in Non-Metro areas and 1:9 in the Very Large cities. The average across all of Canada is where the dotted lines cross and represents a ratio of 1:7.

FIGURE 10

Ratio of Average Household Income to Average Value of Dwelling by Size of Region, 2021
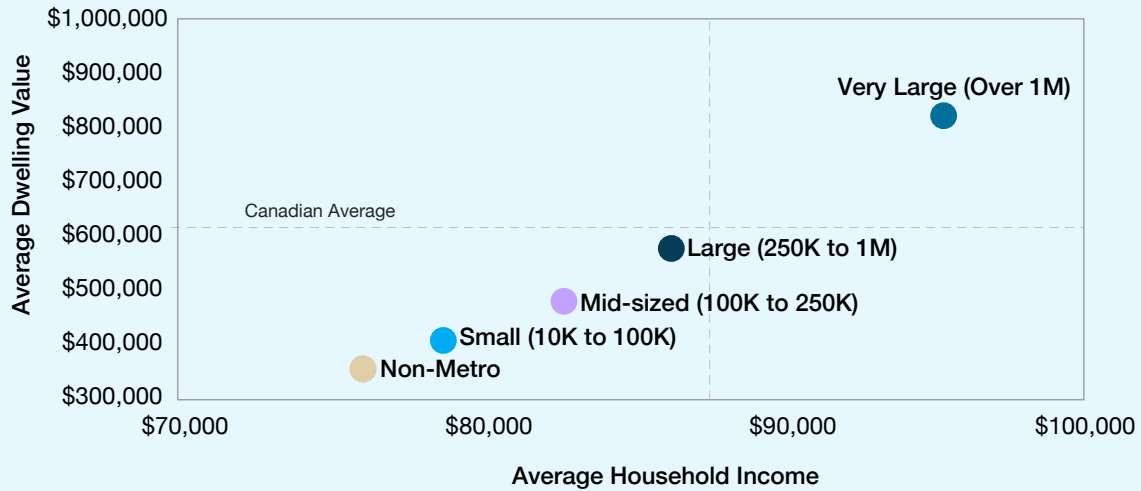
Source: Statistics Canada, 2021 Census.

Home ownership is less attainable in larger urban regions and rental options are limited. Even though incomes rise as city size increases, shelter costs rise even faster. This means that the problems associated with high cost housing are accelerating in larger urban regions. Within this dwelling cost trending, the shelter cost portion of the Consumer Price Index reflects significant upward trending for the demand that shelter is making on Canadians (Figures 11, 12, 13).

FIGURE 11

Housing Tenure by Region Size, 2021
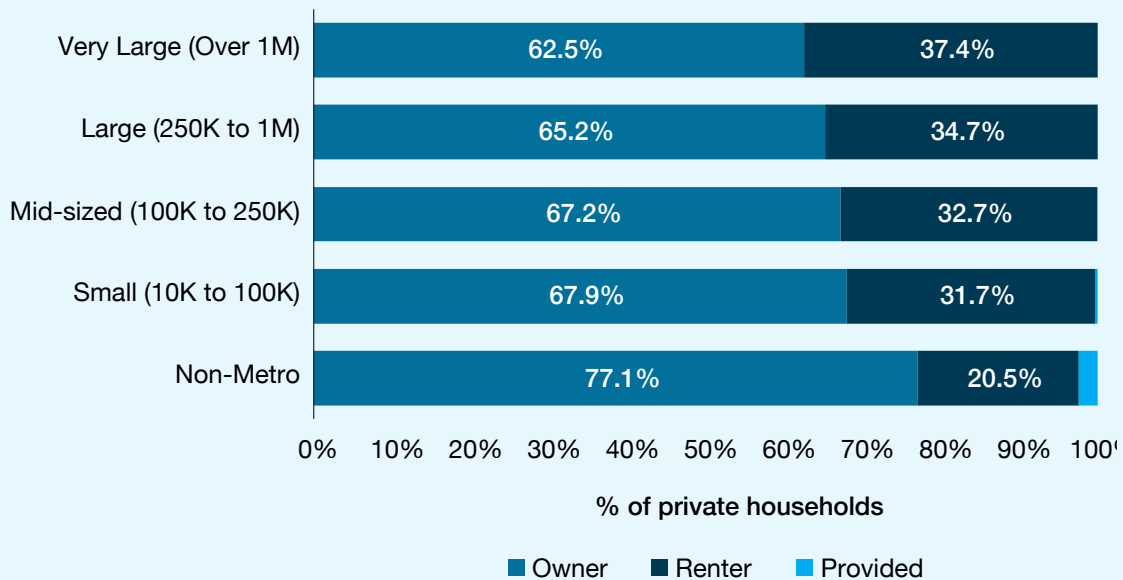
Source: Statistics Canada, 2021 Census.

FIGURE 12

Households Spending More than 30% of Income on Shelter, 2021
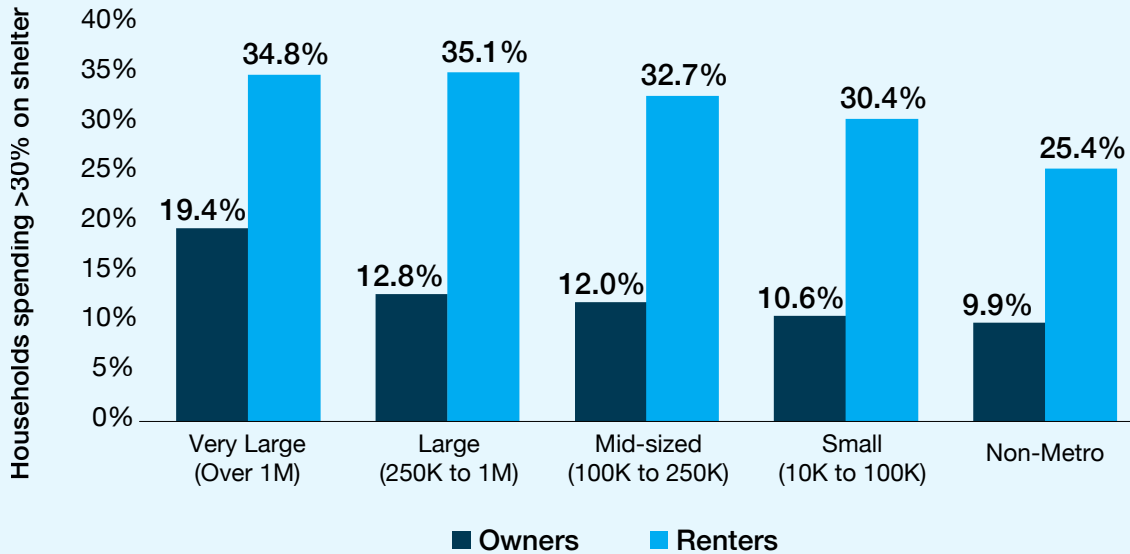
Source: Statistics Canada, 2021 Census.

FIGURE 13

Increase in Shelter Costs by Region, 2002-2023
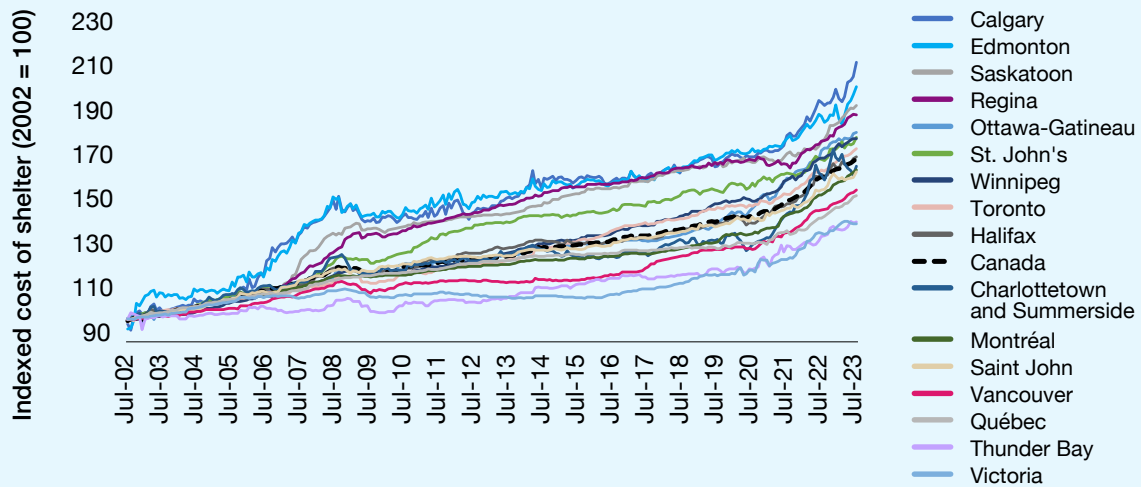
Source: Statistics Canada. Table 18-10-0004-01 Consumer Price Index, monthly, not seasonally adjusted. Retrieved from www.150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1810000401

FIGURE 14

Housing Completions by Type for Select Census Metropolitan Areas, January-May 2023

CMAs with minimum 500 completions

■ Single/Semis   ■ Row   ■ Apartments/Other   ◆ Rental
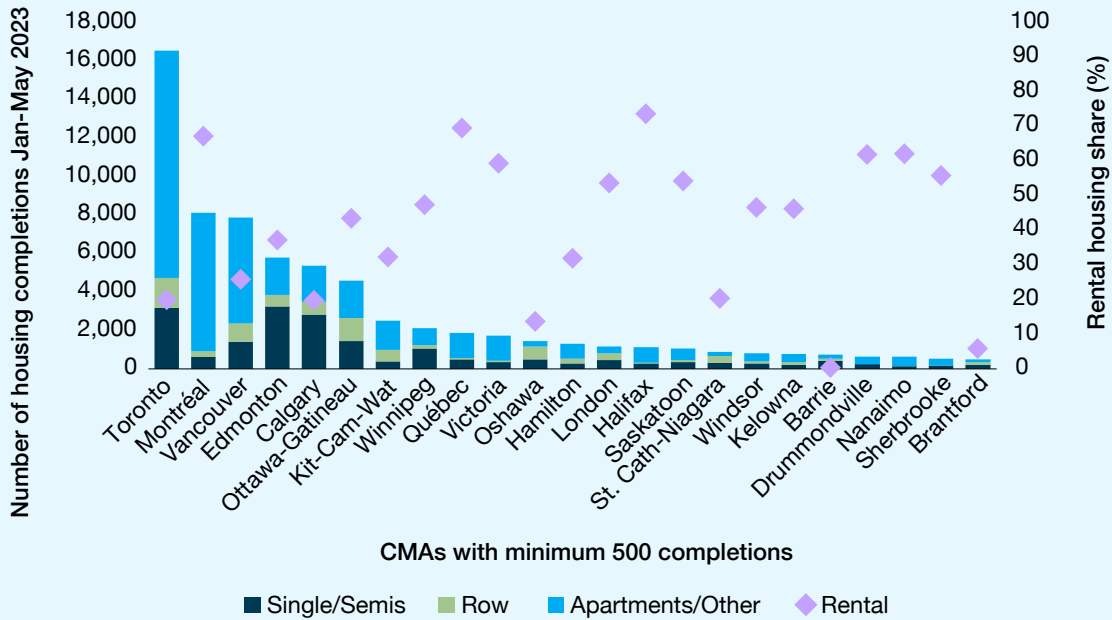
Source: Statistics Canada (CMHC) Table: 34-10-0135-01. Retrieved from www.150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3410013501

Many more rental units are being built than single or semi-detached houses across Canada, with some notable variations (Figure 14). Toronto and Vancouver have built significant numbers of apartments while Barrie and Calgary have built far fewer. One implication is that home ownership challenges will continue to increase.

FIGURE 15

Dwelling Types Share by Region Size, 2021

Percent of private dwellings by type

■ Single/Semi   ■ Row   ■ Apartment/Other
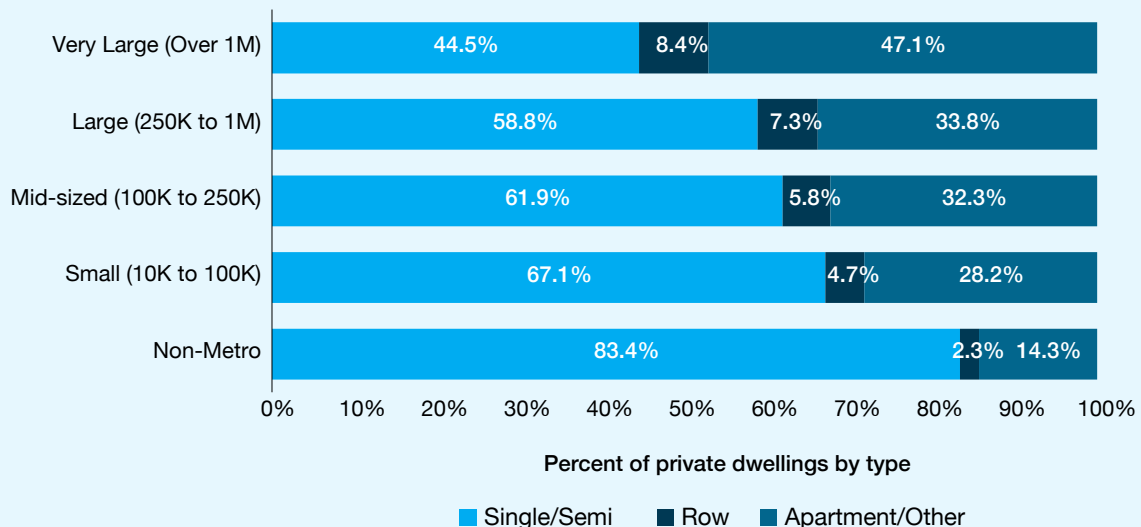
Source: Statistics Canada, 2021 Census.

There is a clear trend in Canada that the larger the city, the lower the proportion of people who live in single or semi-detached housing (Table 1). One is nearly twice as likely to live in an apartment in a very large city than in a Non-Metro (including rural) area.

TABLE 1

Rental Cost by City and Rank

Rank	City/area	1 Bed	Rank	City/area	1 Bed
1	Vancouver, BC	$2,976	19	Halifax, NS	$1,872
2	Burnaby, BC	$2,700	20	Oshawa, ON	$1,833
3	Toronto, ON	$2,614	21	Montreal, QC	$1,784
4	Oakville, ON	$2,502	22	London, ON	$1,756
5	Mississauga, ON	$2,358	23	Calgary, AB	$1,730
6	Markham, ON	$2,324	24	Niagara Falls, ON	$1,708
7	Richmond Hill, ON	$2,298	25	St. Catharines, ON	$1,672
8	Etobicoke, ON	$2,277	26	Abbotsford, BC	$1,622
9	Guelph, ON	$2,218	27	Laval, QC	$1,590
10	Burlington, ON	$2,217	28	Windsor, ON	$1,529
11	Brampton, ON	$2,194	29	Edmonton, AB	$1,279
12	Victoria, BC	$2,121	30	Winnipeg, MB	$1,222
13	Kelowna, ON	$2,067	31	Quebec City, QC	$1,216
14	Ottawa, ON	$2,055	32	Red Deer, AB	$1,212
15	Barrie, ON	$1,965	33	Fort McMurray, AB	$1,208
16	Waterloo, ON	$1,944	34	Regina, SK	$1,153
17	Kitchener, ON	$1,934	35	Saskatoon, SK	$1,070
18	Hamilton, ON	$1,881			

Source: Rentals.ca monthly report, October 2023.

High housing costs are related to rental costs. In Vancouver, rentals are nearly three times as much as in Saskatoon. While homeowners may benefit from increased equity in high cost markets, renters face a significant challenge in providing for their basic housing needs.

The blue circles in the first map reflect growth in dwellings between 1996-2021 for Edmonton. The periphery and downtown have both seen notable growth while the mid-line neighbourhoods have seen less change. The downtown growth is indicative of a focus on increasing the number of people who live in the core. Red circles represent a declining number of dwellings.

The second map shows population changes over the past 25 years with more notable declines in the mid-line areas. These patterns are common across many Canadian cities and are often reflective of restrictive zoning practices in established neighbourhoods.

FIGURE 16

Changes in Edmonton Population and Housing Density, 1996-2021

| Dwellings | Population Density |

Legend: Population increases (blue) and decreases (red).

Source: School of Cities, Urban Growth in Canada (1996 to 2021).

The share of commuters who use public transit compared with active transportation (e.g., walking or cycling) increases significantly with city size. The surprise may be that the active transportation share holds steady across population sizes in comparison with public transit. Smaller cities tend to have less well developed public transit systems and are more dependent on personal vehicles.

Respective increases (blue) and decreases (red) are reflected by size of the circles. Downtown areas have tended to decrease in population density.

Changes in Hamilton Population and Housing Density, 1996-2021

Dwellings   Population Density
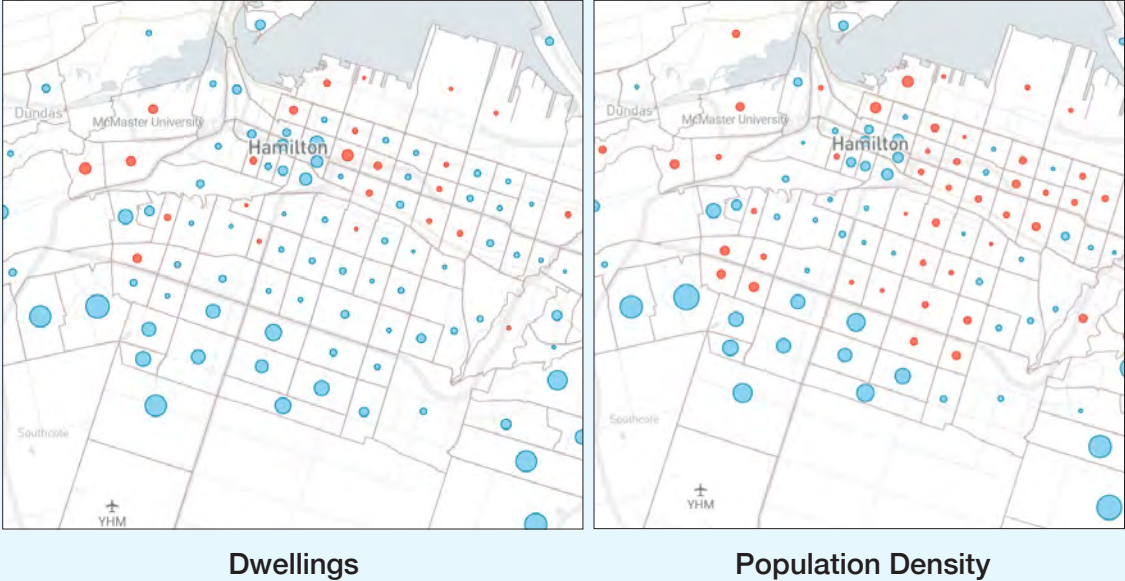
Source: School of Cities, Urban Growth in Canada (1996-2021).

The National Housing Accord:
A strategy to end Canada's rental housing crisis?

More than 450 CUI CityTalk participants, including key government and business leaders, met for a very lively CUI CityTalk discussion about solving Canada's housing crisis. The problem has only worsened in recent years. The crisis is especially acute for the millions of Canadians who rent. The roundtable featured non-profit and for-profit housing providers, developers and investors who put forward a plan to restore affordability, protect Canada's most vulnerable and get us to CMHC's goal of two million new affordable market rental units by 2023. The National Housing Accord provides ten actionable items for the federal government.

The participants discussed the concrete actions the federal government could take to get affordable housing options built across the country. If implemented, it could address housing affordability, meet the needs of our growing population, create jobs and play a significant role in ending homelessness.

National Housing Accord Contributors:

- **Dr. Michael Brooks**
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  President and CEO, Canadian Alliance to End Homelessness (Calgary, AB)
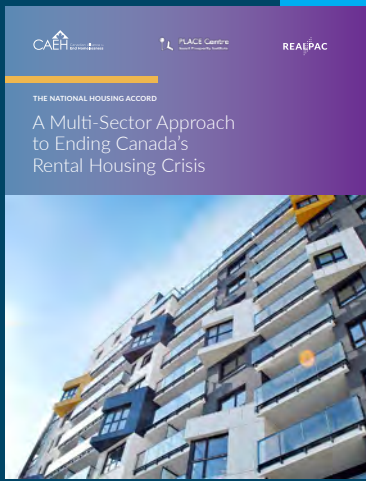
10 Recommendations from the National Housing Accord Report

This report makes the following recommendations to the federal government, designed to accelerate the completion of purpose-built rental units and to provide income support for renters.

THE NATIONAL HOUSING ACCORD

A Multi-Sector Approach to Ending Canada's Rental Housing Crisis

The federal government should:

- **Create a coordinated plan with all three orders of government** and create an Industrial Strategy led by a roundtable of public and private builders, the non-profit housing sector, Indigenous housing experts, investors and labour. The federal plan should include targets and accountability measures. The plan should include enhanced data collection, more robust and frequent population forecasts and better research to understand Canada's housing system. The plan should also include a blueprint to fund deeply affordable housing, co-operative housing and supportive housing, along with seniors housing and student residences, and double the relative share of non-market community housing.

- **Help create a national workforce and immigration strategy** on housing, including construction trades and other employment classes related to housing production.

- **Help reform CMHC fees and the federal tax system,** including changes to capital cost provisions and eliminating the GST/HST on purpose-built rental housing, to incentivize the construction of purpose-built rental housing.

- **Provide low-cost, long-term fixed-rate financing for constructing purpose-built rental housing**, as well as financing for upgrading existing purpose-built rentals, to make them more accessible, climate-friendly and energy efficient.

- **Ensure innovations achieve scale,** by helping develop a robust innovation strategy for housing, including procurement policy and innovation centres for housing construction.

- **Help reform the National Building Code** to drive innovation in the homebuilding sector.

- **Streamline the CMHC approvals process,** which can include a Code of Conduct for Builders and a catalogue of pre-approved designs, to allow for the fast-tracking of purpose-built rental housing.

- **Create property acquisition programs for non-profit housing providers**, to help purchase existing rental housing projects and hotels and facilitate office-to-residential conversions. These programs could include capital grants, provision of pre-approved debt financing, funds that provide secondary debt and equity financing or other innovative levers that help with the initial costs, without saddling the providers with operating and significant debt servicing costs.

- **Create a Homelessness Prevention and Housing Benefit**, which would provide immediate rental relief to up to 385,000 households at imminent risk of homelessness, help over 50,000 people leave homelessness and reduce pressure on Canada's overwhelmed homeless systems.

- **Reform the Canada Housing Benefit** to better target individuals and families with the greatest housing needs by replacing it with a Portable Housing Benefit.

Source: The National Housing Accord: A Multi-Sector Approach to Ending Canada's Rental Housing Crisis by Brooks, Moffat and Richter.

Strategies to Reverse Canada's Current Housing Loss Trend

Jim Dunn, PhD

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Jim Dunn is a leading expert in the health and social impacts of affordable housing and place-based policy interventions. He has over 25 years of experience studying housing, neighbourhoods, income inequality and health and working with governments at all levels on housing, income insecurity and health.

Steve Pomeroy, MA

Principal, Focus Consulting; Industry Professor, McMaster University; Executive Advisor, Canadian Housing Evidence Collaborative

Steve Pomeroy is a leading housing policy expert with 40 years experience. He is author of more than 200 reports covering housing needs analysis, strategies, financial feasibility and urban issues. Steve regularly advises national and provincial housing associations, municipalities and provinces and is an advisor to the Federal Housing Advocate.

Canada is facing an unprecedented housing crisis affecting large segments of the population, with hotly debated causes and solutions. There is no question that the housing sector is facing its greatest challenge in decades. This is magnified by the fact that housing does not lend itself to quick or simple solutions. It takes time to build housing: to get proposals approved, to acquire financing and to secure land. Given this, we need to take rapid action to address acute problems (short-term horizon) and simultaneously implement actions that work "upstream" to reform the system (medium- and long-term horizons).

In the short term, acute affordability problems have led to increasing homelessness and encampments in cities across Canada, rapidly rising rents and rising interest rates that portend future challenges with mortgage renewals over the next 2-3 years. Affordability is the single most significant factor facing households in need of core housing; less than 10 percent of core need relates to adequacy and crowding. Affordability for households with solely an income problem can be addressed by dealing with insufficient income—they don't necessarily need a new home. The quickest and most effective actions that can provide immediate relief include:

> In the short term, acute affordability problems have led to increasing homelessness and encampments in cities across Canada, rapidly rising rents and rising interest rates that portend future challenges with mortgage renewals over the next 2-3 years.

- **The Government of Canada and provincial governments should grow the Canada Housing Benefit** to reach more households and provide greater assistance. Helping households remain in existing homes has a secondary effect of avoiding the further loss of moderate-rent housing stock due to households vacating and landlords raising rents.

- To address recent phenomenon of double digit increases in rents, provincial governments need to **revisit rent regulation and consider extending rent control to vacated units**. The exemption should remain on new rentals to avoid disincentives to new supply. But it is necessary to protect older lower rent stock, which is home to many lower income households.

Provincial governments need to raise social assistance rates to better reflect the true cost of rental housing. In Ontario, for example, the maximum shelter allowance for a single person on Ontario Works is $390, while the asking rent for a studio in Ottawa is $1,676, a 12.8 percent increase over 2022.

Provincial governments need to significantly increase capacity to deliver supportive housing for people with mental illness, addictions and disabilities, and medically precarious older people. Municipal emergency shelter systems work well for people whose primary issue is affordability, but they are overwhelmed by people with more complex needs who require deeply affordable housing and on-site supports to maintain housing.

In the medium term, there are several actions that can be taken to mitigate the loss of intermediate-rent and affordable housing units in Canada. Nationally, between 2011 and 2021, for every new unit constructed under the previous Investments in Affordable Housing (2011-2019) and since 2017 under the National Housing Strategy (through 2021), Canadian cities lost 11 units of housing that rented for less than $750. In some cities, the loss was much greater; for every new unit in London, 19 were lost, and in Hamilton, 20. Medium-term actions to address the erosion of available housing include:

Governments at all levels need to implement an acquisition strategy to enable non-profits to buy low- and intermediate-rent private sector buildings. This will help to slow the erosion of lower rent stock, but will require significant creativity, including grants and discounted financing from government to achieve. It would, however, mitigate the current loss of housing stock.

Every level of government needs a strategy to ensure that non-profit housing that is reaching the end of operating agreements or the end of a mortgage term can be retained in the non-profit sector. This work has been ongoing for a number of years, but, due to the deeper subsidy associated with post-1986 projects, which started to expire in 2021, needs renewed focus, including new sources of funding to address capital renewal and more investment in management capacity-building.

In the private sector rental market, increased construction of purpose-built rental housing will help to add supply and manage low vacancies, but this will take time to have any impact. The recent removal of the GST (and in some provinces the parallel PST) may slightly improve development viability (constrained by higher mortgage rates) and that is welcome but no panacea to broad spectrum affordability.

In the home ownership market, there are reports of some stalling of new housing starts—although still above-pre-pandemic levels—as interest rates have increased the cost of borrowing, crowding out profit margins. The most promising action seldom discussed is to get already-approved housing permits to the construction stage. Constrained access to home ownership has had knock-on effects through the system, including rentals, and this has undoubtedly worsened since interest rates began rising. A healthy housing market depends on households exiting the rental market and entering the homeownership market. However, the Canadian homeownership rate declined from 69 to 66 percent between 2011 and 2021, representing 400,000 households who would have left renting at the higher rate. Enabling such transition is equivalent to building 40,000 new rentals per year.

> In the longer term, efforts to increase market housing supply will eventually have an effect on affordability, but targeting the non-market sector will achieve this faster.

In the longer term, efforts to increase market housing supply will eventually have an effect on affordability, but targeting the non-market sector will achieve this faster. The Canada Mortgage and Housing Corporation (CMHC) estimates that Canada needs over 3.5 million new homes in the next seven years, over and above those needed to meet expected population growth, in order to reduce prices to an affordable level. This is a very lofty goal and will be challenging to achieve with current market conditions, high interest rates and the traditional behaviour of developers to ration new construction when absorption (potential sale or renting) is uncertain.

A related recommendation is that we need a coordinated national strategy to grow the non-market housing sectors. A variety of parties—including big banks and large private sector real estate players—have called for a doubling in the relative size of Canada's social non-market stock, which sits at less than half the OECD average. This is articulated in the National Housing Accord. We need more organizations delivering non-profit housing (even if at near-market or modestly affordable market rents); we need these organizations to be bigger and more sophisticated and we need governments to back them to mitigate risks that act as barriers to lenders, non-profit boards and other management structures. Recent moves by the Government of Canada to increase access to forgivable loans (grants) in the Co-investment Fund is a welcome support for these structural changes, but further expansion of these contribution-based programs is critical to support growing the non-profit affordable stock.

Taking Practical Action on the Human Right to Housing

Elizabeth McIsaac

President, Maytree

Elizabeth McIsaac is the President of Maytree, an organization committed to advancing systemic solutions to poverty through a human rights-based approach. She is a dedicated builder and champion for the non-profit sector, with a deep focus on creating housing solutions in partnership with cities and other orders of government.

Housing is a hot-button issue in cities across Canada, but political leaders can be reluctant to act in the absence of clear public support, particularly when it comes to the sharp end of the problem: affordable housing and homelessness.

Taking a human rights-based approach to housing is a practical way to drive government action and mitigate the perceived political risks of tackling wicked problems. Human rights-based policies can normalize the types of decision-making processes and practices governments need to adopt to make progress on the housing crisis.

To start, a human rights-based approach gives us a clear line of sight on responsibility: governments have the duty to act to protect people and their human right to adequate housing. This includes all levels of government: national, sub-national and municipal. They must initiate and sustain actions according to established human rights principles, with the aim of making sustained progress.

Action 1: Put people first

A human rights-based approach calls for governments to make people the foremost consideration in decision-making, to prioritize the people most in need and for people to be meaningful participants in the decisions that affect them. In the housing crisis, the people who are most in need are those without safe, secure, adequate homes: people who are experiencing homelessness.

In the summer of 2021, the City of Toronto sought to "clear" several encampments from public parks. Not only did this enforcement approach violate the human rights of encampment residents; it did not solve the problem. This enforcement approach failed to answer an important question: Where were the evicted people going to go?

In response to criticism from earlier efforts, the City took a different approach to the people living in an encampment in Dufferin Grove Park in the Summer of 2022. This human rights-based approach was highlighted as a promising model in Toronto Ombudsman Kwame Addo's otherwise scathing report on the City's actions on encampments.

In Dufferin Grove Park, the City put the people living in the encampment first. Over a period of months, the City brought mobile, comprehensive health and social services to these residents, built relationships with people and connected them to safer indoor living spaces, including permanent housing, that met each person's particular needs.

We can learn important lessons from this approach. For example, relationship-building takes time, as does finding appropriate temporary or permanent housing. It requires a focus on the people most in need and on positive outcomes for people. It also requires respect for the dignity and participation of each person, and ongoing engagement with people experiencing homelessness.

Action 2: Exercise the power to convene: Bring decision-makers together around human rights

Affordable housing, particularly private market rental housing, is another contentious area where local governments might not have vocal public support to act. Formalizing human rights-based actions through regulations and bylaws can help.

In December 2022, the City of Toronto passed a bylaw that legalized rooming houses, also known as multi-tenant houses. As a deeply affordable form of rental housing, rooming houses are an important part of the affordable housing landscape.

Prior to this bylaw, it was illegal to operate a rooming house in many parts of Toronto, though they existed throughout the city. Implemented well, the regulatory framework has the potential to ensure that rooming houses meet minimum habitability and safety standards, are accessible to people with disabilities and are culturally appropriate. It also sets the stage for residents to claim their rights as tenants.

Maytree had the opportunity to work with the City of Toronto on a human rights review while it developed the regulatory framework. The review analyzed the proposed framework against established dimensions of the human right to adequate housing. The process provided a common goal and set of values to the various parties involved, including the fire, planning, licensing and standards, building, and housing departments. Public servants who participated in the analysis indicated that the process was practical and useful, and was not cumbersome.

Action 3: Ensure independent accountability for housing

Because the rooming housing bylaw was passed so recently, its effects have not yet been measured. But this must follow. The human rights principles of steady progress, accountability and transparency means that government is required to determine and demonstrate where and how much progress they are making on improving people's daily lives.

Cities need to establish a body to act as an independent locus of accountability for housing. This office or institution could monitor progress on a city's strategic plan on housing, conduct systemic reviews, collect data and make recommendations. It could coordinate and support all departments involved in housing to ensure that they are applying the human right to housing framework to their work. This body should have the ability and capacity to advocate for the human right to housing.

Accountability and progress go hand-in hand. Accountability mechanisms keep governments focused and moving toward the goal of ensuring that every person has adequate housing.

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What about building new housing?

Governments can regulate the market so that it operates in a way that protects people's rights. For example, local governments can regulate what type of housing developers can build and where (through zoning bylaws), the retention of existing housing supply (through protecting affordable housing such as rooming houses) and how landlords operate (through setting and enforcing tenant protection bylaws).

Local governments could go a step further and work with developers to build affordable housing on City-owned land, so that municipalities can retain these assets and ensure that they remain permanently affordable.

A human rights-based approach compels local governments to act

A human rights-based approach gives us clarity: local governments have the duty to respect, protect, and fulfil the human right to housing. It helps us sort out our priorities: we must address the people most in need. Human rights principles are reminders that there is more at stake than efficiency, value for money and administrative simplicity. It is a practical approach that local governments can use to fuel solutions that focus on ensuring that every person has a home.

Housing Equity and Data Access

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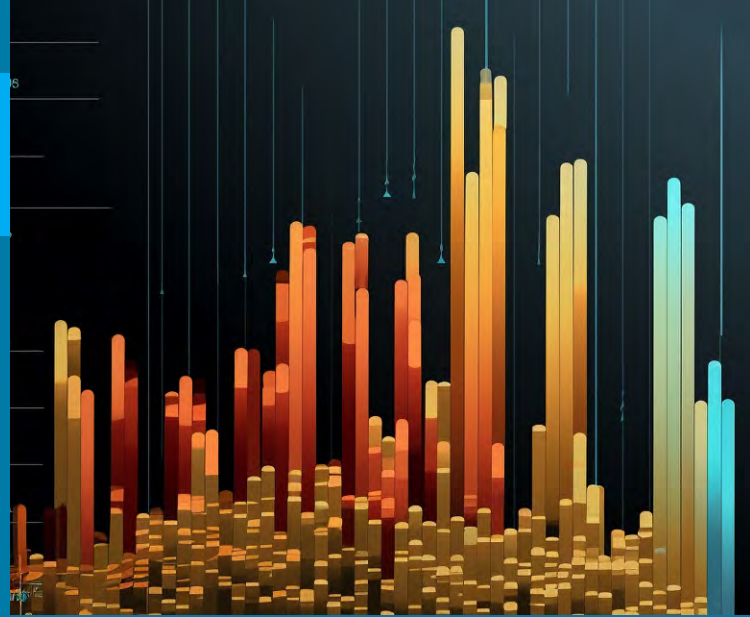
Canadians are experiencing a severe level of housing insecurity, and the wide range of causes can seem overwhelming. With the average rent for apartments in Canada surpassing $2,000 in summer 2023, there is no shortage of blame. Renters blame landlords for hiking up rents or evicting them over circumstances landlords can't control; landlords blame government for excessive administrative burdens and rising costs related to renting their units. Municipal governments blame provincial policy makers for their preemptive actions; both municipal and provincial governments criticize the federal government for increasing immigration targets without ensuring adequate community supports are in place. Canada's population topped 40 million earlier this year, and without addressing housing insecurity, growth will continue to push housing deeper into crisis. It may seem hopeless.

One thing that is needed is clarity. We need to understand the details of housing-related dynamics so that specific actions can be taken, yet despite attention to the crisis, we face significant data limitations. Our best estimates about the housing crisis often obscure the actual issues families are facing. Without proper access to data, Canada will keep playing catch-up as individuals, communities, cities and regions try to speculate on how to best navigate the housing market. For example, news reports on Statistics Canada data have shown that more than one-fifth of all houses in British Columbia (BC), New Brunswick, Nova Scotia and Ontario are owned by investors. The statistics are even more startling when you look at specific property types. For example, investor-owned condominiums make up approximately one-third of the market in BC and about 41 percent in Ontario.

These trends raise important questions not only about who owns housing, but who is buying, especially with efforts to increase housing supply. Research has shown that this trend has been increasing over time, especially when considering different property types. However, without access to disaggregated data, researchers rely on higher scales of analysis, obscuring how specific communities are impacted by such practices. Cities need to insist on and actively collect ownership data that can inform specific, locally-attuned approaches to housing affordability.

Historically, neither Statistics Canada nor the Canada Mortgage and Housing Corporation have collected data on institutional investors or the type of properties they own. Property ownership information is typically recorded and stored at the municipal or provincial/territorial level. Each province and territory has its own system for recording and managing access to property ownership data. As each has unique data management protocols, Canada-wide analyses is difficult. In the US, researchers have been able to identify the rise of institutional investors in the real estate market, especially purchases of single-family homes.

> **Cities need to insist on and actively collect ownership data** that can inform specific, locally-attuned approaches to housing affordability.

In Canada, the problems these limitations present are far-reaching. Institutional investors increase housing instability in hot real estate markets through serial eviction filings. Black and lower income neighborhoods have been found to have disproportionately high rates of eviction filings and greater forms of subsequent displacement. These disparities illustrate that housing insecurity is not experienced similarly by all Canadians. Housing availability, race/ethnicity and class are uniquely affected by housing market trends that we need to understand more clearly. But how is Canada doing in this regard?

Over the past 15 years, private equity, pension funds, and real estate investment trusts have increased their control over Canadian housing. Financial firms acquire, operate and expand property as an investment strategy with the goal of maximizing returns for shareholders. The Canadian Human Rights Commission confirmed in a 2022 report that investment trends are closely linked with unaffordable rent hikes, deteriorating living conditions, and an upsurge in eviction rates among tenants. The combined effect of these pressures have triggered elevated rates of morbidity and mortality in places like long-term care facilities. It is important to consider that these are also the priority groups identified in the federal National Housing Strategy: individuals from Indigenous,

Black and other racialized communities, low-income tenants, seniors, and people with disabilities. Given our severe level of housing insecurity, Canada must be more proactive. Municipalities are on the frontline of this trend and need to establish new legal and policy structures to mitigate the negative effects of this pattern.

In 2019, Parliament passed the National Housing Strategy Act. This legislation acknowledged that housing is a fundamental human right and obliges both governments and organizations to undertake a comprehensive overhaul of housing laws, policies and programs through a human rights lens. Canada must take this seriously and can do so in two ways: (1) by establishing data processes that collect more granular data, including ownership information and disaggregated racialized categories; and (2) by providing access to housing data for public use.

If housing is a human right, that means it is a fundamental "public good" to which each individual is guaranteed access. Canadian privacy and data laws need to be adjusted to allow greater awareness of patterns that erode basic rights and freedoms while continuing to provide the privacy that citizens need. The Black Lives Matter movement laid bare how data can reveal patterns of institutional racism, such as being used by police to profile by race, and thereby entrenching discrimination. The federal government should require provinces to provide access to housing data specifically to non-profit affordable housing providers and researchers at public institutions at nominal cost.

If Canada is to address housing insecurity, data access has to be reframed as an equity issue. Without better data practices, the country risks underestimating the real impact of the ongoing housing crisis.

Three Fundamental Mindset Shifts That Will Help Canada Solve the National Housing Crisis

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Senior Manager, Public Sector Transformation, Deloitte

Deanna Veltri is a Senior Manager at Deloitte Canada who brings a decade of experience transforming Canada's public services. Deanna has spent the bulk of her career working in Canada's housing sector and therefore has deep subject matter knowledge about the legislation, regulation, policies, and programs that surround it. She worked as a business improvement leader at Toronto Community Housing Corporation for five years.

Martin Joyce

Partner, Human and Social Services Practice, Deloitte

Martin Joyce is a Partner at Deloitte Canada who brings two decades of experience transforming and leading government transformation in Canada and Australia. This includes deep experience in the housing sector, empowering him with first-hand understanding of the equity gaps in housing delivery and developments. As an advisor, Martin has worked with policymakers across Canada to improve their strategic approach and operations to construct and deliver housing.

The country is grappling with a housing crisis. Simply put, there is <u>not enough supply</u> now or forecasted in the future to meet the range and diversity of housing needs that Canadians have. These needs span the housing continuum, meaning that the country is desperately in need of all types of housing supply—including market and non-market options—to ensure families have a roof over their heads. There are three core mindset shifts that must be made by decision makers, advocates and changemakers across the country.

The canadian home ownership dream must evolve

Until now, home ownership has been not just an aspiration for Canadian families, but also a key part of a household's long-term financial stability and investment portfolio, especially at retirement. Going forward, with home ownership becoming increasingly unattainable at current average household income levels and more households relying on market and non-market rental housing than in recent history, it's critical that we think about solutions that are all-encompassing. The solution to the housing crisis must go beyond ownership supply, especially as home ownership rates continue to decline from their peak a decade ago. In countries like Germany, Switzerland, Austria and Denmark, it is common for households to rent for life.

Thinking long term, reframing home ownership can help to avoid ripple effects into other systems like health, social assistance and aged care. If we acknowledge now that not all Canadian households can rely on housing as an investment today and for retirement, we can further accelerate our efforts to strengthen our community housing stock, and strengthen our social safety nets, financial systems, and aged-care infrastructure to set up Canadians for success over the coming decades.

Right now, that means introducing policy and program incentives that account for the entire housing continuum, and involve private, public, and non-profit partners who are the experts in their business of strategizing, constructing, and maintaining housing supply.

Housing is infrastructure and should be actioned as such

"Infrastructure" refers to the basic physical and organizational structures and facilities needed for the operation of a society.

Despite fitting this definition, housing has not been understood and treated as a national infrastructure priority. Now, with a housing crisis continuing to squeeze the middle class and emerging as a significant economic problem, positioning housing as infrastructure will allow for the policy, financial and partnership conditions

> With a housing crisis continuing to squeeze the middle class and emerging as a significant economic problem, positioning housing as infrastructure will allow for the policy, financial and partnership conditions needed for the consistent development of adequate supply over the next 20, 30 or even 50 years.

needed for the consistent development of adequate supply over the next 20, 30 or even 50 years. This includes setting national and provincial targets for growth of a range of different housing types, prioritizing geographies in greatest need and creating the financial conditions to meaningfully involve private sector partners and funders.

Recent signs are pointing toward a fall 2023 announcement of a new federal long-term infrastructure plan that includes housing, following Prime Minister Trudeau's address to the Federation of Canadian Municipalities in May. If done right, this plan will include a long-term federal commitment to funding for housing supply that meets the actual needs of Canadians (now and in the future).

A federal, course-correcting plan like this should also usher in a new era of collaboration for housing. As we see for transit, roads, bridges, hospitals and schools, housing should now involve long-haul partnership between governments and local-level stakeholders to work beyond their own regional boundaries. Together they can plan for the movement, education, and the settlement of people for multiple generations, not singularly focused on the construction of a particular infrastructure type or solution for a particular gap or crisis that is being faced in the moment.

We must think collaboratively about data now, not later

Over many years, Canada has experienced a continued lack of data-driven insight into the housing market trends that were emerging, leaving changemakers largely blind to what was brewing.

The information we need is in already in ample supply, between government statistics, private sector reports and advocacy research, but has not been consistently collated to paint a picture of the supply and demand factors surrounding the housing market. It is imperative that we improve housing insights into all facets of the crisis, including:

- **Policy and regulation:**
  What land use planning rules, regulations and processes are being introduced and improved to enable efficient provision of supply? Are they bold enough? Are they creating measurable change?

- **Infrastructure and land availability:**
  What parts of the country face land scarcity or land abundance and what types of housing could be constructed to maximize value? What parts of the country have sufficient infrastructure to support an increase in their populations and which do not? How large are the gaps across the country that must be filled to accommodate housing increases? What existing structures can we also focus on to create new residential opportunities?

- **Housing needs and demographics:**
  Who needs housing? What are their income levels and demographic profiles? Where are they expected to want to live and what housing is available? What industries or institutions are growing their Canadian footprint? What trends are expected to happen over the long term, over the next 10 to 20 years and beyond?

- **Skilled labour and supply chains**:
  How significant is the skills shortage for delivering and maintaining housing supply now and in the future? What supply chain trends are having an impact on housing supply and maintenance?

- **Financing and markets:**
  How much are Canadian households spending on housing costs? Are the programs and supports that are in place sufficient to offset affordability gaps? How are macroeconomic conditions having an impact on housing?

Understanding these environmental factors will begin to enable the decision makers, leaders and advocates addressing the housing crisis to become more data aware. Intently monitoring the interplay of supply and demand factors will enable us to stay ahead of important trends, involve the right systems and stakeholders at the right times and ultimately avoid playing the game of catch-up that we are today.

The mindset shifts described here are designed to help decision makers, advocates and changemakers shift some of the core assumptions or policy behaviours that may have contributed to the crisis conditions we face today in Canada's housing realm. While there is broad agreement on the crisis conditions we face, there is much debate about what the right solutions are. These three fundamental shifts in perspective have the potential to help reframe these conversations and narrow focus towards the most meaningful and impactful policy, program and funding solutions.

From Home Office to Office Homes: Leveraging Government Assets to Address Canada's Housing Crisis

Stéphan Déry

President and CEO, Canada Lands Company

Stéphan Déry is President and CEO of Canada Lands Company. He leads hundreds of employees responsible for the development and management of major real estate holdings and the operation of some of Canada's most cherished attractions. Stéphan is a seasoned real estate professional who was responsible for the delivery of the entire suite of real property services to federal departments and agencies at Public Services and Procurement Canada.

Canada's housing markets are in turmoil, with soaring prices and rents leaving many Canadians struggling to secure affordable housing. These challenges have led to a fundamental shift in what people seek in their homes and where they want to live.

As we look ahead to a projected population of 42.9 million to 52.5 million by 2043, the urgency of addressing our housing shortage has never been clearer. The Canada Mortgage and Housing Corporation estimates that, at the current pace, we'll add 2.3 million housing units between 2021 and 2030. However, to truly restore affordability, we need 3.5 million more housing units by 2030.

That's an ambitious goal, but it's necessary. In total, we're talking about 5.8 million housing units by 2030 to accommodate our growing population, largely driven by immigration. To do this we need to tackle affordability head-on. While ramping up construction is vital, it's essential to remember that many downtown offices in major cities remain empty.

When the pandemic hit, organizations closed their physical offices and remote work became the new norm. In this post-pandemic era, hybrid work models reign supreme as employees embrace flexibility for a better work-life balance. Employers are adjusting to this as they too recognize the importance of flexibility in attracting and retaining talent. These trends mean vacant offices are here to stay.

In Q1 2023, CBRE reported that Canada's national office vacancy rate soared to 17.7 percent. Shockingly, Canada's downtowns boast a staggering 50 million square feet of vacant office space. That's space equivalent to approximately 50,000 homes, assuming an average size of 1,000 square feet per housing unit.

The gears are already turning in some Canadian cities. Halifax, Toronto, London and Yellowknife have initiated office conversion projects to address the housing crisis.

Naturally, not every vacant office building is suitable for residential conversion due to factors like age, structure and layout. However, converting offices into homes, while potentially costlier than demolition, offers significant advantages that are worth considering.

Optimizing underused offices can yield healthier communities, shorter commutes and reduced greenhouse gas emissions. Repurposing also leaves a smaller environmental footprint than starting from scratch. Notably, many of these buildings are already accessible to transit, and already connected to municipal infrastructure, which pose both cost and carbon savings for builders.

Alongside these benefits, municipalities will have to contend with revenue challenges. In 2022, Altus Group revealed that the average commercial-to-residential tax ratio jumped to 2.80 percent in its Canadian Property Tax Benchmark Report. Commercial tax rates exceed residential rates by 2.5 times in seven of the 11 municipalities surveyed. Conversions from commercial to residential use will impact city tax revenues.

The gears are already turning in some Canadian cities. Halifax, Toronto, London and Yellowknife have initiated office conversion projects to address the housing crisis.

Canada Lands Company, in collaboration with Public Services and Procurement Canada, is already planning the transformation of two underutilized sites in Ottawa—Tunney's Pasture and Confederation Heights—into sustainable, mixed-use communities while meeting the government's real property needs.

Canada Lands Company, boasting a national portfolio of 23 real estate projects with 429 hectares (1,063 acres) in development, has been effectively reintegrating surplus Government of Canada properties into local communities for nearly 30 years. After acquiring properties that are declared surplus at market value, Canada Lands Company develops, retains and manages certain real estate assets and attractions to deliver benefits to Canadians. These include economic benefits through a multiplier effect when capital investments are made to create vibrant communities through innovative collaborations with housing providers, municipalities and Indigenous groups.

With underutilized office spaces spanning the private sector and government levels, every player has a role. The first step is identifying these underutilized buildings across Canada. A national program that incentivizes builders to undertake large-scale conversion projects involving both public and private sectors would support that first step. Such an approach has significant potential to deliver economic, social and environmental benefits.

These revitalized spaces could be transformed into multi-use properties, with a significant portion dedicated to affordable housing. This approach would help breathe new life into struggling downtown cores, reigniting pre-pandemic foot traffic levels.

The housing crisis will continue to haunt Canada for years to come, demanding sustained attention and creative thinking from all levels of government, the housing industry and advocacy groups to increase our housing supply. With vacant land available and a pressing housing shortfall, repurposing underutilized office buildings for residential use warrants further exploration.
As long-term stewards of real estate, Canada Lands Company can take the lead in evaluating the feasibility of turning government buildings into versatile, multi-use properties with a significant focus on housing, especially affordable housing.

We all have a critical role to play. The future of Canada depends on it.

Strengthening Canadian Communities Through International Student Housing

Anna Triandafyllidou

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Anna Triandafyllidou holds the Canada Excellence Research Chair in Migration and Integration at Toronto Metropolitan University (TMU). An internationally recognized sociologist and migration policy expert, Anna's interdisciplinary research focuses on the governance of migration and asylum; the management of cultural diversity, nationalism and identity issues; and, overall, the contemporary challenges of migration and integration across different world regions. In 2023, Anna took on the additional role of scientific director for a new $98.6 million project, Bridging Divides, awarded to TMU by the Government of Canada through the Canada First Research Excellence Fund.

In recent months there has been a heated debate about Canada's housing affordability crisis and the role of international students, as well as more generally of (im)migrants, in worsening this crisis. The argument has been that particularly in Canada's big three cities (Toronto, Montreal and Vancouver), international students drive up rents because they are prepared to rent rooms in larger flats or houses, and even share rooms with flatmates, bringing the overall possible rent of a unit to levels totally unaffordable for a local family. In smaller towns, the pressure is also high, as in some there are simply not enough housing units for rent, regardless of cost.

And yet, international students are highly coveted by universities and colleges because of the hefty fees they pay (starting at $14,000 per year for college programs and over $20,000 per year for university degrees), while they are also welcomed by employers in sectors like accommodation and food, business and other support services or wholesale and retail trade, as affordable and plentiful labour.

Many commentators draw attention to the fact that international study migration is uncapped, unlike the permanent immigration system where annual targets are set. Canada has been welcoming increasing numbers of permanent residents (435,000 in 2022) as well as higher numbers of temporary residents, including international students. Over one million people came to Canada during 2022 with a temporary permit: about 550,000 were new international students, while over 600,000 were temporary work permit holders. At the same time, it is worth noting that of the 435,000 permanent residents "landing" in 2022, about two-thirds were technical entries; they were already residing in Canada with temporary status and transitioned to permanent residency. Housing pressure is generally driven by temporary newcomers.

The increase in international students has risen from 300,000 in 2013 to over 800,000 at the end of 2022. In addition, a Statistics Canada report shows that the share of international students with paid employment income from 2000 to 2018 grew more than ten-fold from 21,800 to 277,400. The labour market participation of international students studying at the college level in particular, has increased from 7 percent in 2000 to 57 percent in 2018. This has raised a concern that international education is becoming more of a pathway for international migration through the backdoor, rather than being driven by a desire for education. Policy reviews will need to determine who stands to profit from such a development.

There is no doubt that employers stand to profit from affordable, plentiful and often overqualified labour for low-skill, low-pay, short-term jobs in those sectors like tourism, trade and construction. In addition, universities and colleges also profit from the high fees that international students pay. The question, though, arises whether the average Canadian family is losing because international students create an impossible rental market. It is my contention that this is not the case, and I would actually argue the opposite: international students are saving both the average home-owning (and mortgage-paying) Canadian household as well as the Canadian banking system.

How is that? International students are to be found as high-paying and often exploited tenants in basement flats and spare bedrooms across Canada's large and smaller cities. International students are allowing Canadian families to survive the interest-rate hike of the Canada and their galloping mortgage payments. Recent reports show that several Canadian banks have been allowing for extensions of mortgage amortization to over 55 years in the effort to keep loans afloat and households to keep up with payments.

Anecdotal evidence suggests that many families are renting not only their basements but also their bedrooms to international students. In many cases, parents and children squeeze into one or two rooms to leave the spare rooms for rent. Networking often works through extended friends and family, as many owners prefer to have a student from the same ethnic, linguistic or cultural background to make life easier for everyone. These rentals play a crucial and, for now, unaccounted role in keeping households afloat when their mortgage payments have grown exponentially in less than a year.

While this is no long-term solution for the housing affordability crisis, nor a strategy for international student migration for Canada, these insights point to a few ideas that could help in the short and medium terms. Universities and colleges should be asked to arrange affordable accommodation for their incoming international students as part of their application for a study permit. Such accommodation arrangements can include tailored schemes where, for instance, seniors are paired with students, offering full board for a reasonable price while the student helps with grocery shopping or befriending the senior person. Young families could also be paired with international students and receive tax breaks for the rental income they make. Provincial governments should provide strong incentives for universities and colleges to build more student residences.

Naturally, international student migration needs to be reconsidered in Canada in order to identify "bad practices" (such as overexploiting international student streams as a revenue and sustainability strategy with little educational value) and "bad actors" (such as brokers and post-secondary institutions that prey on international students and their families by making false promises for a path to migration), and instead offer adequate services and protection to international students (including access to health services and clear pathways to job prospects).

Action 1: Improve formal rental arrangements for international students so that local families are able to benefit from the revenue and students have better quality and more equitable places to live.

Action 2: Link university or college acceptance to housing provision by the accepting school, across a range of options beyond the student housing capacity of the school.

Action 3: Increase accountability for well-being of students, including access to legal advocacy, reporting structures for violations of agreements, and up-front orientation on job prospects or immigration.

Why Climate Matters: Climate Action and Sustainable Urban Development

Given the escalation of climate impacts being experienced in urban regions, how and where we build matters more than ever. We know that urban environments that enable more sustainable forms of travel are responsible for lower GHG emissions per household. Smaller, more efficient housing units lower GHG emissions, as do urban infill developments.

Suburbs are the most dominant urban form in Canada but have significantly higher GHG emissions compared to urban developments. It will be essential for Canadian cities to find the right mix of incentives, policies and strategies in accommodating both growth and lower environmental impact.

The unpredictability of climate events such as flooding, fires and the looming risks of aging infrastructure, and the need for more sustainable forms of urban development, are being experienced like never before. We know that best practices in urban regions show progress on climate resilience, including mitigation and adaptation. This section focuses on the problems we are solving for and some examples that have been implemented or are in process for urban regions, considering both the built form of dense downtowns as well as suburban and exurban neighbourhoods and communities, the natural environment and ecosystems.

Researchers at the University of Berkeley (Cool Climate Network) have shown that the most significant way for local governments to reduce GHG emissions is by encouraging urban infill (Figure 18). The CUI is building a similar model and set of tools for the Canadian context to help cities accommodate population growth, while reducing land use.

FIGURE 18

GHG Reduction Potential in 2030 from Local Policies (Scenario)

Source: https://coolclimate.berkeley.edu/scenarios
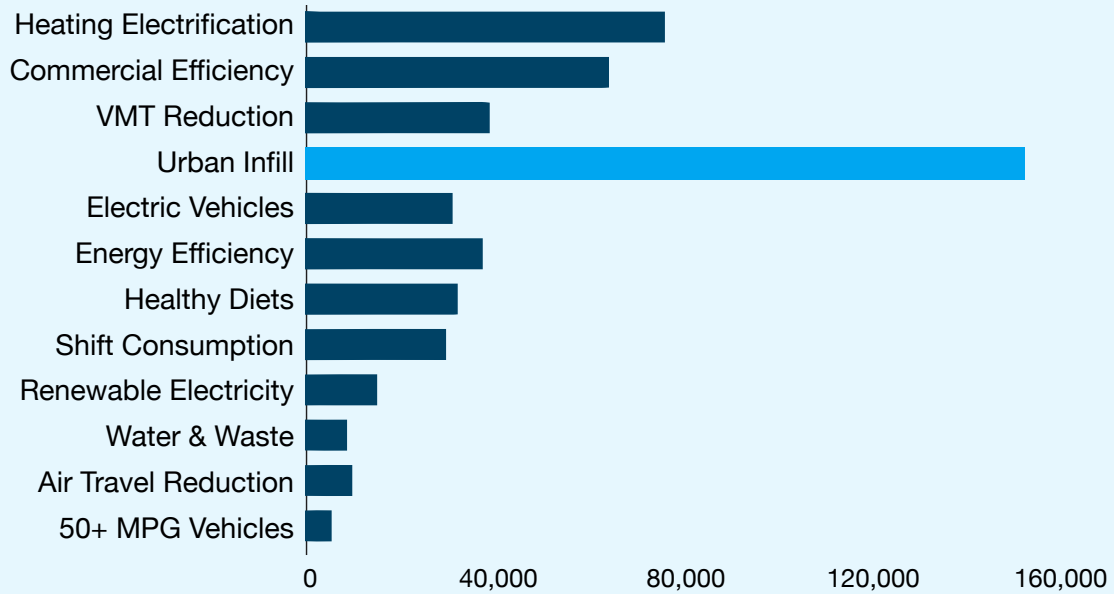
Population and building density have also been shown to be linked; greater density leads to lower emissions per household (Figure 19).

FIGURE 19

Estimated Average GHG Emissions Per Household, Vancouver
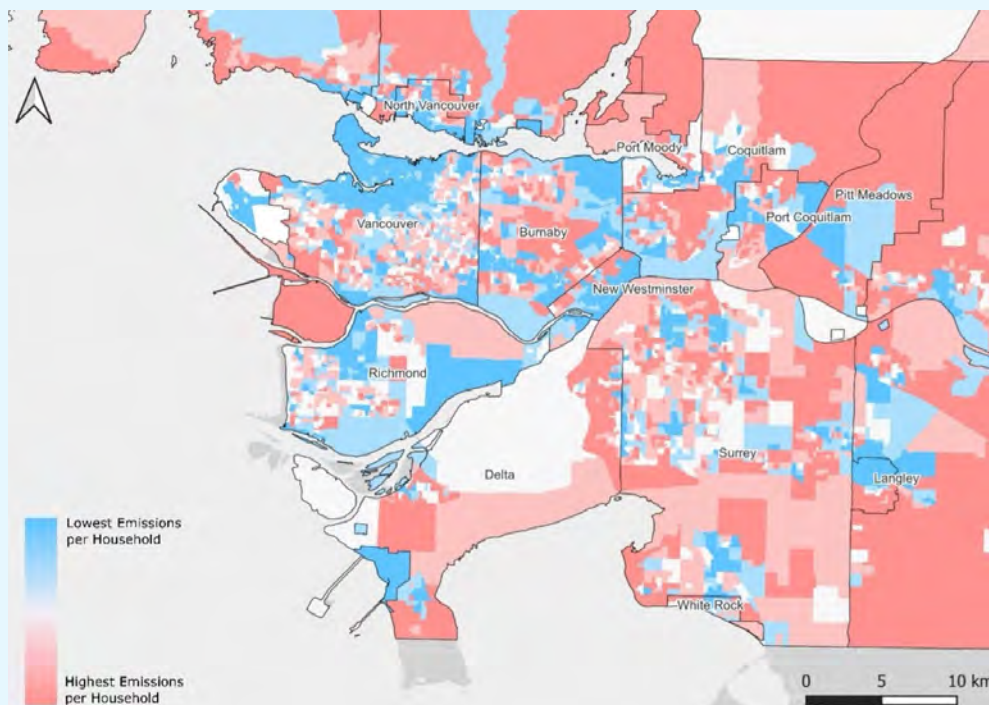
Source: CUI, Household GHG Prediction Model.

Better Cities from the Compounding Benefits of Climate Action

David Miller

Managing Director, C40 Cities

David Miller is the Managing Director of the C40 Centre for City Climate Policy and Economy. He was Mayor of Toronto from 2003 to 2010 and served as Chair of C40 Cities from 2008 to 2010. Under his leadership, Toronto became widely admired internationally for its environmental leadership, economic strength and social integration. He is a leading advocate for the creation of sustainable urban economies and is a lawyer and Harvard-trained economist.

The good news about the best climate solutions is that not only do they lower greenhouse gas emissions, they help to build better places to live. From a city-based climate action perspective, actions to lower greenhouse gas (GHG) emissions bring significant secondary benefits. For example, consider a program for energy retrofits on the thousands of concrete slab apartment buildings built across Canada in the 1960's and 1970's. These buildings are often the backbone of affordable rental housing in Canadian cities, and the energy retrofits will not only reduce the consumption of gas to heat and cool the buildings, but will lower operating costs, thereby creating the potential to benefit tenants through lower cost housing. Such a program is job intensive, too, creating the possibility for a training program to ensure the benefits of these green jobs go to people who need them the most.

Designing new high rises to state-of-the-art net zero standards lowers emissions and makes better buildings. They cost far less to operate, meaning that residents who live in such a building will have far lower heating and cooling costs for decades to come. That could, in turn, make the building a desirable place to live for people struggling with the affordability of housing.

> Cities have always benefitted from layered benefits, often by accident. A more conscious investment of time and energy in bringing compound benefits to our urban development strategies and projects is desperately needed.

Cities have always benefitted from layered benefits, often by accident. A more conscious investment of time and energy in bringing compound benefits to our urban development strategies and projects is desperately needed. And to those who see sustainability in the built environment as an added cost, it is clear that designing with sustainability from the beginning—as opposed to an add-on to a building designed traditionally—can be cost effective. And even if there is an additional cost, is it the case that we should be making affordable housing to the lowest possible standards, so that builders spend less but residents pay more?

Our city governments need help where provincial and federal programs and funding interfere with such synergies. For example, many cities face practical and financial challenges because responsibilities and expectations from other orders of government do not match revenue sources, particularly in human services for street-involved people. Mental health demands in urban cores, non-existent funding for new affordable housing, and front-line workers triaging drug crises on the streets all reflect very real demands for local governments.

Therein lies a significant challenge: the needs exist in cities, while the funding to properly and effectively support people is dependent on distant provincial and federal programs. Very often, these well-intentioned programs have huge practical gaps and are generally inadequate. Instead of compound benefits, we end up compounding problems. Reducing compound problems and replacing them with compound benefits is where smart climate action can play a key role. Simultaneous benefits reflect well-considered policies, and we need those in a variety of settings. City-led climate plans can foster these integrations.

Rapid transit and active transportation as part of an effective climate strategy can map and design for high quality service in low-income neighbourhoods. Reducing or eliminating a need for personal vehicles while providing full-service transit to the whole city enables a much wider range of employment, cultural and educational opportunities (e.g., Transit City, Toronto).

Increasing density around transit services will drive increased cycling and walking while decreasing the convenience of personal vehicles. This generates a much more inclusive community by design. If cities are given freedom by provincial and federal governments to design with these key drivers in mind, long-term benefits will accrue to residents and the city they are part of, leading to lower burdens on other provincial and federal services.

Social justice benefits can also serve as the compounding catalyst. Local development projects can identify job targets for people living in the adjacent area (e.g., Regent Park, Toronto). This strategy ensures that the new developments leave behind new physical infrastructure, as well as skilled workers and increased commercial capacity.

Cities are experimenting with climate budgets. Emissions monitoring across city departments with specific targets and expectations that measure GHGs for comparison over time. A city government that can articulate particular climate goals, that are measurable and aligned with departments, can treat GHG levels like financial budgets—balancing, negotiating, and accounting for impacts across projects and services. It is transparent, effective, and cutting edge—and well within reach of communities and cities. The benefit will be a more efficient, ecologically sound and humane city for all residents now and long into the future.

Action items

- **Implement strong climate change policies** and compounding benefits will result.

- Strong **energy efficiency policies for building retrofits** are essential for meeting both social and environmental goals.

- **Provincial and federal funding must be evaluated** based on compounding benefits at the local needs-level of communities and cities. This type of evaluation must become common.

- **Effective, environmentally sound transit planning** will provide many common good benefits for cities. Require that all transit planning meets known beneficial objectives.

- Require that retrofit and new **construction employs qualified local residents**.

- Make **GHG budgets** a regular part of municipal budgeting reviews.

Who Pays the Price? Direct Action to Understand the Cost of Climate Change for Canadian Communities*

Ewa Jackson

Managing Director, ICLEI Canada

Ewa Jackson is a leader in municipal climate adaptation and resilience and has worked with municipal governments for over 20 years in the fields of sustainability, public participation, and climate change. She is also project manager for many ICLEI Canada consulting activities including adaptation and sustainability monitoring and evaluation projects in local, national, and international contexts.

Josh Padolsky

Climate Change Project Coordinator, ICLEI Canada

Josh Padolsky is responsible for a wide range of adaptation and mitigation projects across local, provincial/territorial and national scales. He also provides direct support and strategic policy, planning and implementation advice to Canadian municipalities participating in the Building Adaptive and Resilient Communities Program.

The effects of climate change in Canada are already evident. Projections suggest conditions are very likely to worsen in the future, including more frequent extreme heat events, more frequent wildfires, reduced air quality, increased coastal erosion, more frequent extreme precipitation resulting in flooding and more frequent extreme weather events (e.g., windstorms, ice storms, tornados).

*Modified excerpt from *Cost of Doing Nothing: A toolbox for building a local business case.*

PROVOCATION

Who Pays the Price? Direct Action to Understand the Cost of Climate Change for Canadian Communities

National estimates show climate change is now costing Canada billions of dollars every year–and many of these costs are being borne by local municipalities. Furthermore, as trends in extreme weather events have increased, so too have the trends in insured and uninsured losses. A growing body of evidence indicates that uninsured losses are often underestimated and may dwarf insured losses.

Action: Municipalities to utilize tools to accurately determine both uninsured and insured losses, with regular updates.

Canada's municipalities are particularly vulnerable and exposed to the impacts of climate change due to a wide range of characteristics, including concentrated and growing populations, increasing densification, high concentration of hard surfaces that are prone to flooding and amplified warming, proximity to water, exposure of economically valuable assets, aging infrastructure and degraded ecosystems that would otherwise reduce these impacts.

Canada's municipalities are also home to a large proportion of populations that are the most vulnerable to climate impacts, due to a variety of circumstances unrelated to the climate change itself (e.g., Indigenous populations, elderly people, newcomers, people with existing health conditions, people experiencing homelessness).

Climate change impacts also have serious implications for Canada's economy and the economic prosperity of our communities. A recent report by GHD projects $140 billion (CAD) in economic losses by 2050. Projections of annual climate costs by the end of the century may reach $865 billion under the high emissions scenario.

> A recent report by GHD projects **$140 billion (CAD) in economic losses by 2050**.

Extreme heat and extended heat waves are going to affect the capacity of people who work outside to build and maintain infrastructure like roads and parks. Extreme weather is also going to impact transportation and transit services, making commuting, goods distribution and other transportation services more difficult and unsafe. Changing lake levels, drought, warmer winters and unpredictable precipitation will impact the tourism industry and communities that rely on it.

A Statistics Canada study analyzing workplace productivity found that 7.5 million hours of private sector work were lost in the two weeks following the 2013 Alberta floods due to workplace closures. Climate driven extreme weather events hinder both the broader economy and put tremendous socio-economic stress on individuals in the community.

PROVOCATION

Who Pays the Price? Direct Action to Understand the Cost of Climate Change for Canadian Communities

Policy action to redefine the costs of climate change

While financial costs are of paramount importance, non-market costs (to human health and well-being and the natural environment) and the weaving together of multiple knowledge systems must also be considered to fully understand the breadth of climate impacts, allocate public resources for climate adaptation and ensure that these resources are directed toward the most efficient actions.

Action: Municipalities to use system-wide cost and impact assessments and predictions with frequent updates and adjustments.

It is important for decision makers to consider the broader systemic human and environmental costs of climate change, as these often have wider spatial and temporal scales than financial costs. Similar to financial costs, non-market costs may be incurred directly and indirectly. It is therefore critical to consider the combined direct and indirect financial and non-market costs of climate change. Much of our current approach to assessing and defining the costs of climate change is rooted in Western scientific frameworks and worldviews. Weaving together Indigenous, local and Western knowledge provides a more holistic evidence base for policies and decision making, while also addressing underlying equity issues.

Action: Municipalities to use mainstream planning tools to assess indirect financial and non-market costs.

The effects of climate change on public health and well-being, including increased loss of life and physical and mental health impacts, are becoming increasingly costly and cannot be overstated. Extreme heat events are projected to become more common in Canada and are proving to be increasingly dangerous and costly. As these climate hazards become more common, they will have a profound impact on human health and well-being, on our health care systems, our emergency services and on vulnerable populations. The 2021 heat dome event in British Columbia is one such example, when a stagnant air mass and solar radiation contributed to very high ground-level ozone concentrations, resulting in 619 deaths and many more heat-related physical and mental morbidities.

PROVOCATION

Who Pays the Price? Direct Action to Understand the Cost of Climate Change for Canadian Communities

Action: Update population modelling tools at a local level that will accurately reflect the full range of human health impacts, including systemic health care impacts. Make these readily available to municipal leaders and planners.

Specific groups, such as those who work outside, low-income and racialized populations, infants and young children, older adults, those with limited mobility and chronic medical conditions and people experiencing homelessness are particularly at risk. Indigenous Peoples are also particularly sensitive to the impacts of climate change due to a number of factors, including the ongoing effects of colonization, location of communities and deep connection with the natural world.

It should also be noted that climate driven negative health outcomes also bear financial implications for already strained health systems. The cost of heat-related hospital visits is expected to increase 21 percent by mid-century and 102 percent by end of century, even under a low-emissions scenario. The number of heat-related mortalities is also expected to reach 790 annual deaths (nearly double the typical average rate in 2023) by the end of century under a high emissions scenario, costing an estimated $8.5 billion annually.

> The cost of **heat-related hospital visits** is expected to increase 21 percent by mid-century and **102 percent by end of century**, even under a low-emissions scenario.

Action: Include heat-related health system impacts in municipal reporting and planning projections.

Canada's municipalities must better understand the impacts and costs of climate change in order to plan investments now that will avoid billions in costs later. Understanding these risks and the likelihood of impacts and associated costs are important considerations when making the case for proactive adaptation planning, implementation and investments.

Retrofit on the Run: Research to Accelerate the Transformation of Existing Buildings

Ursula Eicker

Professor, Building, Civil, and Environmental Engineering; Next-Generation Cities Institute, Concordia University

Ursula Eicker is the Canada Excellence Research Chair in Smart, Sustainable and Resilient Communities and Cities as well as Founder of the Next-Generation Cities Institute at Concordia University. Her research interest covers zero emission cities, Smart Cities, renewable energy integration, and sustainable urban infrastructure.

Michael Bossert

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Michael Bossert is Manager of Research Innovation and Business Development at the Next-Generation Cities Institute. The development of inter- and transdisciplinary research is his focus, and he builds a global network dedicated to addressing urban challenges through Living Labs and Communities of Practice. He brings together stakeholders from governments, municipalities, the private sector, civic groups and academia to collaborate and boost city transformation.

Natalie Voland

President and Chief Vision Officer, Gestion Immobilière Quo Vadis Inc.
Natalie Voland is a former social worker who has revolutionized the process of real estate development over the past 25 years. A leader of the Quebec B Corp Movement and an award-winning socially responsible developer, she leads companies that contribute to the protection of the environment, foster social inclusion, and make market-driven profits to enhance Montreal's economic growth.

Stephane Chayer

Strategic Advisor to the President, Concordia University

Stephane Chayer is an expert on decarbonization, energy efficiency, decentralized energy systems, and e-mobility infrastructures. With a proven track record of creating profitable growth and turning underperforming operations into best-in-class ones. Throughout his career, he has coached and managed strategic culture changes. Aside from that, he hasmanaged multiple start-ups, mergers and acquisitions, and business integrations into matrix organizations.

The vast majority of the buildings we will need by 2050 are already built. The challenge is that they need to be converted to efficient, zero-emission standards while maintaining the comfort and safety of people facing emerging climate change disasters like flooding, fire, sea-level rise, drought and heat waves. We need an approach to construction that transforms low-performing buildings into low-carbon buildings without disrupting their use.

Existing buildings can find new life and contribute to major carbon emission reductions if they are cleverly converted with innovative retrofit strategies. Grid resilience can be advanced with backup power in the form of renewable energy, storage technologies and e-mobility power through advanced microgrid systems. Adopted at scale, this would reconfigure municipal energy grids and foster urban building clusters that are resilient, sustainable and information rich.

What must change

Reform of the real estate industry to serve cities' retrofit needs

The structural features of real estate have not significantly innovated in almost half a century. Regulation and incentives don't support transformative retrofits. High-interest rates paired with higher construction costs put new projects at risk and affect affordability rates across Canada. So why is our industry not taking up deep building retrofits or building new stock with more resilience? We speak of sustainable energy, better building envelopes to consume less energy, circular economies and locally procured materials, but we are missing the integrating structures that would allow us to scale widespread retrofit adoption. We lack impact-driven and engaged collaboration between industry, academia, citizens and the three orders of government. Architects, engineers, academic researchers, city officials, policy makers, developers and financiers all hold part of the solution to change business models and adopt a new way forward.

Action: Develop pilot projects to test regulatory and legislative strategies to incentivize the real estate industry for deep retrofitting of existing buildings.

Invest in research and industry partnerships to advance deep retrofit strategies

Risk and uncertainty can be mitigated by new research and partnerships. Universities can invest time and attention in solving the problems that slow down retrofit adoption. Industry can identify those adoption barriers and engage universities in a virtuous cycle of learning and practice. For example, Concordia University and its Next-Generation Cities Institute are leading the way for applied research to be integrated with public and private deep retrofits and carbon-neutral new construction. Its "accélérateur bancs d'essaie bâtiment carboneutre" (or zero carbon accelerator) has brought researchers, utilities, banks, lawyers and real estate developers together to make use of cutting- edge research findings to tackle carbon emission and operational cost reduction.

Action: Convene, share and act on emerging insights.

Actively promote and develop real-world living labs for deep retrofitting.

Through sharing global best practices, technical expertise, and modelling scenarios around real-world projects, Concordia's accelerator optimizes projects and provides data to scale up successful experiences. The university has made its 70-building campus a "living lab" on climate change, with PLAN/NET ZERØ. In a flagship initiative, Concordia leads a unique initiative to electrify Canadian communities and boost the decarbonization transformation, funded by the Canada First Research Excellence Fund. In many living labs all over the country, communities will get support to develop strategies and scenarios on how to decarbonize the built environment and elevate local value creation.

Action: Ensure every Canadian community has access to a deep retrofit living lab.

Deploy the learning of high capacity research centres to smaller deployment centres

Researchers help develop and validate solutions deployment with complex technical systems that are often interdependent and need to be integrated in the most impactful and efficient ways. Because the quantity of work required is massive, multiple issues need to be rapidly analyzed and scientifically proven simultaneously to transform with a limited labour force, logistically challenged economy and finite financial capacity. Focusing on productivity, quality and best practice sharing in a situation of peaking

demand for work is key. Research on solution design optimization combined with topics like procurement, logistics and project management can contribute to de-risk a new path for deep retrofit conversion.

Action: Link Infrastructure Canada to the development and deployment cycle for deep retrofits.

Update and deploy financial strategies that enhance deep retrofits

Research on financial modelling relying on technology and the geopolitical, demographic and macroeconomic context can help fast-track the capital deployment required for large-scale deep retrofits. Such research is necessary to make quick and good retrofit decisions at the city scale where key financial dynamics are determined. Such research, with a call for action, can profoundly contribute to cities, accelerating the transition by validating what needs to be done, how it should be done and how it can be financed across all stages of development. Market and industry actors must be integral to these processes for wide-scale adoption to be successful.

Action: Mobilize financial systems research that can support retrofit decisions and align with market and industry resources.

Amplify the how of deep retrofits

Transformative collaboration goes beyond net zero targets and takes on a regenerative value-driven perspective led by research in action. We must go beyond the "why" and demonstrate key process creation of industry innovations and changing business plans, focusing on the "how," drawing on design-integrated approaches and system maps. Science and research have helped humanity solve many critical problems in history. Deep retrofitting and decarbonization challenges will require that we continue to solve problems and deploy solutions.

> Transformative collaboration goes beyond net zero targets and takes on a regenerative value-driven perspective led by research in action.

Action: Integrate various aspects of the deep retrofit research challenge with existing university disciplines, research agendas and pilot projects. Federal and provincial departments and ministries will need to be an integral part of this deep retrofit strategy.

Transforming Our Cities Through Better Public Spaces

Jennifer Angel

Chief Executive Officer, Evergreen

Jennifer Angel is a builder of community, momentum and places people love. As CEO of Evergreen, she works across sectors to reimagine public places across the country, and gets her hands dirty to make them, bringing people together with nature and each other for the well-being of both.

Cities are rapidly changing, but despite enormous infrastructure investment, they are not meeting the needs of most people, and they are straining the planet's resources.

Social infrastructure, including public spaces, shape how we live, how we move and who gets to participate. Climate change, persistent inequality, lack of affordable housing, health crises and increasing polarization add enormous pressure to get public infrastructure right, but we continue to build it mostly the way we always have. Roads and highways continue to be disproportionately prioritized while public spaces crumble in the background. Cities can't meet current infrastructure maintenance requirements, let alone shape a different future (Boston Consulting Group, 2017).

This is not a criticism of government. On the contrary, we need to champion cities, celebrate bold moves and work together to build them differently, bringing together our unique capacities and resources across sectors for better outcomes.

Infrastructure is a potent tool in the public portfolio, particularly as in Canada, most people (more than 80 percent) live in cities, and this is expected to increase (Statista, 2022).

Making the case for public space

Better public spaces are a good place to start; a touchstone to bring us together and a tool to solve for multiple priorities at the same time. Public spaces support health, equity, the environment and the economy. They attract private investment and provide access to nature, support biodiversity, cool cities and address stormwater (Evergreen, 2023). They create the conditions for social connection and belonging, and stimulate innovation by bringing people together who might not otherwise meet to learn new perspectives they might not otherwise see (McKinsey, 2023). The effects of great public spaces on human health have been well documented, including in Canada, with improvements in mental and physical health, and enhanced overall well-being, from proximity to them (Public Health Agency of Canada, 2023). A recent University of Waterloo study measured the return on investment of a new urban park in Peterborough, Ontario that showed a $6.4 million investment returned $4 million each year in health system savings alone, even without accounting for the additional economic or climate benefits (University of Waterloo, 2023).

> Public spaces support health, equity, the environment and the economy. They attract private investment and provide access to nature, support biodiversity, cool cities and address stormwater.

That these multiple public policy priorities can be achieved with one efficient intervention, in the context of scarce public budgets, ought to be compelling. Despite this, we continue to undervalue and underinvest in public space.

Action: Measure public space impacts on social, health, environment and economic development to understand its full value, and assess whether public and private projects are adding to or subtracting from the benefits.

Invite participation

It might seem obvious that public investment in infrastructure should aim to solve for multiple policy priorities. Much needed housing could be built adjacent to existing services, for example, to limit construction and maintenance costs, mitigate climate change and increase resilience. We know how to design for more than one outcome. But across government, people, goals and strategies for achieving multiple outcomes often remain siloed. The risk of slowing a project by burdening it with multiple outcomes

is enough to blunt projects, preserving margins but freezing out innovation at enormous public opportunity cost. The potential for multiple project benefits is unrealized or, worse, solves one problem but contributes to another.

Participation in public space stewardship is limited. Cities become regulators rather than city builders. Ideas, capital and a wide range of capacity exists outside government, and we are simply unable to fully metabolize that value. Community runs out of stamina while navigating processes for approval. The thing we've created in trying to protect ourselves is more damaging than the risk we've imagined we are managing against. But we can do it differently.

Action: Create processes and reporting that bring infrastructure programs together across departments and orders of government. Through clear, common goals, coherent policy and risk tolerance in support of innovation, provide predictability for the private sector, and community engagement and confidence.
Steward big and small public spaces for impact

Big green parks are needed and much loved, but benefits can also be found in smaller spaces. The federal National Adaptation Strategy goal to establish 15 national urban parks by 2030 that will conserve, and connect people with, nature and advance reconciliation with Indigenous peoples is a good thing. We can extend these benefits throughout our cities in squares, commons, waterfronts, main streets, libraries, pocket parks and even school grounds.

School grounds are an example of public spaces that exist in most neighbourhoods, often characterized by broken asphalt and eroded soccer fields behind fences. No wonder the average North American child spends less than 30 minutes each day playing outside and eight in ten kids don't meet the recommended level of physical activity (CPAC, 2023). Through our work to green more than

6,000 school grounds across the country and launch Canada's first Climate Ready School last year, we know the effect of these interventions is compelling and immediate. We can build school grounds that kids and their parents love, and that engage people in play and learning, combat climate change and build community resilience. We can bring partners and resources together to bring projects to life and make those projects work overtime, too, considering the downstream costs of the status quo. The climate related financial benefits alone at the Town of Milton's Irma Coulson Public School demonstrated a return on investment that was better than 2:1.

Action: Inventory public spaces in cities at all scales and develop a comparative framework to assess needs and access to these spaces. Evaluate triple bottom line impacts and include community and climate benefits in the design of all public spaces, including school grounds.

A mission for better public spaces

If everyone is responsible, no one is responsible. Public space stewardship lives across departments and governments. We looked for data to compare Canada's public spaces to other jurisdictions, but it's thin. We aren't sufficiently focused on the accessibility, quality and impact of public spaces in Canada because we aren't sufficiently focused on public spaces at all.

There's an opportunity for a mission approach to transform public spaces across Canada. We can bring people, ideas and resources together to support locally led projects for impact at a national scale. Evergreen is on a mission to transform public spaces in Canada for the health of people and planet, so our cities are bursting with life.
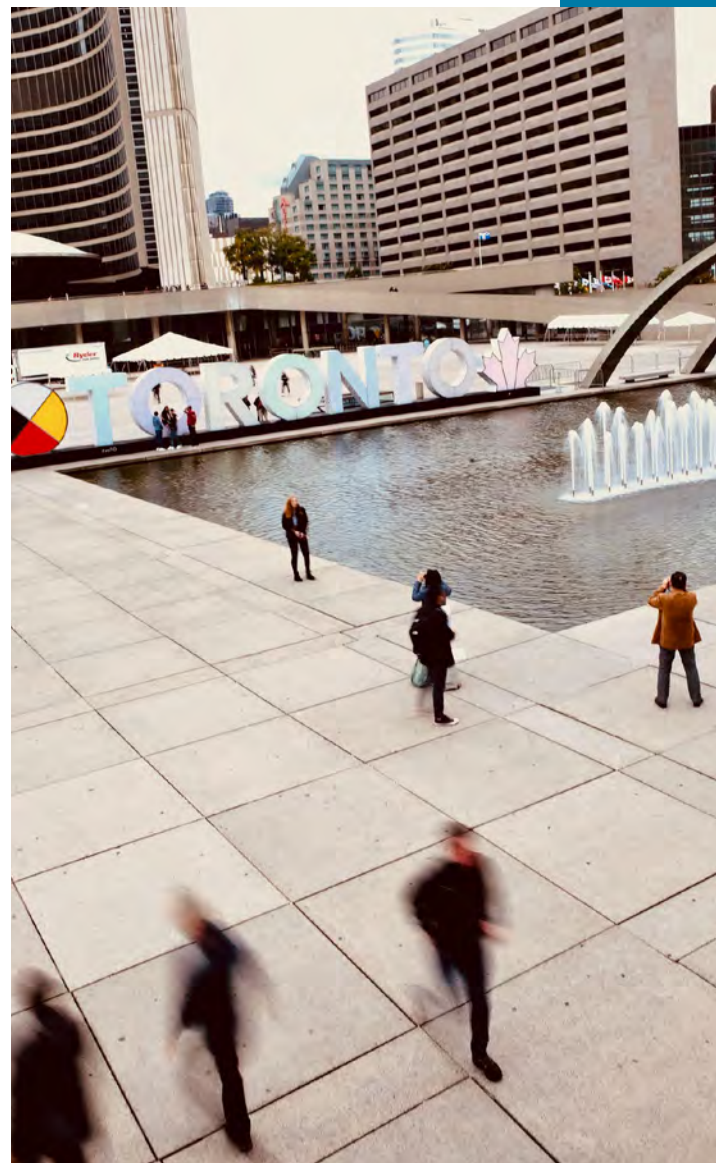
Climate Action in the Municipal Sector: A Philanthropic Perspective

Éric St-Pierre

Executive Director, Trottier Family Foundation

Éric St-Pierre is the Executive Director of the Trottier Family Foundation, overseeing the Foundation's grant making and programmatic activities. Éric has written and spoken about issues related to philanthropy and climate change, and works collaboratively with funders, charities, universities, and governments. He holds degrees in common and civil law (LLB/BCL) and a BA Honours in Political Science.

Jean-Patrick Toussaint

Senior Climate Program Director, Trottier Family Foundation

Jean-Patrick Toussaint is the Climate Program Senior Director at the Trottier Family Foundation, and is responsible for programmatic activities pertaining to cities, transport, health, as well as other strategic files. He holds a PhD in environmental sciences and sits on various committees at the Canadian Climate Institute, the Clean Economy Fund and Ouranos.

Local governments are in the heart of the action and fight against climate change, contributing to the reduction of greenhouse gas (GHG) emissions and to adaptation efforts. And rightly so, given that nearly three in four Canadians (73.7%) live in one of Canada's large urban centres, and that cities have influence over 50 percent of the GHG emissions in Canada. As such, municipalities can, and are bound to play, an increasingly important role in achieving our national climate objectives.

For instance, elected municipal officials are making strong commitments toward climate action, by making net zero pledges and adopting ambitious and clear climate action plans. However, they are faced with several challenges in their efforts to support national climate goals–challenges that philanthropy can help address strategically.

Climate Action Success

In recent years, there has been quite a spur in the number of activities and programs to support municipal climate action across the country. For instance, the federal government's *Investing in Canada Infrastructure Program* has contributed billions of dollars toward low carbon and green infrastructure, public transit, smart cities, as well as disaster mitigation and adaptation measures.

In comparison, philanthropic funding is limited, but can play a catalytic role. Numerous philanthropic investments have made significant contributions to municipal climate action. Future Cities Canada, a collaborative platform that aims at accelerating innovation to build regenerative and inclusive cities is such an example, was founded by Community Foundations Canada, other funders and the Government of Canada. The Trottier Family Foundation has also supported initiatives that are bearing fruit in the municipal climate space.

For example, the Montreal Climate Partnership was created to mobilize economic, philanthropic, institutional and community forces to accelerate the decarbonization of the metropolis and strengthen its resilience. And that is precisely what it is in the process of achieving, through tangible and demonstrated climate commitments from many stakeholders.

Another success story in which philanthropy has played a catalytic and convening role is the creation of Low Carbon Cities Canada (LC3). Through strategic granting, programming, innovative financing and impact investment, as well as networking, this model (inspired by The Atmospheric Fund) is accelerating the low carbon transition of the seven host cities.

These examples are an illustration of how philanthropic foundations can spark leadership and play a supportive role, extending and amplifying the impact of strained municipal budgets.

> The federal government's *Investing in Canada Infrastructure Program* has contributed billions of dollars toward low carbon and green infrastructure, public transit, smart cities, as well as disaster mitigation and adaptation measures.

Climate Action Advancement

The needs for substantive climate action at the municipal level are numerous, which in turn generates a great deal of interest across all sectors and governments. This can be daunting and difficult for philanthropic funders, as well as decision makers and policy makers within local governments (or even for municipal organizations themselves) to decipher who is doing what, and what warrants time and attention. Finding best practices and tools can be equally difficult.

Confusion about strategic investment can also hamper timely action. Like municipal budgets, philanthropic resources are limited, bringing funders to ask themselves which investments will lead to long-lasting systemic changes in the climate/municipal sector. Equally, this crowded space can be a challenge for municipal practitioners, given the limited internal capacity to navigate this complex landscape. Continuous agency and coordination efforts to maximize efficiencies and scaling of existing proven climate mitigation and adaptation solutions wouldn't hurt.

One example of mismatching is "nature-based solutions" in the philanthropic sector (and to some extent, in the non-profit sector). Funders may assume that adaptation efforts are taken care of through conservation and nature-based solutions programs that are being led by conversation-oriented funders. While this is not completely inaccurate, it is incomplete. Climate adaptation is not solely a nature-based challenge, and municipalities play a very important role in responding to climate change adaptation. Greater awareness of this would enrich the funding and support networks of a wide range of climate adaptation efforts.

Philanthropy for Municipal Climate Gains

There is no shortage of need when it comes to mitigation and adaptation efforts at the municipal level. From a philanthropic perspective, doubling-down on proven capacity-building and financing models that work well would be key. In our opinion, models such as the LC3 could benefit from additional support from federal and provincial governments to replicate it in other municipalities, which could help attract new philanthropic funders to this space. The recently announced multi-residential retrofit program stemming from the Greater Montreal Climate Fund (through LC3) is a perfect example of an initiative that could be replicated elsewhere, with additional support.

Another model that would benefit from additional support from all orders of government is the Montreal Climate Partnership, or local climate partnership. Considering the success of this multi-stakeholder initiative—as demonstrated by the latest Montreal Climate Summit, attended by approximately one thousand participants and government officials—philanthropic and local community foundations may be interested in investing in such a model, which helps to convene and mobilize various stakeholders that otherwise would not collaborate naturally.

Beyond such proven models, one of the key features of philanthropic foundations is that they can be nimble and agile enough to provide catalytic capital that spurs new initiatives in the municipal climate space. The MaRS Discovery District's Climate Action Accelerator to Net Zero initiative is such an example, with an objective of helping small and medium-sized municipalities secure investment funding and build the capacity needed to achieve deep decarbonization projects. If successful, such an initiative could not only help ease the burden on city staff and budgets in their decarbonization efforts, but also provide a vehicle for the philanthropic sector to help "de-risk" local climate initiatives.

In light of all of the above, it appears to us that there is not only a place for the philanthropic sector in the municipal climate ecosystem, but that it can also be a spark toward innovative climate solutions. For that spark to ignite, a well-intended fire of climate actions, strong signals and support from the federal and provincial governments could go a long way in providing the capacity, means and predictability that local governments crave. Given the confluence of the climate, affordability and economic crises, all hands must be on deck to support our communities. The philanthropic community can and will be there to play their part.

Action items

- **Leverage philanthropic investments** to generate collaborative projects with municipal and other government organizations.

- **Develop a philanthropic road map for municipal investmen**t and support to minimize the time and energy required to match resources to critical opportunities.

- **Support wider adoption of LC3s** to expand the municipal climate response.

- Leverage philanthropic investment to **convene substantial local climate partnerships** and conferences that deepen multi-stakeholder collaboration.

- Use investments from philanthropic funders to **develop research pilots for small and medium-sized municipalities.**

Building the Local Capacity to Meet the Climate Adaptation Challenge

Jeb Brugmann

Founding Principal, Resilient Cities Catalyst

Jeb Brugmann is a Founding Principal, Resilient Cities Catalyst. He has had a more than 30 year career working iwth local governments in more than 35 countries. He founded ICLEI-Local Governments for Sustainability and served as ICLEI's first Secretary General. From 2004-2016, his corporate consultancy, The Next Practice, supported a range of global companies to develop their new social impact products and services, and take them to market. Today he co-leads RCC's

Canada's cities and towns already bear substantial annual losses, harm, disruption and operating and maintenance costs associated with long-predicted climate change. As violent storms, flooding, wildfires, drought, extreme heat and related power and services outages become an annual norm, these costs will increase, and markedly so, without accelerated, annual investment in adaptation.

Beginning in 1988, Canadian municipalities took the national lead to forestall climate change and prevent such losses, planning and investing ahead of federal and provincial authorities and the private sector. Now, without specialized local government capacities for adaptation project preparation and finance, it is unlikely that climate adaptation in Canada will proceed with any greater efficacy than the last decades of climate change mitigation efforts.

Most adaptation projects will depend heavily on public revenues and public finance, and particularly on municipal finance mechanisms, given the low investment returns and the complex, place-specific nature of adaptation projects. Local governments are best positioned to manage location-tailored project designs that involve an array of stakeholders and property owners, and that will often need to be phased and adjusted, often over extended periods, as actual localized climate hazard exposures become clear within the micro-climates, -habitats, and -hydrology of each project area.

Building local project preparation capacity

To meet adaptation's unique challenges, therefore, protocols and procedures for quality local adaptation project preparation need to be established now—just as the early establishment of urban greenhouse gas management protocols in the 1990s enabled local government climate mitigation leadership. To support this process, Resilient Cities Catalyst and The Gold Standard Foundation, for instance, have prepared a local adaptation project preparation framework that addresses the unique challenges of local adaptation project preparation. Direct action includes:

- **Developing affordable but precise methods to assess localized, multi-hazard climate risks.** Most project areas are being exposed to multiple, interacting climate hazards and risks. Projects that focus on single hazards—for instance, extreme heat exposure or wildfire exposure—will not effectively reduce place-specific climate risks.

- **Updating strategies to fill gaps in localized or "downscaled" climate forecast data.** Making incorrect assumptions about the nature and timing of emerging climate risks can be costly. In the worst case it can lead to maladaptation. Therefore, standards need to be set for the use and interpretation of recent, localized weather trend data, empirical event data and modelling to make best estimates of the multi-hazard risks that each project needs to address.

> Most adaptation projects will depend heavily on public revenues and public finance, and particularly on municipal finance mechanisms, given the low investment returns and the complex, place-specific nature of adaptation projects.

- **Evaluating local planning to include assessment of effective and ongoing local adaptive management efforts.** Given the uncertainty of actual future climate conditions in specific places, local mechanisms will need to be established to monitor and take correction action if projects do not achieve targeted harm and loss reductions.

- **Make use of existing portfolio management practices to support adaptation strategies.** Brownfield redevelopment and energy system grid adaptations provide templates that have proven to be effective. These need to be more widely adopted in addressing climate risks and adaptation planning.

Considerable support has been available to build local adaptation planning capacities, but planning is only a preliminary step toward action. Priority now needs to be given to building know-how, tools and resources for local adaptation project preparation.

Local finance capacity

In an ideal world, local government would be able to count on private sector investment to cover a significant amount of adaptation costs, ranging from dramatic increases in basic road and roofing maintenance costs to the reconstruction of whole infrastructure systems (Ewart, Coffee, Miller 2023). But, the private sector will be challenged to meet the growing need. Many adaptation projects will not be revenue-generating. Even the insurance sector has not yet determined how to generate predictable returns from investments to reduce uncertain future climate losses. Even climate-focused impact funds are seeking 10 to 15 percent project returns on investment. Some adaptation projects could be integrated with revenue-generating or equity-building measures, such as micro-grid development or property improvements, but in many if not most cases, the costs of risk reduction measures will still dilute returns below this level.

It is therefore reasonable to focus on how to develop public finance mechanisms to provide the financial foundation for adaptation. Municipal experts have already inventoried the wide range of possible local government finance mechanisms that could be used (Berry and Danielson 2015; Keenan 2018; Zerbe 2019). Figure A provides an overview of the mechanisms that municipalities could deploy to generate local revenues and to leverage private sector resources for adaptation projects.

FIGURE A

Potential Local Government Financial Sources for Adaptation

Financial Sources

Off-Balance Sheet Assets
- ❑ Financial/Investment Leverage in Public Utilities/Enterprises

Balance Sheet Assets & Instruments
- ❑ Equity in Public and Quasi-Public Enterprises
- ❑ Bonds
- ❑ Public Land, Facilities & Rights of Way
- ❑ Special Reserve Funds / Property Assessed Loans

Public Revenues
- ❑ Development Cost Charges
- ❑ Community Benefits Charges
- ❑ Concession Contracts
- ❑ Utility Rates & Fees
- ❑ Service Connection Fees
- ❑ Land Value Capture
- ❑ Special Assessment Districts
- ❑ Local Improvement Charges / Special Tax Levies
- ❑ Tolls & User Fees
- ❑ Excise/Sales Taxes
- ❑ Income Taxes
- ❑ Property Taxes

Scaling Mechanisms

- Special Purpose Vehicles
- Community Banks
- Redevelopment Agencies
- Project Portfolio Structuring & Management
- Aggregated Procurement
- Risk Pooling

Financial Levers

Other People's Money
(Government / Private Sector Intersection)
- ❑ Development Approvals & Special Development Allowances
- ❑ Licensing Powers
- ❑ Procurement Requirements
- ❑ Tax Exemptions

Government & Charitable Funding, Grants, Donations

The next step is to support local finance officials and project developers in testing their applications. These finance innovation pilots will indicate where enabling legislation is most needed; for instance, to more broadly apply land value capture, or to establish "resilience district" special assessment schemes, or to issue special resilience bonds.

Portfolio management capacity

Figure A also shows the kinds of institutional mechanisms that local government can establish to scale project preparations, structure financing and oversee the adaptive management of what will necessarily be whole portfolios of local adaptation projects and investments. Canadian municipalities have creatively established specialized development agencies to address earlier complex challenges such as brownfields remediation and redevelopment. They have created portfolio management approaches to scale investments in seismic and energy retrofits across their public building inventories. They have created specialized utilities to provide more sustainable and resilient district energy supply. The tested mechanisms can now be redeployed to scale city-wide adaptation. New mechanisms, such as the creation of municipal banks—a well-used mechanism in western European countries—should now also be evaluated for this purpose.

Now is the time for a focused effort, supported by all spheres of government, universities and the private sector, on building Canada's local government capacity for adaptation.

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Emerging Trends and Challenges

The Regional Rooted in the Local

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Emerging Trends and Challenges

The COVID-19 pandemic accentuated urban problems of homelessness, addiction and mental health. While these are major problems in their own right, when they are highly concentrated in certain parts of the city (centres) they act to spur generalized decline.

One of the main impacts of the pandemic was to change peoples' perception of where they felt safe and comfortable. As a result urban populations continue to experience their cities differently than they did before. Fewer people are working five days a week in offices, public transit ridership remains muted and main streets less frequented. In order to revive cities the big problems need to be addressed, but their also needs to be specific interventions that are tailored to the particular circumstances of neighborhoods. This means community-led placemaking activities that bring people back into urban spaces that have been neglected. It also means targeted investments in civic and cultural assets that meet the needs of local residents.

Neighborhood scale and citizen-led improvements to the public realm are critical. We need to counter misconceptions about public safety and advance a more compassionate approach to people dealing with homelessness, addiction, and mental health issues. Not doing so threatens to undermine the urban fabric itself.

Placemaking has always mattered for human flourishing. There are many signs that the deep instincts driving our social innovations are alive and well. They may just need our concerted efforts to amplify their impacts on the common good.

Why Health Matters:
Mental Health, Addiction and Homelessness

There is a collision of mental health, addiction and homelessness that is playing out in our neighbourhoods. Responses must be coordinated between urban mental health, trauma-informed responses and addictions strategies, especially for vulnerable populations lacking housing options and supports.

We know that addiction and mental health issues have risen while serious crime has been decreasing. Perception, however, is that crime is getting worse. High profile crimes in public spaces, geographically concentrated (often in city centres) has had an impact on how we perceive safety (Figure 20). The increased visibility of homelessness in the form of encampments, paired with mental health struggles, makes people uncomfortable in some parts of their own city. If we don't address these realities, we risk creating localized negative cycles in our downtowns, on our main streets and within our civic infrastructure.

FIGURE 20

Crime Severity Index, 2006–2021
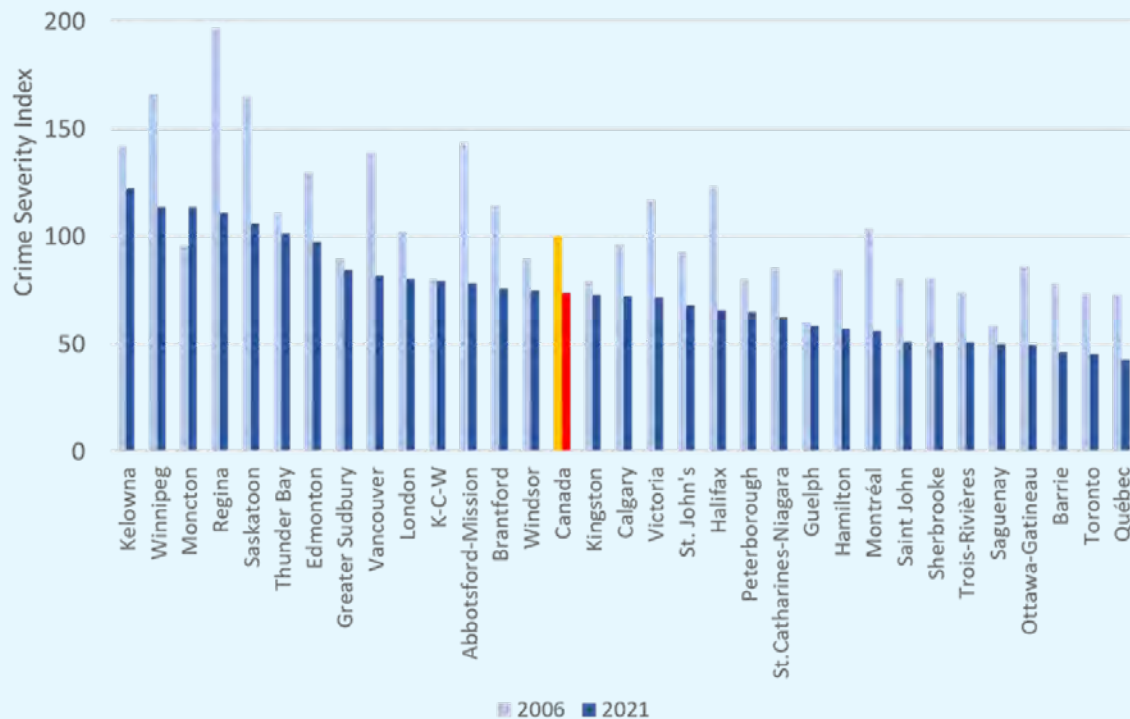
Source: Statistic Canada Crime Severity Index, 2021.

Data collected on crime and violence indicates there is a decline across most Canadian cities, but perception is trending in the other direction. According to Leger Marketing (North American Tracker (April 11, 2023), the majority of Canadians believe crime has become worse. A study in April 2023 revealed that 65 percent of Canadians believe crime and violence have become worse, with half of those respondents saying it has become much worse. This perception is highest in urban areas and Ontario has the highest percentage that says crime has become much worse (36 percent).

A study in April 2023 revealed that **65 percent of Canadians believe crime and violence have become worse**, with half of those respondents saying it has become much worse.

Addiction, mental health, and homelessness all got worse during the pandemic (Figure 21), and this acceleration led to a higher level of street-related problems that have disproportionately affected particular neighbourhoods. These problems have been acute in central areas, leaving many civil society organizations and local businesses to deal with problems they are neither trained or equipped to do properly. It has also created negative perceptions of public safety, which has the potential to create a vicious cycle of disinvestment in locations where problems are most pronounced.

> Addiction, mental health, and homelessness all got worse during the pandemic, and this acceleration led to a higher level of street-related problems that have disproportionately affected particular neighbourhoods.

FIGURE 21

Opioid Deaths in Canada by Quarter, 2016-2022
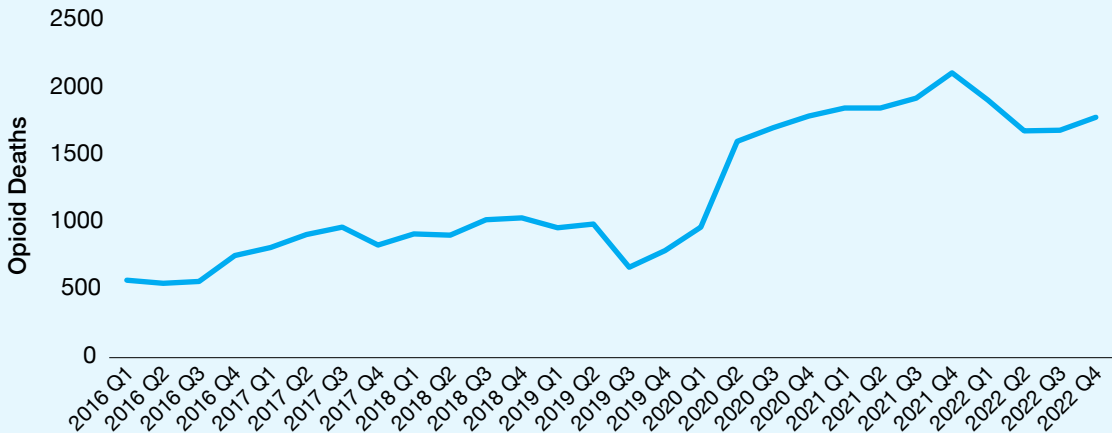
Source: Public Health Agency of Canada, 2023.

In summary, now is the time for a focused effort, supported by all spheres of government, universities and the private sector, on building Canada's local government capacity for adaptation. This may be the only way that Canada can effectively establish the kind of nationwide capacity that will be needed to manage the costly and disruptive challenges posed by emerging and now irreversible climate change.

Investing in Place-Based Solutions

Jennifer Barrett

Managing Director, Canadian Urban Institute

Jennifer oversees CUI's Bring Back Main Street and Restore the Core initiatives and leads our Applied Solutions Lab, which undertakes research, engagement, partnerships and creative problem solving to shape public policy, implement best practices and help public and private sector leaders build capacity and identify solutions.

Jennifer's diverse experience in the U.S. and Canada has focused on improving social, environmental and economic outcomes. She has worked in the public, private and non-profit sectors including affordable housing, land use planning and social development policy; land development analysis; community engagement; green industry and economic development initiatives. She has served as a municipal representative for the federal Homelessness Partnering Strategy and the Canadian Municipal Network on Crime Prevention, and as a participating member of the Canadian Institute of Planner's New Urban Agenda Committee. She is a Registered Professional Planner and holds a Master's degree in Urban Planning from McGill University.

Main Streets – an urban 'form' which exists in every community in Canada, regardless of geographical size or population – are the critical organizing unit of every healthy community. Whether they operate at the scale of a city block or a four-corner intersection in a small town, everyone knows where their 'main street' meeting place is and why it matters. These units of social and economic organization are the nexus of civic life and 'innovation' of every kind. They are the key asset underpinning community cohesion forming the essential building blocks of civic infrastructure in every place. CUI recognizes that main streets, coupled with downtowns, are the principal geographic units for urban problem-solving. They are where economic, social, and environmental factors meet. Main streets are where the natural and built environment intersect – a vital mixing of people and place.

Main streets are the economic and social centres neighbourhoods and cities. They contain a concentration of independent businesses, historic buildings, public spaces, essential community services, and civic institutions. This close network of amenities form the heart of communities and foster a sense of belonging and attachment. In all places and all cultures, they play a critical role in local economies, social cohesion, public safety and livability. The familiarity, convenience, accessibility, and social exchange on main streets, creates strong community connections. We are re-learning just how critical they are to health and resilience in neighbourhoods.

The need for community connections was never more clear than during COVID-19 when people's mobility was constrained and they became even more reliant on local resources. Neighborhoods with vibrant main streets – full of amenities and service options – fared much better than those without. Eric Klinenberg observed in his seminal work "Heat Wave" detailed the tragedy that resulted from spatial isolation. Neighborhoods with poor social connections were fatally vulnerable in the 1995 Chicago heat wave. COVID revealed just how critical the connection forming role of main streets is to all of us. When we have what we need nearby, we experience not only greater livability – but better survivability, particularly in times of crisis.

> The need for community connections was never more clear than during COVID-19 when people's mobility was constrained and they became even more reliant on local resources.

The COVID-19 crisis exacerbated pre-existing challenges. Its lingering presence has left indelible impacts on Canada's cities including housing affordability, homelessness, mental health, and social isolation. Perennial issues have all been amplified and are playing out vividly on our main streets and downtowns. Across the country we continue to see a very slow return to 'normal', with persistent declines in visitors, workers, and customers to our main streets and downtowns. We have also seen a steep drop in public transit ridership. At the same time, there is a growing need for public space, active transportation infrastructure, and services such as isolation/warming/cooling centres, mental health supports, emergency and supportive housing, and other vital services for vulnerable and equity-seeking, under-served populations.

By the numbers

- Initial research by CUI has identified **23,710 main streets across Canada**.

- Situated along those Main Streets are **316,935 businesses,** representing **29 percent of all businesses in Canada**.

- Of these businesses, roughly **93 percent employ fewer than 100 employees**, classifying them as a small business in Canada.

- Those businesses **employ roughly 4.1 million people** and generate $654,515,250,017 – or **$654B – in annual sales revenue**.

- That translates into **26% of Canada's total employment.**

- And **23% of our total sales revenue**.

Main streets matter economically. But main streets also contribute significantly to our social resilience. They anchor neighborhoods with banks, libraries and community centres as well as public services like postal stations and health clinics. According to the 2021 census, approximately 72 percent of Canadians (26 million) live within a ten-minute walk from their local Main Street. One in four working Canadians is employed by a main street business, generating an almost equal share of our total sales revenue. And a whopping 33% of our total GDP.

WE are emerging from the economic and social impacts of COVID. A walk along any Main Street tells you a nuanced story about that emergence. In nearly every community, there are boarded up storefronts and restaurants unable to resume pre pandemic activities because of staff shortages. The demands of debt-servicing from the pandemic created additional hardship and legacy businesses are struggling with succession planning. Long-time anchor businesses, like chain stores, are leaving as head offices shift their strategies. There is also the elevated presence of people needing shelter and/or mental health supports. They seek shelter along streets and alleys and are encamped in local parks and parking lots. This can make the argument for the importance of main streets even more difficult. Residents report feeling unsafe and view main streets and downtowns as unwelcoming for a diversity of people and activities.

As federal, provincial and local governments establish investment priorities to strengthen communities, there is a prime opportunity to demonstrate the critical role of Main Streets as primary civic assets. Communities throughout the country need strategies that empower the stewards of main street properties and organizations to work with their communities to repurpose and/or redevelop these sites in ways that support community needs. This moment is an unprecedented opportunity for Canada to invest in these essential civic assets as a form of resilient infrastructure. But there are many logistical and policy considerations — and challenges.

Without Main Streets, where does our sense of community, attachment, and belonging come from? A city, as a community, is the sum of its constituent parts, a place for interaction and exchange, to share. Technology continues to provide opportunities for connecting across geographies, but it will never replace the critical importance of proximity to services and goods and experience we derive from our local places. Better, technology can enhance our local experiences, as with the services of Digital Main Street, and the myriad of digital programs now offered – at no charge – at your local library.

As we saw during COVID, as in any emergency, you need your neighbours, suppliers, service providers, and social supports close by. Adjacency matters. As we anticipate whatever our next collective challenge may be, now's the time to double-down on putting in place the best enabling conditions to ensure vibrant and resilient Main Streets. Cities and small communities should be considering a range of practical strategies:

- **Incentivize new forms of housing along Main Streets that do not displace existing residents or jeopardize the tenancy of smaller independent businesses.** Intensification is often met with vehement neighborhood resistance. People have concerns about neighborhood character, parking, and negative impact on already- strained municipal services. The financing costs of condo projects tend to displace independent street level retail with larger chain store tenants who are looking for a larger footprint and deeper pockets. These new spatial and economic realities are eroding the character and uniqueness of local areas, replacing unique, small scale, affordable retail with a monoculture of big-box street fronts.

- **Municipalities must develop tools to intensify neighborhoods and main streets in a more coherent, thoughtful manner that boosts diversity of uses and users.** The ingenuity of local residents, combined with the planning and design expertise of the city building community, has the potential to disrupt the homogenization of places and spaces, and remake main streets as dynamic and thriving.

- **Explore new approaches to tax reform which support independent businesses that strengthen neighborhood identity, attract visitors and support local consumers.** Main streets have unique needs and provide unique opportunities. Taxation structures need to be developed that are much more tuned to the economic and consumer dynamics that characterize the various types of main streets in our communities.

- **Support place-making and street activations that improve cultural and community life for people living near main streets and in turn draws people to the richness of main street life.** Places like Melbourne, Australia learned that establishing significant numbers of small business suited to the compact spaces of dense areas like main streets becomes a strong positive generator of change. Main streets have the available infrastructure to support intensification if used wisely and well.

- **Identify how main street intensification – both commercial and housing – can generate significant interrelated benefits** including lower GHG emissions, greater economic resilience, improved quality of life, more efficient delivery of city services (water, sewer, utilities) and greater intergenerational and intercultural exchange. In most cases, there are assets in place that make these exchanges possible, including mixed use commercial and residential spaces. For a very long time, we developed communities and cities with shops and venues at street level and housing above that. We may find that a return to these patterns along with a better use of them where the currently exist, addresses many of our most urgent needs.

- **Keep learning and research close to main street.** Educational facilities, particularly post-secondary institutions, benefit from and contribute to the value of compact and active main streets. There was a reason that primary retail began and grew on main streets historically. The efficiencies and overlapping networks provide a context where learning and development can be realized together. Municipalities can use a range of tools to encourage main street institutional growth or relocation.

- **Prioritize people as the focus of main street.** The very nature of compact, intensified development requires that human mobility is as easy and efficient as possible. That means ensuring that vehicle traffic is not the primary driver of main street design or re-design. This is a challenging idea in an era where large suburban power centres with drive-up formats have been dominant. The limits of car-dependent development are beginning to show. Main streets that favour the human scale and serve that priority well will recognize significant local and tourism benefits.

Mental Health City Challenge Snapshots

The <u>Big City Executive Partnership</u> is made up of City Managers from Canada's largest cities. The partnership is committed to improving information-sharing, identifying shared challenges and providing opportunities to work together on solutions. Across Canada's largest cities, common challenges represent an opportunity for deeper collaboration and mutual learning.

Halifax

In 2022, Halifax Regional Police:

- Responded to 4,290 calls for emotionally disturbed persons (up 3.8 percent).
- Responded to 651 calls for Involuntary Psychiatric Act (IPTA) forms (up 13.6 percent).
- Spent 4,653 hours waiting in hospital for psychiatric assessments to be completed.
- The RCMP saw a 44.7 percent increase in IPTA calls, and spent 706 hours at hospital.

In 2023:

- A point-in-time count identified 586 individuals experiencing homelessness, a 675 percent increase since 2018.

In 2023-2024:

- The municipal budget for encampment site management is expected to nearly double ($390,000), due to the increasing number of sites.

Source: Halifax Regional Municipality.

Vancouver

- Between 2019-2022, there was an increase of 126.6 percent in illicit drug toxicity deaths in the province.
- Between 2012-2022, there was an increase of 764.6 percent in illicit drug toxicity deaths in Vancouver.

Source: Government of BC.

- Post-pandemic, the Vancouver Public Library reported 2,218 general incidents, a 200 percent increase in incidents requiring police or ambulance attendance.

Source: Canadian Urban Libraries Council.

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Toronto

- Between 2014-2021, amphetamine-related emergency department visits to the Centre for Addiction and Mental Health rose from 1.5 percent to over 9.9 percent.

- In 2022, the Toronto Public Library reported 3,908 incidents, with 24 suspected overdoses.

Source: Canadian Urban Libraries Council.

- Violence on public transit was up 46 percent, to 1,068 incidents, putting strain on policy services and other support services.

Source: https://www.cbc.ca/news/canada/toronto/violence-ttc-stabbing-1.6793927

- In 2023, the City increased its annual police budget by $48 million, a total of more than $1.1 billion.

Source: Toronto police board approves proposed $48M funding increase despite criticism | CBC News.

Edmonton

- In 2020-2021, the City's 211 resource line received 14,243 additional calls year-over-year.

- Between January and June 2023, transit facility drug use increased from 506 to 866 incidents and overdoses on transit increased from 65 to 80.

- Between April and May 2023, Emergency Management Services reported a 68 percent month-over-month increase in opioid-related events.

Source: City of Edmonton.

Ottawa

- Between 2020-2022, there was an increase in opioid deaths, averaging 137 deaths per year (a 112 percent annual increase compared to 2019).

Source: Ottawa Public Health.

- In 2021, one in four Ottawa residents (26 percent) rated their mental health and emotional well-being as "fair" or "poor" versus 6 percent in 2015. During this time, the visibility of issues became concentrated in core areas of the city.

Source: Ottawa Community Engagement Team.

Calgary

- In the first three months of 2022, there was an 8 percent increase in violent crime in central Calgary compared to the five-year average driven mainly by "common assaults."

Source: https://calgaryherald.com/news/local-news/building-bridges-to-a-safer-downtown

- In early 2022, the city was on pace to have its worst year ever for weapons-related incidents, with the core logging a 19 percent increase in incidents year-over-year.

Source: https://calgaryherald.com/news/local-news/building-bridges-to-a-safer-downtown

- In 2022, the Calgary Public Library reported 662 incidents.

Source: Canadian Urban Libraries Council.

Canada's Housing Crisis: Five Ways to Solve It

Carolyn Whitzman

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Carolyn Whitzman is a housing policy consultant. She is Expert Advisor to the Housing Assessment Resource Tools project based at UBC, which has developed best practices for doing housing need, land, and acquisition assessment, using detailed, open data. She has provided expertise to national, state/provincial and local governments, UN Women, UN Habitat, and private and non-profit organizations.

The cost of housing has become the number one issue for Canadians, with average rents up 20 percent between 2021 and 2023 and house prices doubling between 2015 and 2021. Unsheltered homelessness has doubled since 2018. Two full-time minimum wage workers can't afford an average one bedroom apartment in almost any city in Canada. The average cost of ownership, which was 2.5 times average household income in 1980, is now 8.8 times across Canada, 11.4 times in Toronto, and 13.5 times in Greater Vancouver. House prices would need to be less than one-third of what they are now nationally, less than one-quarter of what they are in Toronto and less than one-fifth of what they are in Vancouver, to once again be affordable to moderate income households, as they were 40 years ago.

By any standard, Canada is in a housing crisis, a crisis that has been caused by decades of federal inaction. There are 1.45 million Canadian households, disproportionately renters, who are in core housing need: they are paying more than 30 percent of their income on housing costs and/or are living in overcrowded or uninhabitable homes, and unable to find affordable, adequate housing in their area. Add to that the estimated 235,000 people who are homeless, 2.2 million college and university students who aren't even included in core housing need, 700,000 people

who are in congregate housing (ranging from group homes for people with disabilities to long-term care to rooming houses), millions of adult Canadians who are involuntarily "doubling up" with their families or friends, and millions of households, including those with young children, who are "driving until they qualify" for an affordable family-sized home near where they work. Fewer homes were completed last year than in 1972 when Canada's population was half the size. The Canada Mortgage and Housing Corporation has called for tripling housing supply from the current level of 220,000 homes per year, to 725,000 per year or 5.8 million homes by 2030. Canada does need six million homes over the next decade—and probably that quantum for two more decades as well—but the key questions of who needs what housing where, and at what cost, must guide leadership on this issue.

> The Canada Mortgage and Housing Corporation has called for tripling housing supply from the current level of 220,000 homes per year, to 725,000 per year or 5.8 million homes by 2030.

The scale of the problem seems unsolvable, but that is far from the truth. It just takes political will. Here are five ways to solve the crisis:

A revised infrastructure-based National Housing Strategy, with clear definitions and targets, including affordable targets for provinces and municipalities

The current federal government adopted a National Housing Strategy Act in 2019 that pledged to realize the right to affordable and adequate housing for every person in Canada, with an emphasis on those in greatest need. But thus far its progress toward stated targets for housing need and homelessness has been stalled, with only three percent of homes created through its most expensive program, the Rental Construction Finance Initiative, affordable to households in core housing need. The problem is that most programs don't reflect the federal government's own definition of core housing need. The Housing Assessment Resource Tools (HART) project at the University of British Columbia analyzes census data by income category, household size and priority population using five income categories (see Figure B):

- Very low-income households earning less than 20 percent of area median household income (AMHI) can afford a maximum of $420 per month.

- Low-income households earning 21-50 percent of AMHI can afford a maximum of $1,050 per month.

- Moderate income households earning 51-80 percent of AMHI can afford a maximum of $1,680 per month.

- Median income households earning 81-120 percent of AMHI can afford a maximum of $2,520 per month.

- Higher income households earning more than 120 percent of AMHI.

FIGURE B

Core housing need analyzed by income category

Income Category	Households (%)	Households (#)	Maximum Income ($)	Maximum Shelter Cost ($)	% in CHN	# in CHN
Very Low (0-20%)	2%	300,000	$16,800	$420	69%	199,615
Low Income (21-50%)	18%	2,700,000	$42,000	$1,050	37%	921,035
Moderate (51-80%)	19%	2,850,000	$67,200	$1,680	11%	293,685
Median (81-120%)	21%	3,150,000	$100,800	$2,520	1%	35,260
High (121%+)	40%	6,000,000	n/a	n/a	0%	1,435
Total	**100%**	**15,000,000**	**-**	**-**	**-**	**1,451,030**

We need to "reverse engineer" from these housing costs to develop policy that can enable homes that are environmentally sustainable, accessible, well-located and will allow households to pay the rent while having enough money left over for food and other necessities.

A housing-first program to eliminate homelessness

Finland has eliminated chronic homelessness through providing non-market homes, with supports where necessary. This is what it looks like when policy works (see Figure C):

Canada could do the same, but does not collect accurate, timely and consistent data on the numbers of homeless people, so gains and losses are invisible. The Rapid Housing Initiative is the only federal program that has addressed the supply needs of very low-income households, with 10,000 homes created or in progress.

FIGURE C

Annual Homelessness Counts, Finland, 1987-2022

Legend:
- With friends and relatives
- Outdoors, in temporary shelters
- In institutions
- Homeless families
- No data
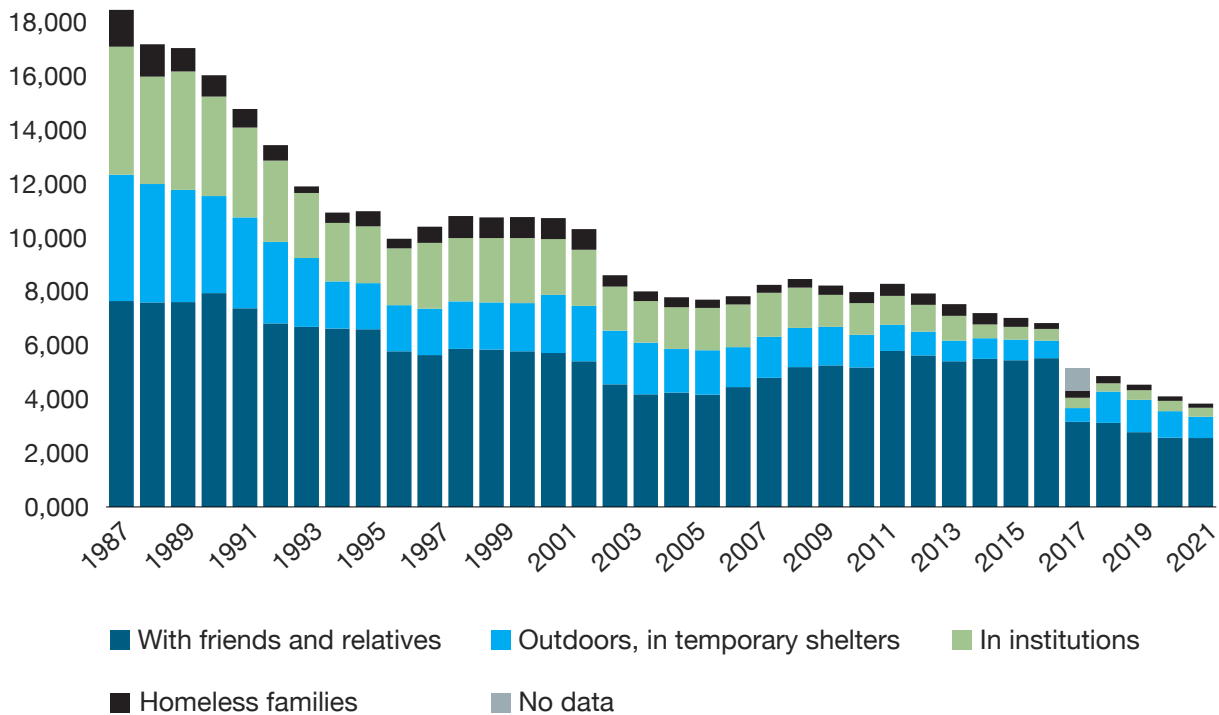
A social housing program that can double non-market homes – for a start

Most of Canada's social housing was constructed before the early 1990s, when the federal government withdrew from programs that were effectively delivering at least 10 to 25 percent of total housing completions. Multiple reports, ranging from the Canadian Housing Renewal Association to Scotiabank, have recommended that Canada double the number of non-market homes, through a combination of new build and acquisition of rental homes at risk of losing affordability, to reach the averages recommended by the Organisation for Economic Co-operation and Development.

Scale-up purpose-built rentals that include renter rights

Bring back taxation fairness for rentals, including eliminating the HST on new construction; eliminate exclusionary zoning that restricts well-located urban land to single-family house forms; and revise the National Building Code to enable small apartment buildings with larger units to be built. A national approach to stem increasing evictions and ensure renter rights is also necessary. Six percent of renters were forced to move between 2016 and 2021, and 80 percent of evictions were unrelated to tenant behaviour.

Make the housing tax system fairer

In 2010, 94 percent of government subsidies went to homeowners and six percent to renters. The tax system hasn't changed much since then. Renters indirectly pay higher property taxes through multi-unit rates, hefty development charges disproportionately punish higher-density housing over suburban sprawl and homeowners are incentivized to treat their homes as investments through the capital gains tax exemption. While income taxes are progressive, property taxes are highly regressive. A progressive property wealth tax has been suggested by numerous organizations concerned about increasing generational disparities.

Insight for Action on Healthcare and Homelessness: Linking the Local with the Large Scale

Dr. Andrew Bond

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Co-Chair, Canadian Network for Health and Housing

Andrew Bond is the Medical Director of Inner City Health Associates in Toronto, one of Canada's largest community health organizations. He is one of Canada's inaugural National Health Fellows, a member of a number of the Province of Ontario's health transformation and digital health innovation committees, and has served as a policy group member of the Royal Society of Canada during the COVID-19 pandemic.

Cities are quintessentially complex systems – we don't, however, broadly apply lessons of systems thinking, complexity science and design to many of our greatest urban challenges. The COVID-19 pandemic threw all cities widely off their pre-existing equilibria and trajectories and exposed both their respective strengths and, unfortunately too often, their flawed underbellies.

As a 'big event disruption', the pandemic embodied a simultaneous rending – at full societal scale – of our families, neighborhoods, communities, clinical and public health institutions and economies and surfaced deep differences and new solidarities around values, social trust and the legitimation of knowledge. What was unequivocal through all the disruption, loss and now stuttering recovery, has been the profoundly disproportionate burden borne by structurally marginalized individuals and communities across Canada - those who are racialized, Indigenous, living with mental illness, struggling with poverty, are unhoused, face harmful substance use, are justice-involved, or are newcomers.

As we look ahead to recovery and our collective striving for a societal reset, our health and social policy strategies would do well to incorporate some perspectives from complexity science and systems thinking to guide our urban imagination and collective organizing.

Lens 1: Learning from emergence – from tactics to trajectories

Emergence is the property of unexpected novelty occurring within complex and chaotic systems, new properties that couldn't have been easily seen – or seen at all – prior to their occurring. For the >250,000 unhoused people living in Canada every year, COVID posed a maddening and impossible situation: remain in shelters at predictable great risk or seek safety wherever you think you can. Much was done to de-risk shelters of course, but the problem is structural and so ultimately not significantly mitigable, despite immense resource deployment, support team efforts and distancing rules. As thousands of people day-over-day struggled on the margins of society, the travel and particularly hotel industry had collapsed, as had the demand for full-time office space as work was virtualized then hybridized. Two very different spaces of the pandemic emerged, which were about to connect – with the newly available relatively low cost space that was ready-made for service support, a new kind of shelter was born across the country: the shelter hotel. Safer for public health, much more dignified and with the space, infrastructure and resourcing to support numerous health and social care services beyond which could as readily be accommodated in congregate shelters, hope for a possible better future co-existed amidst the devastation.

While severe economic pressures are now threatening the sustainability of these new spaces of support, some are informing a new kind of supportive housing that will grow from legacy shelter hotels. Others across the country have learned from the new integrated health, social care and public health services to spread their impact across local and regional healthcare systems. In other cases, new models of shelters

which – while not hotels – are incorporating the learning and design elements of these emergent experiments. We must continue to intentionally learn the lessons of emergence and translate these tactical responses into our repertoire of policy and system-design strategy.

Lens 2: Strategy from sectors to systems

Long have we collectively bemoaned the difficulties and liabilities of the sectoral institutional structure of public bureaucracies. Yet at the same time we largely continue to studiously avoid serious attempts at thinking beyond sectors – institutional path dependency is immensely powerful and attempts to shift into hybridity or something beyond require imaginative clarity and herculean effort. Language has a power of its own, and so to loosen the grip of the 'sector', the following will suggest it may be helpful to shift instead to 'system'.

Intersecting Systems

Speaking of 'healthcare' and 'housing' as unique sectors obscures that fact that no more than 30% of health outcomes are influenced by 'healthcare'. The average age of mortality for unhoused people is approximately 40. Housing contributes immensely to the production of health and well-being and protection from disease and injury; in fact, it's one of the most powerful tools we have. How could we possibly not design our public strategies for health with an intentional and deep intersectional approach to housing and healthcare?

> Housing contributes immensely to the production of health and well-being and protection from disease and injury; in fact, it's one of the most powerful tools we have.

Our approach to economic policy is even worse than housing when thinking in systems and health. Much has been written about the impact of inequality itself – not simply the fact of poverty or economic deprivation – on overall societal health. That lesson has clearly not yet been absorbed; to be clear, economic policy is one of the central pillars of health policy. What I'd like to suggest is that the production of health should be seen as an investment rather than a cost-centre. Our collective strength, capability and production demand health, advanced democratic economies will increasingly find their comparative advantage in the kind of well-being they make possible for their citizens, and that the industries responsible for the production, protection and care for health make up some of the largest and most innovative economic engines in our society.

Spaces and Places

One of the most damning failures of health systems in North America and Europe has been the shift of mental healthcare from institutional facilities to the community that occurred in the 1960's and 1970's. Since the 19th century, mental health systems had been shaped by the practice of confinement and institutionalization in various forms. While the shift from widespread institutionalization to community treatment was rightly grounded in the values of human dignity and autonomy, community mental health care has neither been resourced nor designed with the intensiveness of services required. Over time, entrenched poverty, homelessness, criminalization and their intergenerational impact across families have multiplied the scale that now shapes entire neighborhoods and urban regions. With intensive and intersectional strategies designed to simultaneously address community mental health care, housing, economic stabilization and training and skills development, it is still possible to reverse the damage done.

Lens 3: The design is in the details: the need for policy ethnography

Experiences like mental illness or homelessness are not singular phenomena. While acute homelessness is usually a reflection of an unexpected social or economic event in the context of a vulnerable individual or family, chronic homelessness is more often a final common pathway to economic and social structural marginalization. Most serious mental illnesses involve a combination of genetic predisposition and a significant stress or traumatic trigger event or series of events.

The generality used in these descriptions – 'social and economic events' and/or 'marginalization', 'stress', 'trauma' - should not be mistaken for vagueness, they are spaces of common experience across phenomena. While one may know something about homelessness or serious mental illness generally, it's not possible to know much about any particular condition without getting to know the person affected and their context in fairly rich detail. From a policy systems perspective, it is critical to connect the

richness of clinical and community knowledge to the process of policy formulation and the implementation of policy through the same community and individual service and support channels. Community-engaged policy making and implementation is not only about representation and participatory governance for the sake of representation itself – although it is that too of course – but is about the development of a sufficiently accurate understanding of the variety of situations and problems needing solutions to develop appropriately tailored responses with implementation plans that involve those actually able to deliver the intended outcomes.

This is the 'how' of complex social policy and practice for urban governance, and the processes involved thus must involve and build upon the kinds of knowledge and value relationships and networks that make up the tapestry of urban life across the country. An ethnographically-informed policy process will ensure that our systems of support, service and social life meet the needs and aspirations of the real people that animate our urban landscapes. It is also critical to 'humanize' our systems thinking which requires such tethering to ground what can otherwise become an at times overly abstract – if powerful – way of thinking and organizing our policy practice.

> An ethnographically-informed policy process will ensure that our systems of support, service and social life meet the needs and aspirations of the real people that animate our urban landscapes.

For More Housing and a Confident Future, Let's Change How We Work Across Orders of Government

Scott Pearce

Mayor of Gore, Quebec, President of the Federation of Canadian Municipalities

Scott Pearce was first elected in November 2004 as the Mayor of the Township of Gore. Scott became president of FCM in 2022. He has also been the Warden of the RCM Argenteuil since 2014, President of the Conseil des préfets et des élus des Laurentides and a member of FCM's Board of Directors since 2009. A proud Canadian and Quebecer, Scott is a strong voice for Canadian municipalities.

Growth is an inescapable fact of life in Canada in 2023 and is necessary for our nation's long-term success. Having recently surpassed a population of 40 million people, every corner of Canada is turning attention to the opportunities that come with a growing nation. Growth also demands adaptation, and nowhere is this felt more urgently than in parts of the country where housing is already in short supply.

Many cities are growing at a faster pace than even the national rate. All of Canada's major urban centres are feeling the pressure not just on housing, but in the need for expanded services, core infrastructure maintenance, support for the most vulnerable and more traditional responsibilities such as waste collection and water treatment.

Regardless of where you find them in Canada, our cities are where the crises of housing and homelessness become real. It is no surprise, then, that people from all walks of life are looking to their municipal governments for solutions to that most essential of human needs: accessible shelter. And sometimes municipal officials bear the understandable frustration and anxiety of a nation in search of solutions to the increasingly complex

problem of creating more homes, and to do so more quickly. According to the Canada Mortgage and Housing Corporation, Canada needs some 3.5 million homes above the current trend in just a few short years to have a chance at restoring affordability.

And, we know that increasing the supply of market-rate housing is only one part of addressing housing affordability for everyone. Increasing the supply of non-market housing, including co-op housing and affordable rental, is still critical for all orders of government to address.

The truth is that the challenges of accelerating housing supply are complicated and wide-ranging. Interest rates have risen, adding to the cost of building homes and reducing Canadians' buying power. Prices for construction inputs like structural steel and concrete are up over 50 percent since 2020, according to RBC. And the labour force vacancies in the construction sector continue to lag behind other industries—a gap that stretches back to the start of the global COVID-19 pandemic.

In the midst of a genuine crisis, it is tempting to lay blame with each other, with a different order of government or with a political opponent. Municipal leaders have largely resisted that urge, because we understand the challenges are too immediate and that Canadians' needs are too great.

Municipalities of all sizes also know we have an undeniable responsibility to address this challenge. Municipalities don't build most homes, leaving it largely to the experts in the private and non-profit sector. But there's a clear role for municipal governments to play in setting the conditions for growth. We know we have to deliver.

That's why many municipal councils across Canada are having the complex but necessary discussions about modernizing planning processes and updating zoning bylaws. Toronto recently voted to approve more multiplexes in the city. Vancouver council has also followed suit, voting to approve the expanded development of multiplex residential structures in single-family neighbourhoods across the city, adding greater density. Halifax has reduced permitting wait times, yet construction delays outside of municipal control saw thousands of permitted units yet to break ground in the spring of 2023. Cities such as London and Brampton are working with the federal government to build new housing units, made possible by a combination of federal support through the Housing Accelerator Fund and municipal leadership to expedite the process. More cities are expected to benefit from this innovative program in the coming months—a program that the Federation of Canadian Municipalities (FCM) fought hard to achieve over many years.

These examples and so many more are proof of the leadership flowing from city governments, often in partnership with other orders of government. Blame does not work, but collaboration does.

There's much more to do. For lasting solutions, all orders of government must grow beyond the current outdated model. Municipalities cannot simply approve new housing units without also being able to provide the necessary infrastructure and services that underpin new housing development—and property taxes and transit fare revenue are already stretched thin. Canada's municipalities have laboured for over a century in a constrained fiscal reality that has limited their ability to adapt to the kind of ambitious growth Canada is facing in 2023.

With Canada's population forecast to grow by roughly half a million new permanent residents each year, the FCM is leading a national discussion around a new Municipal Growth Framework that aligns municipal revenue with population growth and economic growth. This is the concrete, meaningful action that not only municipalities must take on, but also the provincial/territorial and federal orders of government must join as well. New revenue—whether by maximizing existing tools, creating new tools, or enhancing federal and provincial transfers—are essential if cities are not only to share in Canada's growth, but lead it.

As municipal leaders, we have endless faith in the hard work and innovation of local governments to put the conditions in place to build more homes for Canadians. The path to success requires all orders of government to come to the table and work through the problem together in a spirit of cooperation.

Action items

- **Continue to lead on community housing** to support the most vulnerable.
- **Make full use of programs** such as the federal Housing Accelerator Fund through municipal leadership that expedites the process.
- **Engage in the Municipal Growth Framework discussions led by the FCM** on population growth and revenue tools to support that growth.

Community Safety and Wellbeing Policy Priorities: Post-Federal Budget

Peter Sloly

CEO, Sloly Solutions, Inc.

Peter Sloly is the CEO of Sloly Solutions Inc. and a member of CUI's advisory board. He is an expert in justice sector modernization, community safety and well-being strategies, and human/privacy rights. His mission is to build smart, safe cities and inclusive sustainable societies. His motto is "others before self, compassion for all".

The following excerpt is from a national news article (April 3, 2023) covering the official start to the City of Toronto's mayoral by-election: "Mayoral hopefuls took turns framing themselves as the only challenger capable of tackling growing costs of living, deteriorating city services and a rash of random violence that have stoked fears Toronto is a city in decline."

This article identified the range of public safety challenges that the candidates would have to deal with, including increased shootings in public spaces, deadly incidents on mass transit, and an expanding range of community safety and well-being risks to persons dealing with homelessness, mental health and addictions. All this, while Torontonians were also concerned with rapidly rising interest rates, inflation, the cost of living and municipal debt.

We know that cities have limited financial and legislative ability to address such complex and vexing safety issues, among the host of additional challenges. This is why the winner of Toronto's race for Mayor, Olivia Chow, immediately and publicly requested support from the provincial and federal governments.

Crime, policing and public safety were election priorities in Canada's biggest city, amid a host of ongoing community safety and well-being crises that are plaguing every urban and suburban community from coast to coast. Despite this, there was almost no reference to these issues in the 2023 federal budget.

Cities across Canada have stories and statistics to highlight the unrelenting and tragic public safety issues. Yet there is also hope, because urban centres like Vancouver, Edmonton, Regina, Peel Region and Toronto are developing new alternatives to police services to address mental health and addiction calls; new, "integrated human services" operations to address the range of unique human needs in our cities; and new, disaggregated demographic-based data collection and analysis to accurately describe needs and evaluate new service solutions.

These community-led, City-supported initiatives need greater levels of coordinated, committed support from provincial and federal governments, academic institutions, private foundations and other civil society partners. Without this, it will be difficult to sustain or scale these promising programs. Institutional support is essential for programs to reach their full potential in helping the most marginalized communities and the most victimized persons attain safe, healthy and productive lives.

> Institutional support is essential for programs to reach their full potential in helping the most marginalized communities and the most victimized persons attain safe, healthy and productive lives.

All three orders of government have a role to play to ensure there is sufficient capacity for local human services organizations to work better together by addressing issues further upstream. We know that improving the social determinants of health (including community safety and crime) requires cross-system collaboration.

There are three things the federal and provincial governments can do to improve community safety and well-being in all cities, for all Canadians:

- **Require that 25 percent** of all Public Safety Canada (PSC) federal transfer payments and Solicitor General and Attorney General **grants be allocated to non-police organizations** that are directly involved in integrated service delivery programs operating in the pre-criminal space or "alternative response to police" programs for persons in crisis that focuses on health, prevention, community safety and well-being. Examples of such programs that are well established and documented in large Canadian cities include the City of Surrey's Mobilization and Resiliency Table; the City of Toronto's SafeTO strategy and Toronto Community Crisis Service; and the Edmonton Police Service's Heavy Users of Service and Police and Crisis Team programs.

- **Require PSC to oversee the RCMP such that contract policing locations in Canadian cities prioritize, adequately resource and directly support integrated service delivery programs** and alternative response to police programs, as described above. This is important because many urban, suburban, rural and Indigenous communities are served directly through local contracts with the RCMP.

- **Require that PSC transfer payments and Solicitor General and Attorney General grants to urban centres clearly demonstrate and prioritize effective implementation** of the relevant recommendations from recent Commissions. Recommendations that are related to the police and justice system were provided by the Truth and Reconciliation, Missing and Murdered Indigenous Women and Girls and Mass Casualty Commissions. Local implementation is largely dependent on municipal tax base funding. Money should not be, but often is, the major inhibitor or enabler of implementing Commission recommendations.

Why Mobility Matters: Transit and Infrastructure Investment

Urban regions need affordable and reliable transportation and resilient infrastructure to thrive; however, municipal budgets, patterns of growth and continued fiscal challenges threaten functional and sustainable infrastructure that supports growth.

We have long known that car dependent transportation is costly for cities. That knowledge is increasing and we now understand that once urban regions get to a certain size, they can only continue to grow if there is a shift away from car dependency. One way this is reflected is in the greater use of public and active transportation in larger urban regions. Density makes public transit more cost effective, but when growth is car dependent, commutes get longer in duration. This is typical in larger urban regions and can be a factor in out-migration, as commuting affects quality of life.

This dynamic is also apparent where accessibility by public or active transportation is greater in larger urban regions, but significant disparities between the downtown and suburbs contributes to the suburbanization of poverty. The challenge is that as cities grow, they tend to need exponential increases in public transit investment. Many municipal governments are faced with a difficult decision: should they invest in costly public transit infrastructure ahead of demand?

There are benefits to public transit, such as increased private sector investment in housing and commercial construction. Transit and active transportation are essential for density and quality of life, as well as having significant environmental benefits. The challenge is shifting vehicle-based dependency to other modes while sustaining the transportation needs that cities face daily.

This section focuses on the importance of infrastructure, including public transit systems, in the future of urban regions—connecting people with jobs and goods with markets, and providing mobility options that are sustainable and efficient. The role of public and private sectors is explored, including of municipalities, provinces and the Government of Canada, as is the potential role for institutional and private sector investors to plan for and invest in livable, sustainable and affordable urban regions. The focus is on finding solutions that sustain current infrastructure and build a more resilient future at a regional scale. The

implications of ongoing work-from-home patterns will be considered for public transit, urban vitality and the financial sustainability of municipal services, as well as investments that address climate goals and impacts, including greening of cities, active transportation and climate resilience.

The larger the city, the greater the dependance on public transportation (Figure 22). The lesson for cities that are anticipating growth is that transportation planning is a "both/and" proposition. Higher order public transportation is a significant investment, but will be essential in accommodating and prospering from growth. Decisions about transportation investment are often shaped by federal and provincial policy decisions. Timing and priorities for public transportation have decades-long impacts and are integral to land use planning and density increases. Government funding is often predicated on these kinds of efficiencies being on place.

FIGURE 22

Commuting Transportation Mode Share by Region Size, 2016
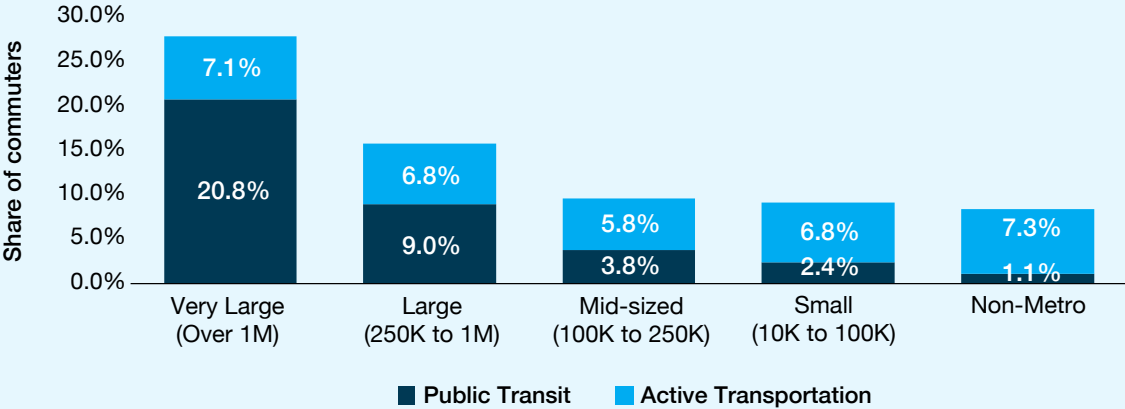
Source: Statistics Canada, 2016 Census.

Travel patterns in cities have long been studied and we know that commutes lengthen in duration as cities get larger. This pattern holds true for Canadian cities (Figures 21 and 22). Longer commutes mean decreases in quality of life as more time and energy are spent getting to and from work, services or other community amenities. A poor commuting environment is a factor in people deciding to move out of a city. There is an integral linkage between transportation infrastructure and a city's economic and environmental viability.

FIGURE 23

Share of Commuters by Duration and Region Size, 2021

| | 30 to 44 minutes | 45 to 59 minutes | 60 minutes and over |
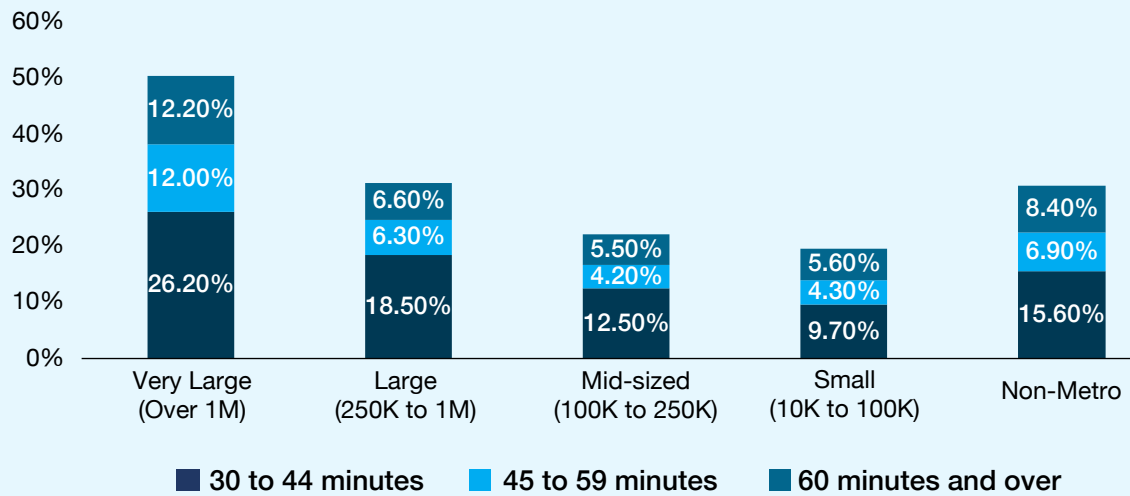
Source: Statistics Canada, 2016 Census.

The density of central areas of cities means that good transit, a costly infrastructure investment that benefits from high use, is most often found there. For example, you can see that in Montreal, employment access is highest where transit is also high (Figure 24). This dynamic increases property values and creates a cycle of additional investment, while the opposite happens in more suburban areas where density and transit access are lower. One result is an increase in suburbanized poverty through decreased access to employment, cultural, health and educational opportunities. Cities are making public transit investments coupled with infill development in order to address this challenge. Government funding also aligns with this pattern.

FIGURE 24

Access to Employment Opportunities Using Public Transit in Montreal
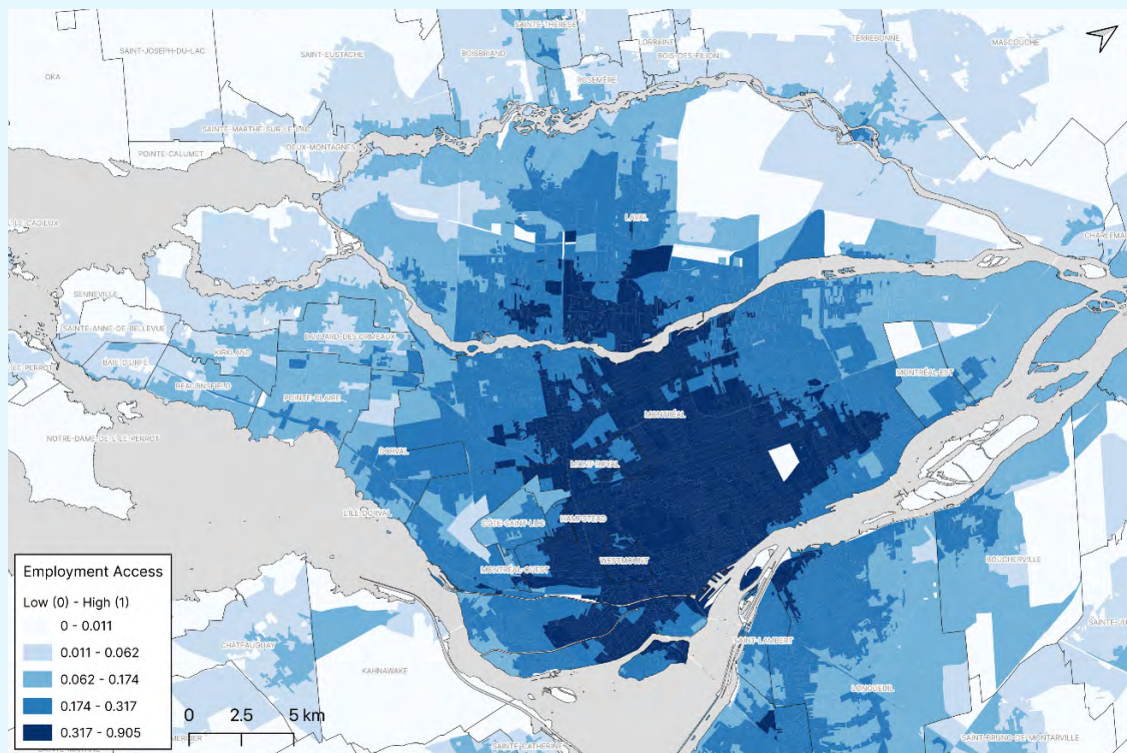
Source: Statistics Canada, Spatial Access Measures, 2023.

Making Infrastructure Planning and Investment in Canada More Strategic

Matti Siemiatycki

Professor, Geography and Planning; Director, Infrastructure Institute, University of Toronto

Matti Siemiatycki is a Professor of Geography and Planning and the Director of the Infrastructure Institute at the University of Toronto. His work focuses on delivering large-scale infrastructure projects, evidence-based infrastructure investment decisions, and the effective integration of infrastructure into cities.

Canada is in the midst of the biggest infrastructure building boom in decades. Across the country, tens of billions of dollars are being spent rehabilitating, upgrading and constructing new roads, bridges, transit lines, water and sewer systems, electricity grids, hospitals, schools, libraries, recreation centres and affordable housing.

The stakes are high. Today's infrastructure investments will shape Canadian communities for generations to come, at a time when the country is growing rapidly through immigration. If done well, today's infrastructure investments will be paired with smart housing and land use policy that will lead to more affordable, prosperous, equal, sustainable and just cities and towns. But the risk of squandered opportunity is high, with projects that should not be at the top of the priority list locking in a high emissions society and serving as a financial and community burden for future decades.

When compared with peer countries such as the United Kingdom, Australia, Switzerland and the United States, a recent study by the European Court of Auditors examining passenger and trade infrastructure found that Canada has the most ad hoc and least

strategic, coordinated or evidence-based approach to infrastructure planning, project selection and post-implementation evaluation. The system of decision making is ripe for political interference and special interest capture.

A recent study by the European Court of Auditors examining passenger and trade infrastructure found that **Canada has the most ad hoc and least strategic, coordinated or evidence-based approach to infrastructure planning, project selection and post-implementation evaluation.**

We remain fixated on building glitzy new infrastructure projects at a time when the existing stock that is mainly owned by municipalities falls further into disrepair with a lack of available resources, and dozens of Indigenous communities continue to live under long-term boil water advisories. Construction cost overruns and delays remain all too common. Inconsistent coordination between infrastructure investment and land use planning means that new dense, mixed-use, well-designed communities are not always built near transit stations, while at the periphery of Canadian urban regions, car-dependent sprawl continues to be expanded. And a lack of standardized data on infrastructure performance nationwide makes it difficult to plan effectively or monitor long-term outcomes.

To have any chance of maximizing the benefits of the current wave of infrastructure investment, Canadian infrastructure policy and planning needs to become more strategic, more coordinated and more evidence based.

First, Canada needs to become far more systematic and evidence based in the way that infrastructure investments are prioritized and evaluated. This works at multiple scales. It includes the production of regional infrastructure plans to coordinate across municipal boundaries and ensure that investments are accounting for the impacts of a changing climate; the development of business cases for all major public infrastructure projects; and the post-implementation evaluation of infrastructure investments to determine whether expectations were met.

Second, infrastructure investment decisions should be more closely linked with infill housing policy. Through ambitious infill development that matches housing with transportation, social and green infrastructure, there is an opportunity to meet Canada's growing population within existing built-up urban areas nationwide. This infill approach leverages existing infrastructure assets and uses new infrastructure investments to their fullest, increasing efficiency and reducing the need for long-term subsidies. Indeed,

there are many examples across the country of schools, libraries, daycares, recreation centres, transit stations and fire stations being co-located in the same building with market and affordable housing projects up above. This creative mixed-use form of city building provides an opportunity to get the most out of infrastructure investments and foster thriving communities.

Third, once the appropriate projects are identified and approved, it is imperative that they are efficiently and effectively delivered. Canada should explore following the United Kingdom's lead in creating a Major Projects Authority to provide independent peer reviews and guidance on large infrastructure project budgets and timelines. Rigorous skills development programs could increase the capacity of public sector project leaders nationwide. And as the lustre fades on public-private partnerships, more flexible and collaborative models of project delivery are necessary that can control schedule and cost while enabling innovation that furthers the public interest.

Fourth, emphasis must be placed on treating infrastructure as an asset with a complete lifecycle that does not end at the ribbon cutting. This is the unglamorous and expensive work of ensuring that day after day, month after month, and year after year, infrastructure is kept safe and in a state of good repair. The federal government, in collaboration with Indigenous nations, must urgently work to address the infrastructure crisis in Indigenous communities. Nationwide asset management plans and funding must be budgeted for the long-term maintenance of the existing infrastructure stock. This challenge becomes more pressing as climate change creates new flooding, fire, wind and heat related risks.

Finally, Canada needs to get serious about collecting, maintaining and publishing standardized data about the country's infrastructure. In a world where data is being systematically collected and used to inform decisions in sectors as diverse as sports, business, health care and film and television, infrastructure stands out as a field where the data and analytics revolution is lagging. Canadian cities must collect data and create analytical tools that improve the efficiency, performance, safety, resilience and equity of the existing infrastructure stock, and inform better decisions about future investments.

The key challenge, as ever, is turning ideas for change into action. In Canada's fragmented federal system and a sector with significant private sector involvement, conflicting interests and inertia can stall progress. We need to engage in generational-level spending on infrastructure. A new approach to infrastructure planning and investment that is more strategic, coordinated, evidence based and data driven is as critical as ever.

Suburbanization of Poverty: Transport Inequalities in Canadian Cities

Steven Farber

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A distressing undercurrent of income inequality is leading to a series of interconnected challenges for Canadian cities. Rapid urbanization in Canada is leading to both prosperity and disparity. The echoing consequences of this divide are seen most vividly in the suburbanization of poverty. Driven by growing income disparities, individuals with limited financial means are pushed to the lower cost outskirts of cities in search of housing and sustenance.

Tragically, the potential affordability benefits of the periphery can be met by a myriad of unforeseen transportation obstacles that perpetuate a cycle of disadvantage. Food, healthcare and employment access become an uphill battle. Seeking to escape financial strain, suburban migrants find themselves ensnared in a new web of transportation woes. The very suburbs that offer a semblance of economic relief often present an automobile-centric way of life. Suburban land uses pose an obstacle to the provision of adequate transit services that cater to the needs of suburban residents. The dynamic generates a two-pronged challenge: income inequalities fuel suburbanization, while automobile-oriented suburbs stymie the alleviation of transport deficiencies.

Canada's Car-Dependent Poverty Picture

More than one million Canadians find themselves driving an impossible economic balance, teetering on the brink of "transport poverty." Transport poverty goes beyond simple inconvenience. It acts like an amplifier that increases other social, economic, and health disparities. Transportation scarcity hinders individuals from accessing educational opportunities, gaining stable employment, and maintaining their overall well-being. This vicious cycle of disadvantage hinders the upward mobility opportunities that cities are meant to offer. Inadequate transportation services for marginalized groups in suburbs became even more clear during the COVID-19 pandemic. It is a warning sign we need to heed.

> Transport poverty goes beyond simple inconvenience. It acts like an amplifier that increases other social, economic, and health disparities.

Planning and Decision Making to Reduce Transportation Poverty

Addressing transport inequalities requires three concrete action paths:

- **First, governments must re-envision how equity is integrated into transportation planning processes**, moving beyond aspiration into concrete action. Thorough reviews that integrate public input with data collection and analysis can identify transport inequality and inform future development.

- **Second, evaluating proposed projects for their potential to reverse existing transportation equity issues is imperative.** Citizens need to demand a framework that encapsulates the insights we have gained on transportation and poverty dynamics, including diverse perspectives and the centering of community needs.

- **Third, decision makers must prioritize equity and transport poverty alleviation within transportation policy and investments.** This goes well beyond debates on the cost of a single fare. Demonstrating the quantifiable societal benefits of transport poverty alleviation can bridge gaps between planners and decision makers, fostering wider support that benefits citizens.

Practical Pathways for Transport

In the short term, practical steps hold the key to transport equity:

- Governments can transform urban mobility by **reallocating existing road space to ensure safe and enjoyable options for walking and cycling,** and for prioritizing the movement of buses and streetcars over the congestion caused by private automobiles.

- **Capitalizing on enhanced transit rights-of-way promises a dual impact.** Better service and reduced operational costs come to fruition as transit gains priority, crucial to recapturing riders during the post-pandemic fiscal crunch that municipalities are facing.

- **Affordability programs for low income transit users need an overhaul.** The current patchwork of fare subsidies complicates matters. Comprehensive, co-ordinated and substantial increases in subsidies for low income riders are needed to ease their financial burden, especially those travelling across multiple networks.

- **Constructing complete communities** within suburban landscapes strategically **diminishes reliance on automobiles for local trips.**

- **Governments must coordinate affordable housing subsidies with public transit investments.** This approach not only connects housing to transit networks, enabling easier access to opportunities, but also counters potential gentrification effects of new transit infrastructure. By strategically linking affordable housing with transit corridors, cities can foster both equitable mobility and inclusive urban development, mitigating displacement risks and nurturing thriving communities.

These strategic endeavours not only mitigate transport inequalities but also lay the foundation for cities to flourish as holistic, inclusive and sustainable entities. By marrying practical short-term actions with the foresight of long-term goals, Canadian cities stand poised to foster an urban fabric where mobility contributes to greater equity and cultivates the prosperity of all citizens.

Mobility as a Service (MaaS): Transit Strategies Iterate and Adapt to Improve and Integrate Transportation Needs

Justin Trevan

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Justin Trevan is a Vice President and Growth Strategy lead for AECOM in Canada where he is focussed on the development and use of new innovative services, thought leadership and strategic relationship management to embed a growth culture within AECOM. An industry leader in digital consulting and advisory services, Justin has worked at the intersection of technology and the built environment for more than 20 years.

Mobility as a Service (MaaS) encompasses all city transportation options, both private (such as Uber) and public. The MaaS framework is an integrated platform with single integrated payment and addresses a wide range of transportation, economic and social needs in cities.

The approach offers city travellers a wider range of mobility options with a single integrated ticket. MaaS enables service providers to offer incentives and discounts that would not be possible in a more fragmented system. Transit operators and agencies get help with the first- and last-mile issues that many current systems have, with the potential to increase transit ridership and reach.

MaaS offers municipalities and communities a more cost-effective solution for lower density areas, compared to fixed route transit, by supporting connections to mobility hubs and higher order transit. When deployed strategically, it can reduce personal automobile travel and congestion, and promote more sustainable and equitable travel practices.

> **MaaS** offers municipalities and communities a more **cost-effective solution for lower density areas,** compared to fixed route transit, by **supporting connections to mobility hubs** and higher order transit.

MaaS deployment can spur economic growth through supporting greater mobility of workers that benefits private operators and businesses.

Overall, MaaS offers important solutions for congestion, affordability, equity and connectivity to jobs, with potential for corresponding economic growth. There are several concrete actions that cities can take in evaluating the role that MaaS can play in solving their transit needs.

Governance and ownership are key

Cities are comprised of various regions and often with multiple transportation providers, stakeholders, plans and priorities. Transportation planning cannot be considered in a vacuum, as active transportation and micro-mobility mode adoption depend on the availability of infrastructure to accommodate them. The problem is that the overarching system is managed or impacted by multiple departments and organizations. Where MaaS is successful, clear and integrated governance and ownership is in place, (Helsinki is an example of success) where clear ownership and accountability is front and centre and includes all parties, such as private operators.

Cross-jurisdictional function is required to plan and oversee any MaaS deployment, and the most successful of these have been new bodies, new institutional forms, rather than modifications of existing departments and organizations.

Action: Convene a cross-functional group consisting of transit agencies, municipal departments, private operators and provincial bodies to own, develop and roll out a full coordinated MaaS programme with full accountability.

Choose your flavour

MaaS approaches have so many possible benefits that there can be a tendency to boil the ocean and try to solve everything at once. Often the themes that MaaS is addressing concurrently can be in tension with one another. It is critical, therefore, to decide what primary strategic priority the city is trying to solve. For example, is congestion going to be tackled with MaaS, or are more social equity-related goals the priority? The City of Victoria explored MaaS to connect disadvantaged First Nations citizens to educational opportunities as a top priority. A clear focus on the intended first outcome helps to drive all parties in one direction.

Action: Ensure consensus among all parties on the most pressing strategic need to be addressed by MaaS, and start there. Don't conflate multiple issues at once and measure successes or failures before adding more goals.

Leverage what you already have

A surprising finding of many global MaaS deployments is that the most successful projects often built the least "new stuff". There is often an expectation that MaaS requires a complete rethinking of all transportation services with huge new systems and apps required. The reality is often the opposite. In San Francisco, the real value of MaaS was gluing together all the existing piecemeal parts in new and innovative ways. But this can only be done if the full transportation ecosystem is understood.

Action: Undertake a broad audit of all existing solutions (and therefore opportunities to connect dots) for all stakeholders, including private operators and digital tools. Then build from that base and iterate the solution toward the desired outcomes.

Pilot and fail fast

All the planning in the world cannot provide the learning that hands-on experimentation and failure provide. The most successful deployments of MaaS, and micro-mobility in general, have adopted a Silicon Valley-type approach to innovation, where rapid prototypes allow more immediate learning from failures and setbacks that can be redeployed again for further learning. A key feature of the Innisfil, Ontario deployment was to start with a small scale, real life test case. From there, they were able to iterate slowly toward more functionality without attempting to procure and build the entire deployment in one big move.

Action: Based on the initial "flavour" of MaaS to be implemented, and the existing infrastructure in place, choose a small self-contained pilot context to bring everything together for a low-risk trial. Use early failures as learning processes to drive larger successes and iterate toward the ultimate vision.

Approaching transportation needs in cities and communities through an adaptive, iterative and expandable approach like MaaS enables development of a high functioning transit system that is uniquely tuned to the needs of each community. The prior experience of other communities that have adopted a MaaS approach provide lessons and inspiration for the future of Canadian transit.

Funding Support for Transit: Key to Economic Success of Urban Regions

Brad West

Mayor, Port Coquitlam, British Columbia;
Chair, Mayor's Council for Regional Transportation

Brad West was first elected Mayor of the City of Port Coquitlam in 2018, receiving the most votes ever by a municipal candidate in the city's history. In 2022, Brad was the first Mayor in Port Coquitlam to be acclaimed to another term in office. Brad is a graduate of the University of Victoria, St. Francis Xavier University and completed a program in Leadership at Harvard University.

Reliable transit is a lifeline for hundreds of thousands of people trying to get to work, school, appointments and any number of other places on a daily basis. Like clean drinking water and electricity, transit is an essential service for people that keeps our cities moving.

However, the last few years have been tough on transit agencies in Canada's major cities as they struggle with a four-fold threat: diminishing financial resources due to the impacts of COVID-19; skyrocketing inflation; growing populations; and changing travel patterns.

These public transit headwinds are compounded by another powerful trend. As many as 50,000 new immigrants will call Metro Vancouver their home every year. These new residents greatly enrich our communities and we welcome them openly. From a transit perspective, this increase in residents also increases our responsibility to ensure they have access to the transportation that is essential for work, school and life.

In many cities, the pandemic led to a deep reduction in transit use that recovered only partially after the crisis was over. Metro Vancouver is different. Instead of experiencing lagging pre-pandemic levels, we are leading among the major transit agencies in North

America in ridership recovery, with some areas seeing post-pandemic recovery rates of 120 percent compared to pre-pandemic levels. This ridership anomaly is a testament to the fact that people are confident about the reliability and value of our transit system. However, it also means that without adequate funding and investment, TransLink is struggling to support this increase. Transit is an essential service that must work where and when needed, both for current residents and those arriving in the future. The high ridership rates in Metro Vancouver means that further increases will lead to overcrowded conditions, decreased reliability and stifled growth within the region. Transit is constantly adapting and Metro Vancouver will need to do the same.

There are concrete actions than can support those adaptations:

- The Mayor's Council for Regional Transportation's Access for Everyone plan is a comprehensive **$21 billion plan that enhances the region's transit system to accommodate projected growth.** It will double bus services across the region, incorporate nine new Bus Rapid Transit lines, take steps to add transit in areas such as the North Shore and plan for transit options to post-secondary institutions such as Simon Fraser University and the University of British Columbia.

- The much-needed expansion projects, however, cannot be carried out unless **senior governments step up with funding contributions.** This reflects the interdependent nature of regional transit systems: they engage multiple orders of government. Cooperation is essential for successful long-term transit development.

- **The need for transit is experienced at a local scale but must be in place across the country for Canada to benefit from efficient service.** It is imperative that all orders of government understand the vital role public transit plays in making cities sustainable and affordable. Transit reduces traffic congestion (and demand for expensive vehicle-oriented transportation) and enhances accessibility and equity among residents. The compounding problem of inadequate transit can be transformed into compounding benefits if that cooperation can be realized. An efficient transit system plays an enormous role in stimulating local economies and supporting good jobs.

Our cities depend on federal and provincial funding to provide residents with a system that works for them: these systems cannot be built and operated by municipal funds alone. All orders of government know that investing in public transit has long-term benefits for communities. Policy makers of all persuasions have very specific and beneficial approaches that, if undertaken, will create a reliable, modern, equitable public transit system that serves the people of Canada now and into the future.

Why Main Streets Matter: Local Life and Economics

Main streets are the centre and spines of our communities; they are the frameworks from which to build resilient, diverse and equitable futures for our urban regions.

The decline of main street and core neighbourhoods can be observed in terms of visits and activity—from residents, workers, and tourists—extending to the shuttering of retail spaces, the erosion of amenities and community safety. The resurgence of encampments in parks, streets and public spaces has sparked conflicts between people and businesses, communities, service providers and government jurisdictions. The impact of the pandemic carries on in the form of work-from-home habits, new travel patterns and business closures. We need to reinvent our main streets, support our businesses and institutions, and invest in the public realm to bring these places back to life. This means leveraging services and amenities in place, and finding new ways to invest in main streets that supports a greater mix of uses, people, spaces and activities.

At this moment in Canada's history, we need a focused, nation-wide strategy to invest in main streets as the places that drive the nation's economy and innovation. The need for once-in-a-generation focus was intensified by the global pandemic, but the challenges that need fixing pre-date March 2020, the result of decades of post-industrial planning and development, which created districts that lacked the diversity of use and resilience to weather economic and social disruptions. Now is a turning point for Canada's cities: to double down on our main streets, or retreat. Canada only needs to look to our neighbours to the south to see the generational impact of chronic disinvestments.

Many main streets were facing challenges prior to COVID-19. Those challenges increased in most cases, with little recovery after the pandemic. In addition to decreased main street activity, retailers faced the rise of online shopping and big box retail competition, which has re-routed shopping traffic away from main streets. Smaller towns and cities tend to do better than larger centres (Figures 25 and 26). Not all of the changes have been as significant as predicted, but a range of strategies and adaptations are still needed.

FIGURE 25

Business Density on Ottawa-Gatineau Main Streets
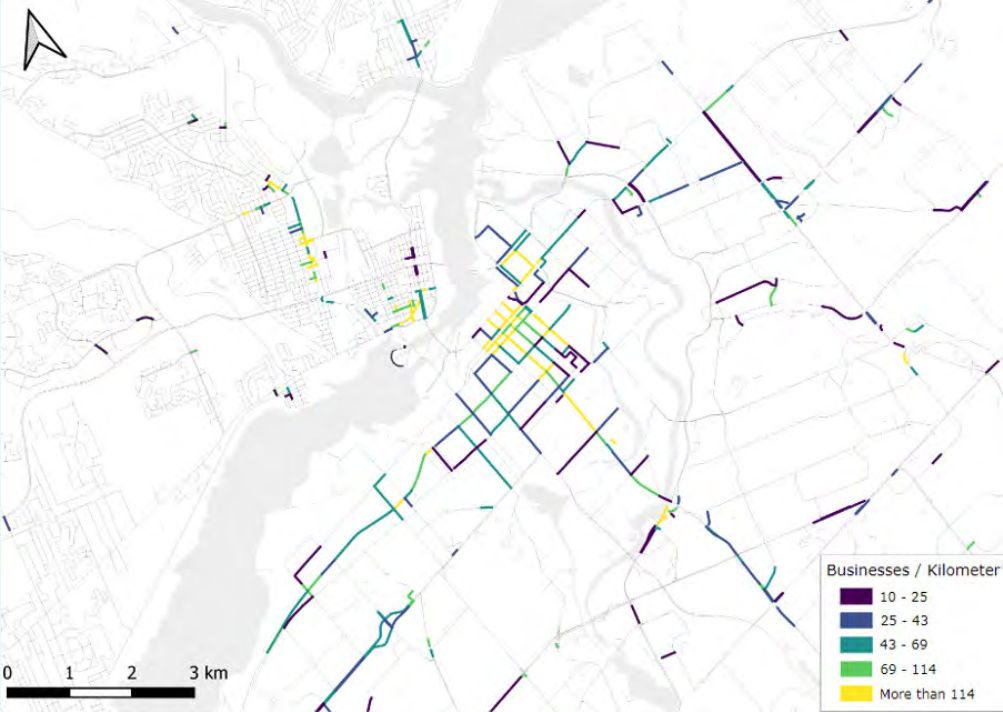
Source: Canadian Urban Institute, Spatial Data – Main Street Road Network, 2023.

FIGURE 26

Business Density on Halifax Main Streets

Source: Canadian Urban Institute, Spatial Data – Main Street Road Network, 2023.

Main Street (by sub-type) and Shopping Mall Visitor Levels Relative to 2023 (Edmonton; Montreal; Toronto)
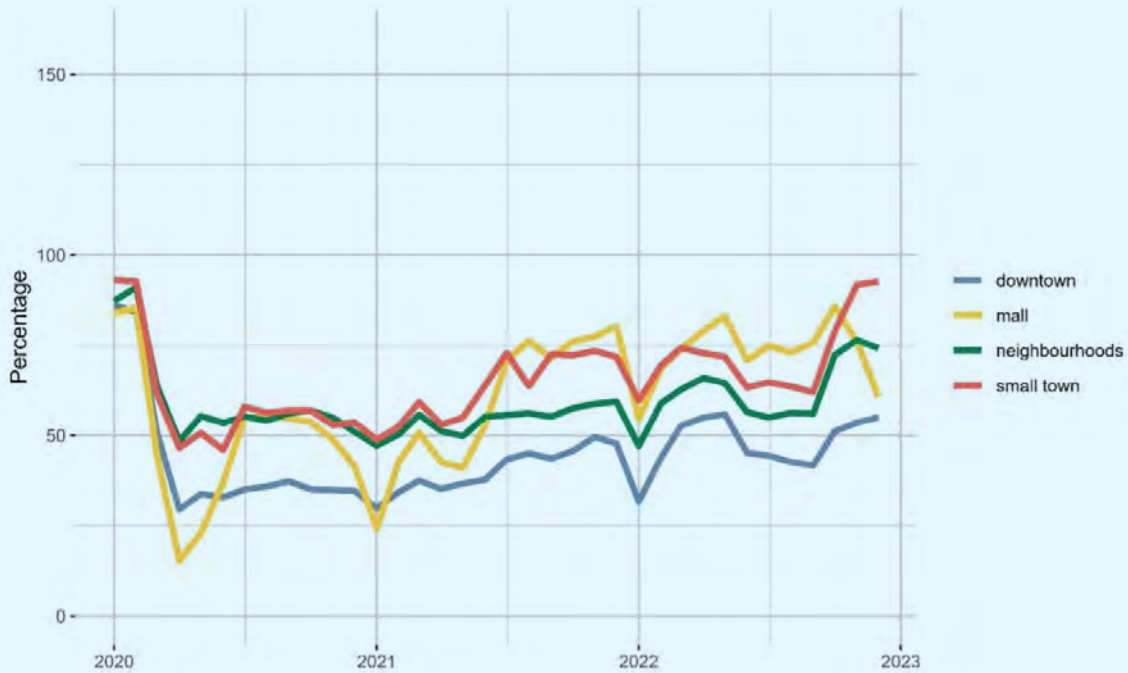
Source: Canadian Urban Institute; Environics Analytics, 2023.

The CUI is examining the resiliency of main streets through the pandemic as part of its Research and Knowledge Initiative with Infrastructure Canada. This research shows that downtown main streets experienced the greatest decline. Streets that are more oriented toward local residents have been the most resilient. Across Canada and the U.S., the story of our downtowns is being written by a new pattern of work that has left many office spaces empty. There are exceptions like Mississauga, Las Vegas and Miami, but other cities like Montreal, Toronto and Seattle are struggling (Figure 27). Professionalized work is often portable and what began as a temporary measure has now settled into a new pattern. The loss of downtown office occupancy deeply impacts a wide range of other commercial and cultural sectors in the downtown areas.

FIGURE 28

Downtown Office Recovery Rates, 2023

City	Recovery Rate
Las Vegas	102.6%
Miami	92.0%
Mississauga	91.1%
Phoenix	89.2%
Quebec	87.1%
Atlanta	85.3%
Vancouver	85.2%
Calgary	85.2%
Halifax	85.0%
Los Angeles	83.2%
Ottawa	82.3%
Edmonton	79.9%
London	79.1%
Winnipeg	76.1%
Boston	70.2%
Toronto	69.8%
Washington DC	68.5%
San Francisco	67.3%
Montreal	67.0%
New York	65.9%
Detroit	65.8%
Houston	63.9%
Chicago	61.5%
Portland	60.8%
Seattle	56.5%
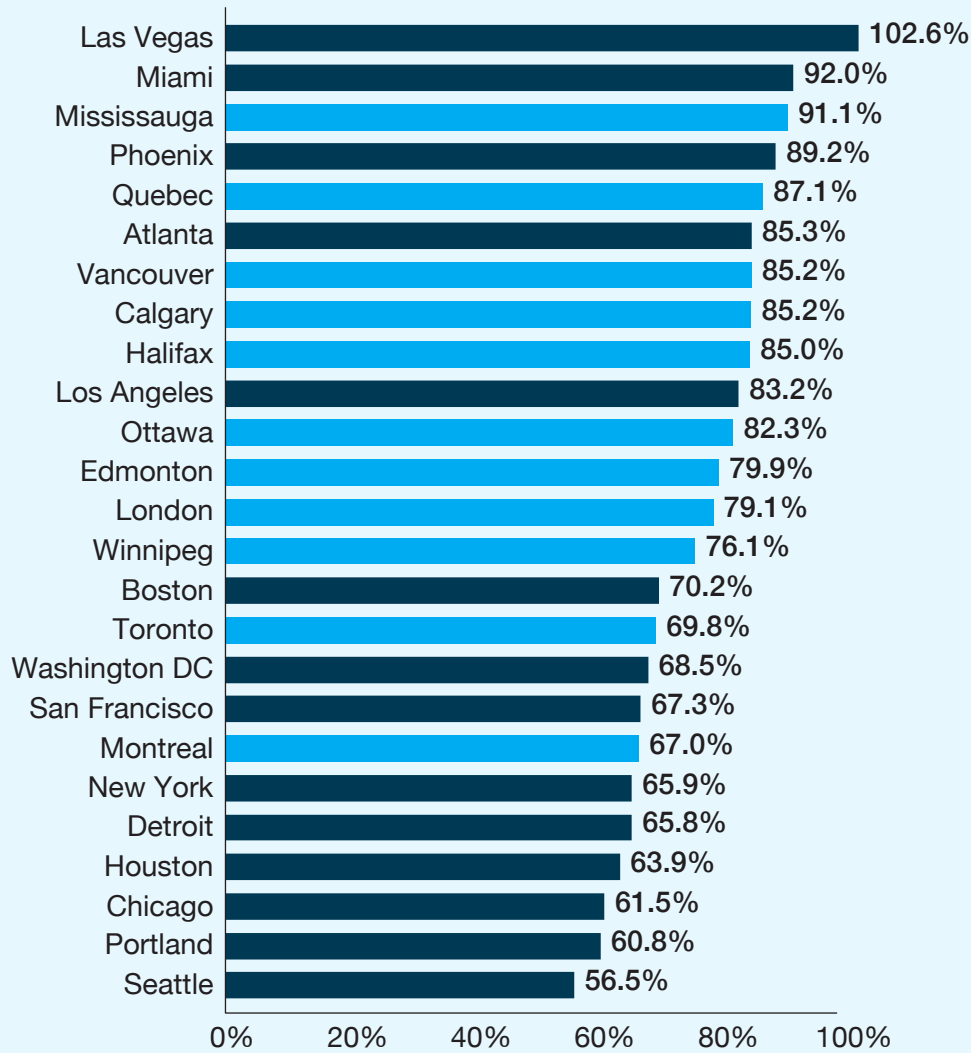
Source: School of Cities, 2023. Retrieved from https://downtownrecovery.com/charts/rankings.

Ambitious Vision Can Fuel Life for Smaller Local Development

Tim Kocur

Executive Director, Toronto Waterfront Business Improvement Association

Tim Kocur joined the Toronto Waterfront BIA in 2018 as Executive Director and initiated a successful boundary expansion to include the fastest growing neighbourhood in North America–the waterfront east of Yonge Street. The BIA has developed economic impact studies and joint advocacy statements in support of the Waterfront East and Port Lands LRT.

This year marked the three-year anniversary of the official shutdown of the Sidewalk Labs smart city project. While the proposed project was met with many challenges at the time, in many ways this ambitious plan from one of the world's leading tech companies was the big thinking needed to galvanize Torontonians to refocus their energy on the potential of their waterfront. All communities face a tension between the big projects that gain wide attention and the smaller, step-by-step developments that are much more common.

Local development lessons from an ambitious vision

Coherent and comprehensive planning

With a complex, multi-stakeholder (and multi-government) environment in play, it has been difficult to keep focus on the full expanse of the waterfront vision being built in downtown Toronto. In the media, there tends to be one project that gets significant attention at the expense of others. What is often missed is the presentation of the project as a single major opportunity. The built-in advantage of major projects like Sidewalk Labs is that a coherent, comprehensive proposal is presented. For many street-level efforts in cities, the pieces may be all that people see or pay attention to.

Ambitious Vision Can Fuel Life for Smaller Local Development

Toronto is developing as a true "waterfront city" destination, with more than a dozen independent projects underway, involving all three levels of government (see Figure D) Full development of the waterfront in Toronto depends on continued tri-level government cooperation and investment.

FIGURE D

Waterfront Projects Currently Underway

← Waterfront West LRT
To Etobicoke/Long Branch
← Mississauga: Lakeview, Port Credit

Exhibition Place
New E-Sports Arena, World Cup 2026

The Bentway
Under Gardiner Corridor Planning with City

Bathurst Quay and Malting Silos
Signature Park (2026), OCAD centre and Canada Ireland Foundation

Waterfront ReConnect
Underpass improvement pilots and Under Gardiner public realm plan.

Harbourfront Centre
50th anniversary in 2024

Ontario Place
Province investing in three all-season destinations and improved parkland (Science Centre, Therme waterpark and spa, Live Nation concert facility)

New Parks
Love Park 2023, Rees Ridge 2026, Sugar Wharf 2028

Quayside
Parliament Slip and new 'Signature Structure'

Billy Bishop Toronto City Airport
U.S. customs pre-clearance adding new destinations

Waterfront BIA Development
■ Pre - 1999
□ 2000 - 2009
■ 2010 - 2019
□ 2020 - 2029

Power Plant Contemporary Art Gallery

Ferry Terminal
Planned expansion, potential new stops

Civic leaders moving in
Toronto Region Board of Trade, Destination Toronto, WPP Canada, MaRS and UofT, George Brown College, Artscape, HxOUSE.

Promontory Park and major event space

130,000+ New Residents
Waterfront East and Port Lands LRT

'WATERFRONT CITY'

Investments are being made by a number of government, private and institutional stakeholders in our immediate vicinity. To reach Toronto's full potential as a premier destination 'waterfront city,' all partners will have to work together to ensure the waterfront is well-connected and vibrant year-round.

Toronto Islands
Master Plan underway.

Cruise Terminal

Tommy Thompson Park →
Beaches →
Scarborough Bluffs →

TK WBIA 2023-08-21

Convening a wide range of stakeholders

Sidewalk Labs was an excellent convenor of stakeholders who otherwise wouldn't have crossed paths as often. For at least the near future, the Waterfront Business Improvement Association (BIA) continues to look to bring pro-growth, pro-development stakeholders together who may have shared priorities or goals. The Sidewalk Labs team from outside Canada also generated a lot of excitement around housing, transportation options and business development that have since been continued by others.

Catalyzing new construction ideas

The use of timber in the construction of high-rise buildings has been an important part of the conversation on how we can build better cities. The focus and excitement

on tall-timber construction has continued beyond the initial ambitious vision. In the case of Toronto, both the Hines firm and George Brown College have wood buildings under construction that are set to open in 2024. The larger waterfront project built local momentum for this new approach to building.

Adapting and advancing retail approaches

Retail diversity is another area where conversations continue. As a seasonal neighbourhood, the Sidewalk Labs proposal suggested flexible leases so uses could change from summer to winter. On the waterfront, it's very difficult for many tourist-oriented and seasonal businesses even to cover their costs through the winter season. The new developer of the waterfront Quayside site (after Sidewalk Labs' departure), Dream, is expected to propose similarly ambitious retail plans. Dream is the creative team that manages the historic Distillery District to the north of the site.

Integration of all orders of government

In the case of Toronto's waterfront, a great multitude of agencies are participating, representing different levels of government. The City of Toronto has several new parks and economic development projects underway, not to mention the massive Toronto Islands project. Harbourfront Centre will be preparing to celebrate its 50th anniversary in 2024. Ports Toronto is also expecting 60 cruise ships to dock this summer, and is in the midst of its own multi-governmental renewal process for Billy Bishop Toronto City Airport. The ambitious Sidewalk Labs project did not catalyze all of these other projects, but it did bring the various governmental agencies and orders together in a unique way.

Clarification of core structural problems

The City of Toronto has Exhibition Place expansion plans, the Province of Ontario has Ontario Place revitalization plans. And then there's the tri-level urban development corporation, Waterfront Toronto, with its most significant project to date—flood

Ambitious Vision Can Fuel Life
for Smaller Local Development

protection of the Port Lands that will open up space for at least 150,000 new residents across the eastern waterfront, the new Villiers Island and the rest of the increasingly less industrial Port Lands itself.

In 2019, the Waterfront BIA completed an economic impact assessment that showed there will be more than 100,000 new jobs within walking distance of a new light rail transit (LRT) line, the Waterfront East LRT, through the Port Lands. Post-pandemic and post-Sidewalk Labs plans for the Port Lands also project significant residential demand. The City of Toronto's early plans projected that 100,000 new residents will live along the new transit line. That has now been revised to 150,000 new residents.

The Waterfront East LRT was always assumed to be a part of Port Lands development, but with funding now in question, there is a significant transportation infrastructure problem. Without the LRT being built soon, the quality of life for workers and new residents, and the full potential of Toronto as a waterfront city destination, hang in the balance.

FIGURE E

Central Waterfront Pedestrian and Cyclist Counts

147
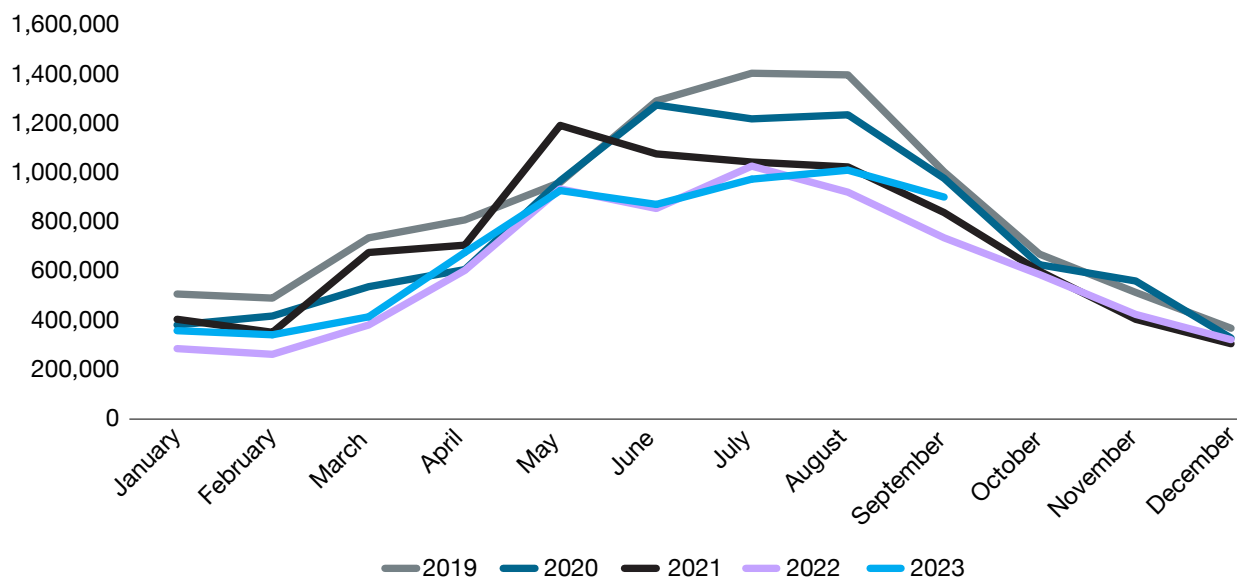
Impact of structural limits

Lack of appropriate transit in the east waterfront has led to reduced retail and business growth. For example, in August 2023, pedestrian counts on Queens Quay, our signature street, were down 27 percent compared to 2019 (see Figure 2,) and the eastern waterfront is more than one-third vacant. Residential growth will also be constrained without adequate infrastructure. Big projects can move governments and investors to build core infrastructure that smaller scale developments also need. Aggregating smaller projects into larger-scale, contextual opportunities can support potential investment. Smaller groups and projects need to collaborate effectively to make those gains possible.

Action items

- **Use ambitious visions** to develop coherent, comprehensive proposals.
- **Develop planning structures** that incorporate a wide range of collaborators.
- **Big plans allow smaller, new ideas to make progress**, such as using new tall-timber construction.
- Growth and development reveal structural problems and **support for transportation and related infrastructure is critical to support high quality urban development.**
- **Enlist collaboration from many smaller project advocates** to present a compelling case for large-scale infrastructure investment, like for transit.

Immigrant Businesses Are Key to Cities: Here's How to Protect Them*

Christopher Cheung

Staff reporter, The Tyee

Christopher Cheung is a staff reporter at The Tyee in Vancouver, where he writes about urban change, housing, diasporas, and food.

In Vancouver's Chinatown, senior residents who depend on the neighbourhood's vanishing greengrocers, meat shops and dry goods suppliers are saying their home is being gentrified from Chinatown into "Coffeetown." To the east, there's a cluster of Filipino businesses on Joyce Street. Workers come here to wire money overseas to relatives. Customers come from as far as Nelson to pick up pantry staples. The restaurants serve the church with the Tagalog congregation down the street, as well as the essential workers who hop off the SkyTrain to pick up comforting takeout to microwave in breakroom kitchens. A tower in the works will displace these crucial businesses from this transit hub.

There are stories like this all over the city, whether it's a single but important business in an amenity desert or the slow erosion of a cluster of cultural businesses like in Punjabi Market. On March 30, 2022, in a rare act of solidarity, city councillors voted unanimously for the municipality to investigate what it can do to prevent these losses.

Councillor Christine Boyle of the OneCity party crafted the motion—titled "Placekeeping"—with help from advocates across the city concerned about key businesses vanishing from neighbourhoods. Something like it is long overdue, she said. In recent years, we have reported on how the Joyce Street Filipino hub serves pandemic frontliners, how a Latino market serves foreign workers and how grocers of all cultures source and curate their shelves based on what their immigrant customers miss.

A version of this article was originally published in The Tyee on April 12, 2022.

"These spaces provide connection, identity, community and belonging for so many," said Boyle, whose motion stresses that they are more than just private businesses out to make a buck.

Her motion describes them as "cultural food assets" for many reasons.

They allow everyone—those born in Canada and newcomers alike—to access cultural goods and services. They are keenly aware of keeping prices within their customers' budgets, whether they are seniors or blue-collar workers.

They are welcoming spaces where customers can speak their first language and be free from the discrimination they might encounter elsewhere for being different. They give jobs to locals who might not be hired elsewhere because they are still learning English. They help make connections, whether it's word of mouth or bulletin boards with leads for newcomers on housing, tutoring and employment.

They are incredibly grounded within their communities, from sourcing locally to allowing regulars strapped for cash to pay next time, or providing freebies like an upsized portion or a bowl of rice. They also respond to the specific needs of people who walk through their doors every day. At Pampanga's on Joyce Street, they know many of their customers will be taking food to work, so they provide microwavable takeout containers.

It's important for cities to expand their definition of "heritage" beyond the built form, as did Boyle's motion, which called for recognition of "intangible" heritage, used by bodies such as UNESCO. The motion used the definition to describe locations where culture can be experienced, accessed and transmitted.

"These mom-and-pops know the lived experience of people who use their services and purchase their goods," said Christina Lee of Hua Foundation, a non-profit that consulted on the motion. "That kind of intuition makes these businesses so important to the community. There's a sense of reciprocity that makes the community work."

And for curious visitors who aren't from the communities to which these businesses cater, the shops offer a venue to encounter another culture and see the people they share their city with. In some cases, these businesses encourage tourism.

Reports on Chinatown found that the neighbourhood **lost a third of its dry goods stores and more than half of its fresh food businesses**, from grocers to restaurants **between 2009 and 2016.**

Hua Foundation has been keeping tabs on the loss of cultural food asset businesses for years. One of their reports on Chinatown found that the neighbourhood lost a third of its dry goods stores and more than half of its fresh food businesses, from grocers to restaurants, between 2009 and 2016. Residents of the nearby Downtown Eastside also depended on these affordable businesses.

While the motion mentions places like Chinatown and Punjabi Market due to their historical importance and mainstream recognition, Lee hopes residents and policy makers won't forget that there are cultural businesses in every corner of the city: "We know that for an ethnic or cultural group, life doesn't just happen in one neighbourhood," she said.

However, there are more of these cultural businesses that cater to working-class immigrants on the east and south sides of the city—on streets such as Hastings, Fraser, Victoria and Kingsway—because that's where historically, commercial real estate has been cheaper to rent. But in recent years, even these places are heating up as developers and trendy entrepreneurs with deeper pockets than immigrant mom-and-pops are coming in to set up shop.

While some mom-and-pops are able to rent out the commercial units of new developments, these buildings tend to have large units that can only be afforded by the likes of banks, medical offices and drug store chains. Lee also hopes that Boyle's "placekeeping" motion will create better communication between city hall and small business owners: "Even for those who speak English fluently, there are enough compounding barriers," she said. "Some of these people work 70 hours a week and don't have time to make it down to the office to file paperwork."

Aside from ethnocultural businesses, Vancouverites who spoke to the motion mentioned businesses with other important roles that are under threat. There's the gentrification of Davie Street, which first developed as a prominent queer community in the 1970s.

There's also the gentrification of areas home to resources for low-income people such as the Downtown Eastside and Mount Pleasant, where a small recycling depot that locals depended on was turfed in favour of condos and artist spaces.

There are a few suggestions for how to protect these places in Boyle's motion to city council. With recognition of their role as heritage assets, cities can begin cataloguing them and designing protections, such as using cultural zones or land trusts, or during the redevelopment process, a right-to-return policy.

For many of the neighbourhoods that have already upscaled and lost these important small business assets, change can't come soon enough.

Action items

- **The City can establish policies** that are designed to preserve business and community functions that strengthen placekeeping.

- **The City can establish policies to encourage a diversity of retail unit sizes and tenures** so that independent mom-and-pop businesses can find affordable spaces in the city, creating a healthy commercial mix alongside larger retailers and services.

- The City and other civic institutions can **expand the definition of cultural assets to include the intangible benefits** that small-scale, street level services provide.

- City staff and civic organizations can **undertake local research and policy development that reveals the cultural and community value of small-scale businesses** and cultural assets.

- City staff and local business organizations can **improve mapping and descriptions of small-scale cultural assets** to capture how they are doing over time.

- The City can **improve communication and regulatory processes to develop better relationships with small businesses across the city.**

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Your City's Innovation Play Starts on Main Street

Chris Rickett

Director of Economic Growth, Culture and Entrepreneurship
City of Markham

Chris Rickett is the Director of Economic Growth, Culture and Entrepreneurship with the City of Markham, where he leads a team focused on growing Markham's economic base on a foundation of innovation, arts, and culture. Chris is also the co-founder of both Digital Main Street and My Main Street, two organizations focused on supporting main street businesses through community economic development.

Pick up an economic development strategy for any city—large or small—and it will aim to attract and nurture a tech and innovation ecosystem. It's no wonder: tech jobs are well-paying, have great economic spinoffs and have the potential to transform a community's reputation to attract further talent and investment.

But a tech and innovation-focused economic development strategy that doesn't prioritize quality of life at its core is doomed to fail. Investment follows talent; tech talent is found where there are educational and interesting job opportunities in welcoming communities that provide a strong quality of life.

A community's downtown and main streets are both a quality-of-life indicator and contributor. As an indicator, a healthy main street highlights economic opportunity, livability and an engaged community. As a contributor, it provides a place to connect, generate economic opportunities and shape cultural identity. They provide a gathering space where people can fulfill their physical and social needs.

Plus, tech workers have families—they aren't just bodies that work at computers. And amenities and opportunities are critical to a family's quality of life, so walkable and amenity-filled communities that feature quality public spaces, and a range of arts, culture and recreation opportunities, become fundamental to building a community attractive to talent.

As an example of the value that main streets hold for those in the tech community, when the COVID-19 pandemic began and stores were ordered closed, the City of Toronto, in partnership with Digital Main Street, launched a program called ShopHERE, which focused on rapidly building e-commerce stores for main street businesses at no cost.

The program relied on volunteer web developers who were connected to struggling main street businesses that needed to get online quickly. When the call went out to Toronto's tech community, more than 700 web developers came forward within days to give their time to support local main streets. The program eventually expanded across Canada and built over 50,000 e-commerce stores for small businesses.

In Markham, Ontario, which is home to Canada's largest cluster of semiconductor companies and the country's second-largest tech hub, the City recognizes this important connection between tech talent and quality of life. It recently completed an integrated economic development and culture strategy that leads with the importance of quality-of-life in its bid to continue to attract and nurture the tech talent it needs to secure investments from local and global technology companies.

> Markham's strategy identifies the need to ensure diverse, unique and locally-owned small businesses populate the new downtown.

The strategy highlights investments in arts, culture, public art and quality public spaces as critical to maintaining and enhancing the community's quality of life. It also prioritizes investments and programming to build strong main street communities.

For instance, in Markham Centre, the city's new urban downtown that will grow from 21,000 to 106,000 residents at full build-out, is identified as ground zero for bringing arts, culture and business together. The strategy identifies investments not only in tech and innovation, but also community events, interesting public spaces and art, and new amenities, such as a performing arts centre.

Just as importantly, Markham's strategy identifies the need to ensure diverse, unique and locally-owned small businesses populate the new downtown. To ensure this, the City is working with YSpace, York University's business incubator, to develop a retail accelerator program to support and curate the local retail mix. Of course, this could just be left to the market, but Markham recognizes unique retail and restaurant experiences attract visitors and, as witnessed through the pandemic, locally owned businesses build community connections and are more resilient, both of which add to the quality of life of a neighbourhood.

Hands-on curation to facilitate the right mix of retail and services in its commercial core extends to Markham's main street, and its other main streets, such as Unionville. The process starts with an inventory of each main street's businesses and detailed marketing research for its local trade area. With this data in hand, staff identify business opportunities that are missing and have market potential. Then this market research is shared with existing businesses and new entrepreneurs, helping them expand and start new businesses that can meet these market opportunities, all with the goal of creating a healthy retail mix that draws residents and visitors to the area.

So before jumping straight into an economic development strategy focused on building out the next Silicon Valley, start by focusing on the fundamentals of a healthy community–and that starts by focusing on main street.

Why Economic Development Matters: Innovation and Local Progress

Urban economies are responsible for a huge percentage of national economic growth, as well as being places of research, innovation and solution testing.

Economic growth in urban regional matters to all Canadians, due to the concentration of jobs and GDP creation, as well as being a centre of academic institutions, research and other sources of innovation and creativity (Figure 29). This economic dynamic is the foundation of any region and determines the amount of growth, and thus the level of required investment in public infrastructure. These seldom advance in an easy give and take. Shortages of housing, transportation and basic infrastructure can occur where growth outpaces development. Conversely, with inadequate infrastructure, growth cannot be initiated or sustained.

This is further complicated by the variance in the economic base of regions. All regions have a set of specializations and skills that are built up over time and reinforced by hard and soft infrastructure. White collar and knowledge economy work are often characterized urban economy jobs. These sectors are growing the fastest and are typically concentrated in larger urban regions. Immigration has been key to filling labour shortages, and most immigration and settlement is occurring in the largest regions. At the same time, there is an out-migration of people who are not immigrants in the largest cities. The economy plays a significant role in driving or moderating these dynamics.

Future decisions and investments must ensure that governments and public policies work to enable innovation and local progress, and address the headwinds facing the economy, including labour shortages and possible economic downturns further affecting economic opportunity and equity. We must identify industries that are growing or shrinking and consider how we train, attract or reskill for the labour force to address the urgent and necessary changes that create conditions for resilient infrastructure, carbon transition and other future needs. Local small and medium enterprises and tourism play important roles in the dynamic that drives vibrant, safe and economically diverse urban regions.

FIGURE 29

GDP Per Resident (2019) Versus GDP Growth for Census Metropolitan Areas
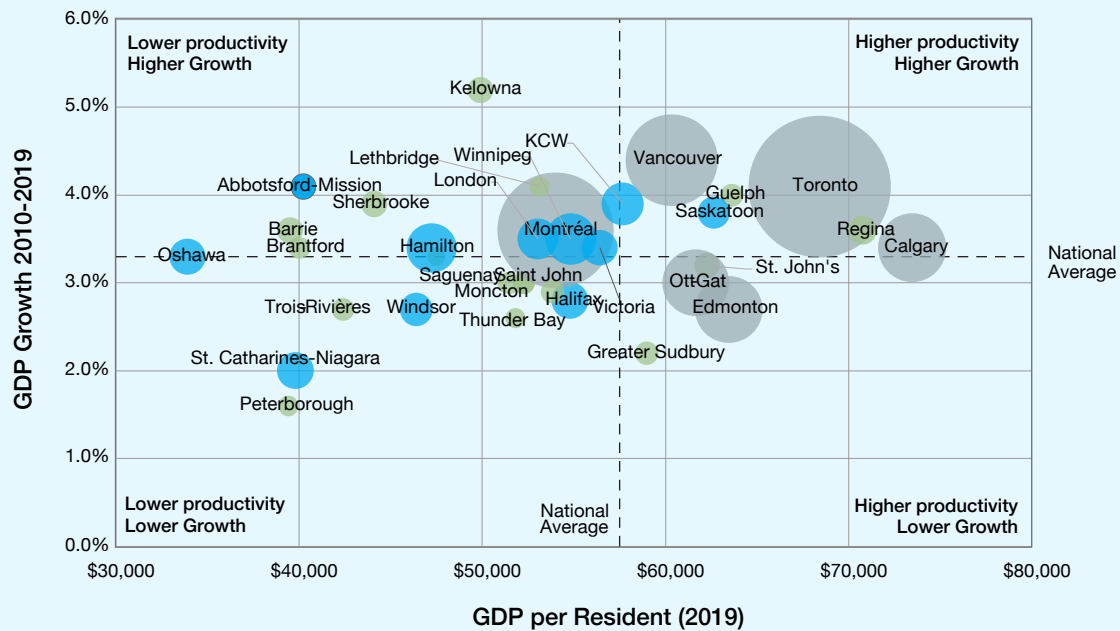
Source: Statistics Canada. Retrieved from https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3610046801

Large urban regions have higher than national productivity. What does this tell us? Cities and regions with higher productivity are generally growing faster in terms of population and jobs but mid-sized cities like Regina and Saskatoon represent regionally important cities that don't follow strict population expectations. The overall trend is the bigger the city, the greater the GDP growth.

The trends shown in Figure 32 highlight the demand for certain types of skills and education that large, growing, immigration cities require. This suggests the need to continue to invest in higher education at rates that are indexed to demand from the marketplace. The nature of the work involved outside of larger centres suggests a different employment demand or a more diverse educational framework that can support distinct growth patterns. Can we find ways to make this difference a benefit instead of a liability?

The key here is linking the type of jobs and industries that are growing the fastest (i.e., professional service, white collar jobs) and the benefit of these jobs being in larger urban agglomerations. There is cumulative causation between the type of economic growth, large cities and immigration, and the key question is, is this model sustainable? Challenges that must be addressed include affordability, livability, and the rural-urban divide (political-economic power decoupling).

Large cities have high proportions of professional services that leave them subject to the impact of work-from-home trends in ways that may be less significant in smaller cities and communities (Figure 30). Work-from-home is more prevalent in professionalized sectors of the economy. This means that there is a greater chance of being a digital nomad in Canada's largest cities than there is in a smaller city.

FIGURE 30

Share of Working Age Population with Post-Secondary Qualifications, 2021

% of Population (Ages 25-64)

■ Bachelor's degree or higher   ■ Postsecondary certificate or diploma below bachelor level
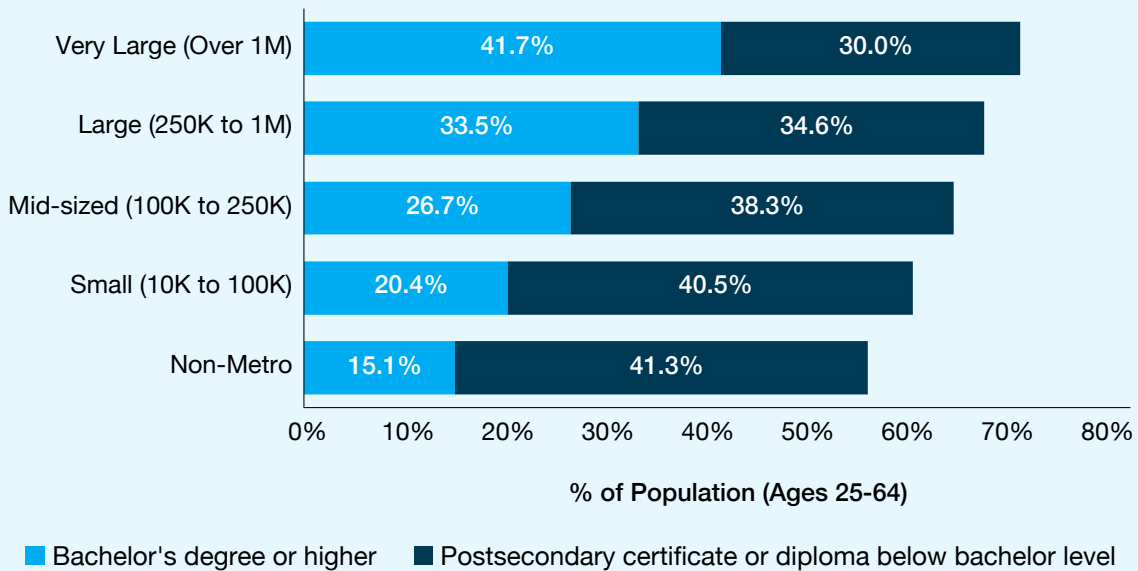
Source: Statistics Canada, 2021 Census.

FIGURE 31

Share of Workforce by Industry, 2021

0.0%   5.0%   10.0%   15.0%   20.0%   25.0%   30.0%   35.0%   40.0%

■ Agriculture and Natural Resources   ■ Manufacturing   ■ Finance and Business Services
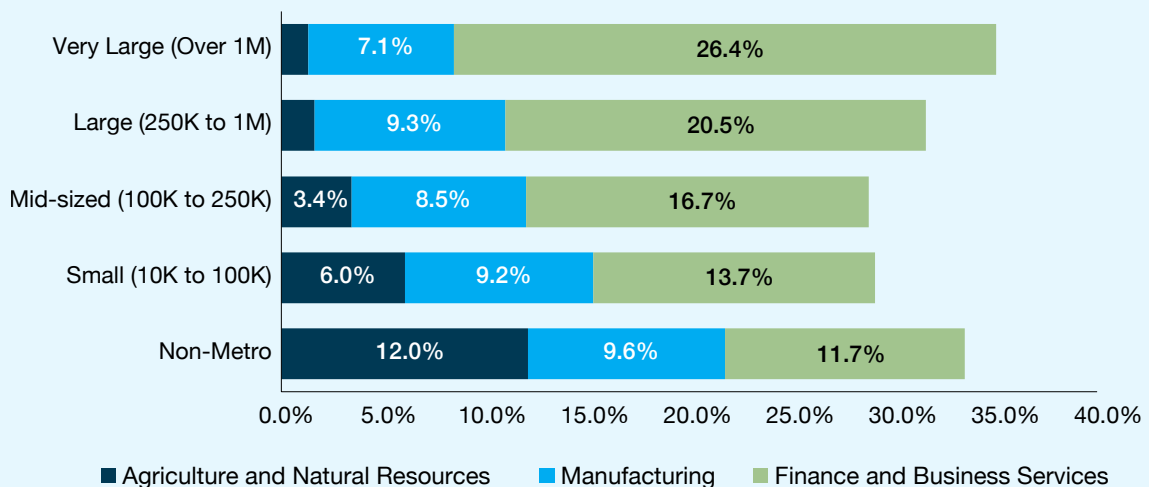
FIGURE 32

Share of Workforce by Occupation, 2021

Very Large (Over 1M)	20.1%	10.5%	7.5%	12.2%	4.0%	24.4%	15.0%	1.1%	3.7%
Large (250K to 1M)	17.2%	8.6%	8.8%	13.1%	2.9%	25.2%	16.3%	1.8%	5.0%
Mid-sized (100K to 250K)	15.7%	6.8%	9.2%	13.1%	2.4%	25.9%	18.2%	2.8%	4.8%
Small (10K to 100K)	14.1%	5.5%	9.0%	12.5%	2.1%	26.2%	20.2%	3.8%	5.7%
Non-Metro	13.0%	4.3%	7.4%	11.3%	2.0%	22.3%	22.9%	9.5%	6.1%

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%
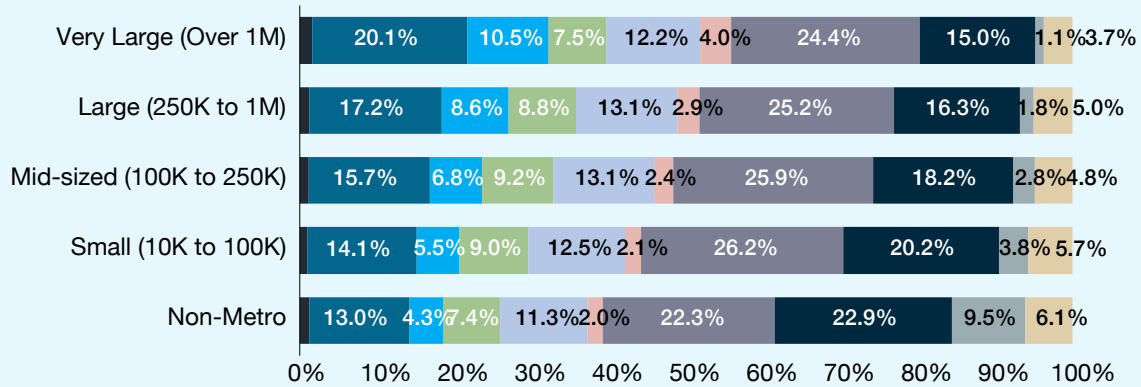
■ Legislative and senior management occupations

■ Business, finance and administration occupations

■ Natural and applied sciences and related occupations

■ Health occupations

■ Occupations in education, law and social, community and government services

■ Occupations in art, culture, recreation and sport

■ Sales and service occupations

■ Trades, transport and equipment operators and related occupations

■ Natural resources, agriculture and related production occupations

■ Occupations in manufacturing and utilities

Source: Statistics Canada, 2021 Census.

FIGURE 33

Economic Inequality in Canadian Cities by Population Size

Gini index (household market income)

0.38 0.40 0.42 0.44 0.46 0.48 0.50 0.52
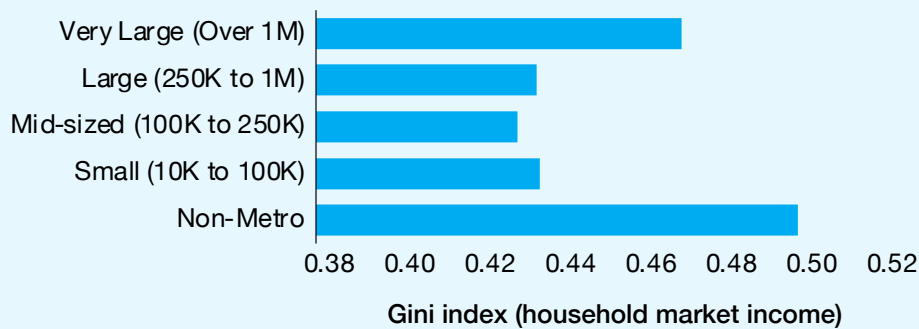
Source: Statistics Canada, 2021 Census.

FIGURE 34

Inequality in Canada by Employment Income

■ Men+ ■ Women+
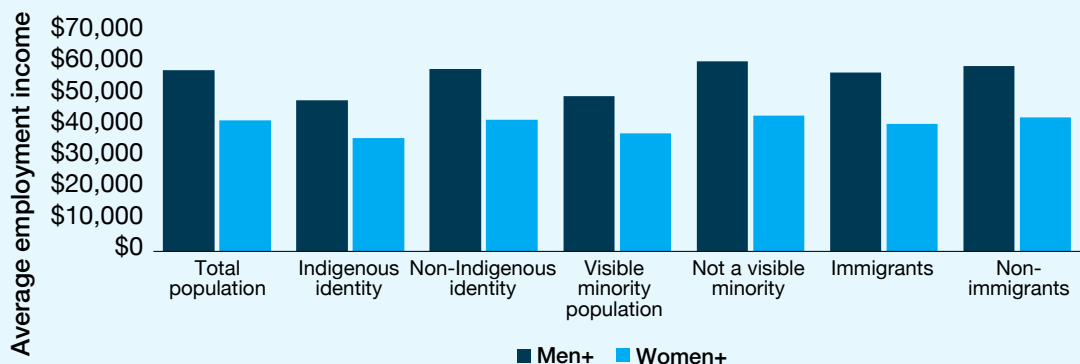
Source: Census Canada 2021

It's Not Business as Usual on Main Streets

Dan Kelly

President and CEO, Canadian Federation of Independent Business

Dan Kelly serves as CFIB's President and CEO and, in this role, is the lead spokesperson and advocate for the views of the organization's 97,000 members. Dan has served on dozens of provincial and federal committees and task forces, and currently serves on Finance Canada Payments Consultative Committee. He has also represented Canada's small businesses at the International Labour Organization in Geneva. Dan was born and raised in Winnipeg and graduated with a Bachelor of Commerce from the University of Manitoba.

Inflation has driven consumers to keep their wallets tight. Downtown businesses are reporting a lack of customers as office workers continue to work from home for much of the week. Crime and safety are on the minds of businesses and their staff more than ever before. Workers struggle to find affordable housing and businesses struggle to afford commercial rent and the debt they took on to survive the pandemic.

It wasn't supposed to be this way. While Canada was enduring some of the longest lockdowns in the world, many were predicting the end of the pandemic would bring a boom of post-pandemic spending.

And now, three years after the pandemic started, the recovery feels like it has barely begun. Only half of small businesses report their sales have returned to pre-pandemic levels. And even those who are doing as well or better than from before the pandemic are reporting their increased costs have increased much faster than their revenues.

But what can be done to address the situation? How can governments and the public help? First, governments need to stop making the problem worse. Increasing taxes, like the planned hikes in Canadian Pension Plan, Employment Insurance and carbon taxes need to be paused. While cities are dealing with their own financial challenges, they need to abandon any talk of new tax measures, like municipal sales taxes or parking taxes.

And we need to get government workers back to business too. This means getting workers back into offices unless compelling evidence can be offered that working remotely is helping to deliver more or better services to the public.

All levels of government appear to be getting the message that affordable housing is a massive public policy priority. This is good news. But the momentum often comes to a screeching halt when it hits the bureaucracy, especially if it begins to call for the million forms, rules, processes and fees that are often viewed as bureaucratic success indicators.

> To address rising commercial rents, we need to ensure every affordable strip mall with nearby parking isn't removed in favour of new condo blocks.

Municipalities should also do an internal review for red tape. This doesn't mean getting rid of all regulations and rules, but does require that we look carefully at unnecessary burdensome regulations that add nothing but headaches and plenty of paperwork. Perhaps building permitting processes can be streamlined even more, or a 10-page application can be condensed to two pages. Cities should also create and enforce service standards. For example, if a building permit takes a week, municipalities should aim to achieve that at least 90 percent of the time. If it takes longer and there's no reasonable explanation, businesses could receive their application fee back.

To address rising commercial rents, we need to ensure every affordable strip mall with nearby parking isn't removed in favour of new condo blocks. Ensuring consumers have access to a wide range of services from neighbourhood small businesses should be a public policy goal instead of continuing to push consumers to the big box power centre or online giants. After all, several provinces used COVID-19 policies to tell local clothing stores they were not allowed to serve their 5 to10 customers per day, and applied a different set of rules for Walmart and Costco.

Public transit and infrastructure improvements play important roles in improving the lives of citizens and businesses alike, but let's not forget about the impacts of major projects in the interim. Finished products are great, but it's the process and bad planning—especially if it's delayed indefinitely like the notorious Eglinton Crosstown light rail transit project in Toronto—that takes a heavy toll on everyone. Small businesses in construction areas are particularly affected and see reduced customer traffic due to limited parking,

dust and noise coming from the construction site. Toronto and other municipalities should follow the example of the City of Montreal, which compensates small businesses severely impacted by municipal construction work.

And consumers play a critical role, too. While many of us want to live in areas with lots of great independent restaurants, shops and services, we have to remember that these businesses are trying to make a living, not serving as street decorations. If we want small businesses to survive and thrive, we need to support them. New Canadian Federation of Independent Business research found that of every dollar spent at a local, independent business, 66 cents stays in the community. Only 11 cents stays locally when it is spent at the big guys.

Despite the challenging times, I remain optimistic about the future of small business and entrepreneurship. Younger and new Canadians are interested in starting new businesses and the opportunities that self-employment can bring. If we can get our governments to ensure a small business lens is applied to policies, rules and taxes, we can get small businesses back to doing what they do best—creating jobs and building strong communities.

Action items

- **Tax increases will not solve the problem for main streets and community businesses,** and should not be part of government strategy.

- **Government administrations need to get their workers back into their offices.**

- **Affordable housing would greatly benefit from a red tape review**—federal, provincial and municipal—to improve the delivery rate for retrofits and new builds.

- **Municipalities need to ensure there is a plan to maintain and build affordable commercial and retail space** as they look to densify and build more homes.

- **Transit and infrastructure build projects need to protect local businesses** better than they do currently.

PROVOCATION

Employee Ownership as a Strategy to Build Local Wealth

Dan Skilleter

Director of Policy, Social Capital Partners

Dan Skilleter is the Director of Policy at Social Capital Partners responsible for the long term policy agenda. He has previously led a diverse range of staff and political policy files in government and served as a senior economic advisor to a former Premier of Ontario and Minister of Finance. Dan holds a BA in Political Science from Huron University College and an MPA from Queen's University.

Employee-owned companies have been proven to grow faster than any comparable corporate structure and may be coming to Canada in 2024. They are more resilient in the face of economic shocks and downturns, showing stronger employment and lower likelihood of bankruptcy in recessions. Under the duress of the COVID-19-related economic crisis, these companies had greater employee retention and were able to maintain hours and salaries. That could be very good news for Canadian cities and communities.

The Government of Canada is advancing legislation to create more pathways to employee ownership starting in 2024, meaning that now is the time for cities across the country to be developing complementary policies to create more resilient local economies. Employee ownership keeps local businesses operating in their community. Employee owners typically reside in the communities in which they work and are more inclined to keep the business there. As a result, they help to preserve local jobs.

Historically, Canada has had very low rates of broad-based employee ownership, and as a result, Canadian communities have not benefitted from them. We have businesses, especially technology start-ups, that include shares or stock options in their compensation for employees, and others that have programs to help their employees

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buy shares, but these are insufficient given that they add up to far fewer employees at far fewer companies than in the US or Europe, and tend to represent a minority of shares in a company.

The limiting factor for employee ownership in Canada has been an archaic set of public policies, not culture or economic conditions. The most common form of employee ownership structures, common elsewhere, are Employee Ownership Trusts (EOTs). We simply don't have them in this country.

EOTs are an important economic ingredient because they provide a purpose-built vehicle to transition ownership of successful businesses to their employees. Using an EOT allows an owner to sell most or all of their business to their employees, at no cost to the employees, and with the benefits of ownership being distributed fairly across all employees, from frontline workers to management.

> Median household net wealth was **92 percent higher** for employees in employee-owned businesses than for employees at traditionally-owned firms.

The benefits of increasing employee ownership in local economies are significant. One of the most important is that the value of the company translates into wealth for local residents when the company makes the transition. Anchoring this wealth locally provides a vital buffer against economic shocks and produces a host of secondary benefits.

Recent research from the US found that median household net wealth was 92 percent higher for employees in employee-owned businesses than for employees at traditionally-owned firms.

Another study found that low- and moderate-income workers in employee-owned companies had significantly more wealth than their peers, and that the wealth benefits were even more pronounced for women and people of colour.

And data shows that in total about 14 million employee owners in the US own almost US$1.7 trillion in company assets, over $100,000 per employee. Many frontline US employees have retired with more than $1 million in their accounts.

Employee Ownership as a
Strategy to Build Local Wealth

Canada's federal government is poised to introduce legislation by January 2024 that would create the legislative framework necessary for EOTs to develop in Canada. If that legislation becomes law, an important step will have been taken, although additional supporting efforts will be required.

First, the value of EOTs will need to be embraced by all orders of government. Each order must make the necessary adjustments to provide room for EOTs to grow as a culture of adoption begins to expand. The US has had decades to work out legal issues, inform company owners and generate momentum for EOT adoption. The decades of work have enabled widespread employee ownership and the attendant benefits to local communities.

Even with a legislative pathway opened up, research indicates that one of the biggest obstacles to business owners adopting EOTs in their succession planning is that they simply don't know that it's an option. Education about the existence and benefits of EOTs is ongoing. Even in the US where adoption is relatively high, NYC Business—the city's one stop shop for business development—has been actively working since 2020 to overcome this obstacle by promoting EOTs through an initiative called Employee Ownership NYC (EONYC).

EONYC provides business owners with a suite of free services worth up to US$10,000. These services include:

- Initial consultation and eligibility assessment;
- Succession planning, including estimate of business value;
- Business readiness assessment;
- Access to capital, depending on eligibility;
- Guidance through the sale process; and
- Training and education for founders, managers and staff to support successful ownership transition.

In its first two years, EONYC recorded hundreds of business owners reaching out to inquire about employee ownership as a succession option, 72% of which were previously unfamiliar with employee ownership. Canadian communities can adopt a similar approach.

Community leaders in cities and towns, big and small, can support EOT legislation and actively work to make the option known to business owners in their communities. In the coming months, business owners across Canada will be able to consider an EOT in their succession planning for the first time. In addition to helping local businesses navigate whatever incentives federal and provincial governments attach to EOTs, cities can do their part by adopting policies that (1) promote awareness of EOTs to both owners and employees, and (2) provide programs that reduce risk and provide a clear path for business owners to transfer companies to EOT structures.

> **Community leaders** in cities and towns, big and small, can **support EOT legislation and actively work to make the option known to business owners** in their communities.

Canadian cities need all the economic stability and wealth retention they can get. EOTs, enabled by sound legislation and widespread awareness, can play a significant role in stabilizing and strengthening local economies across the county.

Spreading the Growth: How Canada's Smaller Cities Can Make Bigger Gains

Pedro Antunes

Chief Economist, Conference Board of Canada

Pedro Antunes is the Chief Economist at The Conference Board of Canada, where he provides insights and general direction for economic products, which include reports and economic indicators about Canada, its regions, and sectors. He provides professional testimony before parliamentary and senate committees along with media appearances in both English and French. Pedro is widely sought after to speak to industry leaders and decision-makers on a wide range of issues and topics impacting Canadians.

In the wake of the COVID-19 pandemic, the landscape of economic growth in Canada is undergoing a profound transformation. For decades, the country's four major cities—Montréal, Toronto, Calgary and Vancouver—served as the primary engines of economic development, but recent events have shifted the dynamics. Smaller cities across Canada are now poised to play a more significant role in driving economic growth and attracting a diverse pool of talent.

Pre-pandemic GDP growth driven by top cities

Before 2020, the top four census metropolitan areas (CMAs) in Canada were responsible for a substantial share of the country's economic growth. These cities, with their combined economic output of nearly $870 billion in 2019, played a pivotal role in shaping Canada's economic landscape. Over the past two decades, they contributed to nearly half of the total increase in the national real gross domestic product (GDP). However, this dominance has led to challenges such as housing affordability and traffic congestion, particularly in Toronto and Vancouver.

Recognizing the need for sustained economic growth, the Canadian government, through its Advisory Council on Economic Growth, had implemented a policy of rising immigration levels. The rationale was clear: higher immigration levels would help maintain a stable labour force and drive stronger economic growth. Consequently, the top four CMAs saw a surge in international migration levels, coinciding with robust, pre-pandemic economic growth.

Smaller cities can make bigger strides

The COVID-19 pandemic disrupted these trends. It led to a temporary halt in international migration, slowing population growth in major cities. While some smaller centres like Halifax, Moncton and Oshawa experienced accelerated population growth, others faced stagnation or even declines. The pandemic accelerated remote work, prompting a shift in migration patterns as people sought homes with more space, often in smaller, more affordable cities and suburbs.

> As the pandemic effects wane, Canada's major cities are reopening and experiencing renewed growth. However, some pandemic-related effects will persist, providing an opportunity for smaller cities across the country to bolster their contribution to economic growth.

As the pandemic effects wane, Canada's major cities are reopening and experiencing renewed growth. However, some pandemic-related effects will persist, providing an opportunity for smaller cities across the country to bolster their contribution to economic growth. A key factor in this equation is the attraction and retention of international immigrants. Smaller cities need to excel at employment and housing for immigrants.

Canada's labour force is at a crucial juncture due to the retiring baby-boom cohort. Without immigration, our labour force would be in decline. But immigration has rebounded, with the federal government setting ambitious targets to make up for the losses during the pandemic. Smaller cities often have tighter labour markets, presenting an opportunity to ensure labour market success for new immigrants while contributing to overall economic growth. A more balanced distribution of immigration, beyond just the top four cities, is imperative.

Balancing population growth across Canada's cities and regions can also alleviate the strain on infrastructure in major centres. Vancouver and Toronto, in particular, grappled with congestion and housing affordability before the pandemic. Governments have initiated programs to facilitate immigration to smaller centres and rural areas, but local leaders and employers must actively engage in marketing the benefits of these communities and providing appropriate settlement services. Major cities need to excel at encouraging immigration in neighbouring smaller cities.

A win-win for canada

The aspiration to achieve more balanced population growth across Canada's cities and regions benefits everyone. Reducing the pressure on major cities to keep up with housing and transportation infrastructure is essential, especially as immigration targets increase. A more balanced distribution of the incoming population does not diminish the importance of major centres but allows smaller cities to contribute more significantly to Canada's economic potential.

The accelerated adoption of technology and remote work, catalyzed by the pandemic, has shown that Canadians can contribute to economic activity regardless of their location. The time is ripe for smaller cities to seize this opportunity, attract both people and capital and play a vital role in shaping Canada's economic future. Smaller cities must build on remote work alongside larger centres benefitting from the output of these activities.

The COVID-19 pandemic has altered the economic landscape in Canada, providing smaller cities with an unprecedented chance to thrive and contribute to national growth. Attracting and retaining international immigrants will be key in this endeavor. By embracing this transformation and fostering an environment conducive to growth, Canada can achieve a more balanced, prosperous, and inclusive future for all its regions and communities. Cities large and small will be the winners if we can do this well.

Depreciation Boon for Diversification and New Thinking

Charles-Albert Ramsey

Economist; Author of Cities Matter: A Montrealer's Ode to Jane Jacobs, Economist*; Coordinator, International Business Studies Profile, Economics Department, Dawson College, Montreal*

Charles-Albert Ramsey is an economics instructor at Dawson College and Kiuna Institution, a First Nations college in Odanak. in Quebec. His research interests include urban and regional economics, Indigenous economics, systems analysis and ecological economics. He recently published a book on the economics of Jane Jacobs: *Cities Matter, a Montrealer's Ode to Jane Jacobs, Economist* (Baraka Books, 2022). He is also the author of several teaching manuals on the Innovatank.com platform.

Depreciation is a very real threat to all cities. Crumbling infrastructure—much of it built in the construction boom of the sixties and seventies—is evident everywhere. Our cities are in need of serious tender, loving, care. Our personal possessions suffer a similar fate: shoes, cars, appliances and trinkets are designed to be replaced quickly and to lose value even faster. Items may be useful even after their market value drops to near zero.

Are Canadian cities retaining their value?

Cities are on the front lines of depreciation. While some infrastructure is very old and holding up nicely, other public works need to be replaced prematurely. The cost of replacing roads, sewers and water treatment plants consumes budgets and limits growth. Basic replacements are handicapping development of much-needed services. What happens when replacement costs for old infrastructure exceed demand for new services?

Along with climate change, inflation and protectionism, our leaders must also face aging buildings, roads and waterworks. Depreciation is serious and must be addressed. What we need is a full range of options for addressing the loss of capacity in our community infrastructure. One source of insight comes from Jane Jacobs, a measured optimist, who neatly mapped the systemic issues behind innovation, development, and city growth—including depreciation and the inevitable decay that physical cities face.

Jane Jacobs' Insight: Old buildings as a hedge against depreciation

Where most people saw decay and relics, Jane Jacobs saw opportunity for a slew of young entrepreneurs to break away from their steady jobs and build their own businesses. Cities need old buildings, wrote Jacobs. They provide affordable space for new economic ideas. Managed wisely, old buildings can provide infrastructure for smaller, more informal economic development opportunities that new construction simply cannot match. And that's a good thing for neighbourhoods.

What can be done to support this? First, we need to design and develop buildings with strong foundations that can withstand climate change and other long-term disruptions. Historic construction can shed light on what survives and what does not. Second, we need modular buildings that can change uses over time. Adaptability needs to be a critical design feature of any new construction. Can those brand-new condo towers be easily modified in 10, 20 or 50 years when needs and demands change? Are those new factory spaces flexible, able to be repurposed for unforeseeable change? Can the building accept new inputs and provide new outcomes? These are questions that are often overlooked in city building. We need to change that.

Paying attention to these fine-grained housing and commercial construction will directly impact the overall resilience of the Canadian economy. What happens to a country depends on the capacity of its towns and cities to adapt constantly to the everchanging needs of citizens.

> We need to **design and develop buildings with strong foundations** that can withstand climate change and other long-term disruptions. Historic construction can shed light on what survives and what does not. Second, we need **modular buildings that can change uses over time.**

Depreciation Boon for Diversification
and New Thinking

Communities that have large legacy industrial spaces can convert them to affordable maker spaces where small and medium sized businesses can make durable furniture for our homes, repair shoes for our children, weld fences for our local schools, and practice many other important jobs such as carpentry, pottery, sewing and food processing. These depreciated spaces can serve to share tools and time to supply goods and services at manageable prices.

Foster entrepreneurial cultures that occupy depreciated spaces

Reusing old buildings for new business is not a new idea. There are many, many examples in cities across the country. The old Nortel building in Montreal, now called Nordelec, is home to hundreds of small businesses, including a television production company, an advertising firm and an engineering consultancy. A single large entity replaced by myriad smaller interdependent businesses significantly increases community resilience. The sheer variety and fine-grained characteristics of these types of developments are much more adaptive. Economic resilience occurs by diversifying an industrial base and creating a variety of work opportunities to match the diverse skill set of a given community. Cities need more of that.

Depreciation of sewers and roads

There is a class of civil works such as aqueducts and roads that cannot be repurposed the way an old factory can. Making full use of these types of civil assets in a sustainable way requires at least two changes in our planning:

- Following Jacobs, the inputs and outputs of these systems can be conceived of as clues for long-term viability. Very expensive engineering solutions to flooding (dikes, levees, flood controls) may need more moderated approaches: How can we adapt what is in the flood zone to survive periodic high water events? Total prevention of flooding with infrastructure often means that when those means fail, the results are far more catastrophic.

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Depreciation Boon for Diversification
and New Thinking

- Roads are an expensive and difficult asset to adapt but are essential for cities. Replacing roads in the same way they were originally built is not feasible. In keeping with a more adaptive approach, it may be possible to downsize roads to be able to fund other transportation modes such as trains, buses or streetcars. Jacobs neatly points out that cities often build layered transport hubs. Rails don't replace roads; roads don't replace waterways. Instead, they complement each other and constantly improve the city's value as a central location for production, distribution and consumption. Intermodal efficiency can reduce demand on any one mode and improve economic function and quality of life for citizens.

> **Intermodal efficiency** can reduce demand on any one mode and **improve economic function and quality of life for citizens.**

Key actions in the face of depreciation

- **Pay attention to feedback from urban systems and learn to explore counterintuitive solutions.** Reading and understanding feedback in cities across a wide range of sectors provides much greater insight than single-focus approaches. We must expect a far greater degree of collaboration across city functions than we have today.

- **Create settings and systems that are problem-solving and innovative in their approaches.** Identify ways that the existing approaches limit the range of options, cutting off ways of addressing road, water, transport and other needs that prevent us from extending the errors of prior ways of building. Necessity is not the mother of invention, wrote Jacobs, opportunity is.

- **Identify, catalogue and publicize the stock of old, underused and adaptive buildings in your city.** Ensure that community groups, businesses or government agencies that need space and could act as an anchor tenant are engaged as a means of financing the renovations needed to get the space going. Arrange the surroundings as a convenient and accessible space that will draw in additional tenants and owners.

Policies and legal changes that support these approaches will ensure that as our cities age, they will continue to actively contribute to our collective well-being.

Why Civic Capacity Matters: Civic and Cultural Assets Underpin Communities

Civic and cultural assets are the jewels of our communities, offering a level of livability and inspiration that transcend differences. They must be supported to adapt for the future and thrive.

COVID-19 revealed the importance of, and in some cases the dearth of, public space and amenities in our communities. We have also had more than three years to understand its importance and value: the need to socially, economically and environmentally invest in our civic and cultural assets to make our cities livable and vibrant (Figures 32 and 33). This section focuses on why civic and cultural institutions are particularly important to city building, especially in the current context, what we've learned about their importance in supporting civil society and what could happen if they see disinvestment.

Civic and cultural assets

During the first quarter of 2023, culture jobs stagnated at just more than 717,000 (0.1 percent growth). However, this was 7.9 percent higher than prior to the pandemic. Live performance employment was only 1.7 away from pre-pandemic levels, at almost 77,000 jobs, an increase of 2.9 percent.

Source: Canadian Association for the Performing Arts, COVID Impact Statistics.

COVID-19 revealed the importance of, and in some cases the dearth of, **public space and amenities in our communities.**

FIGURE 32

Live Performance Job Generation, 2019-2023
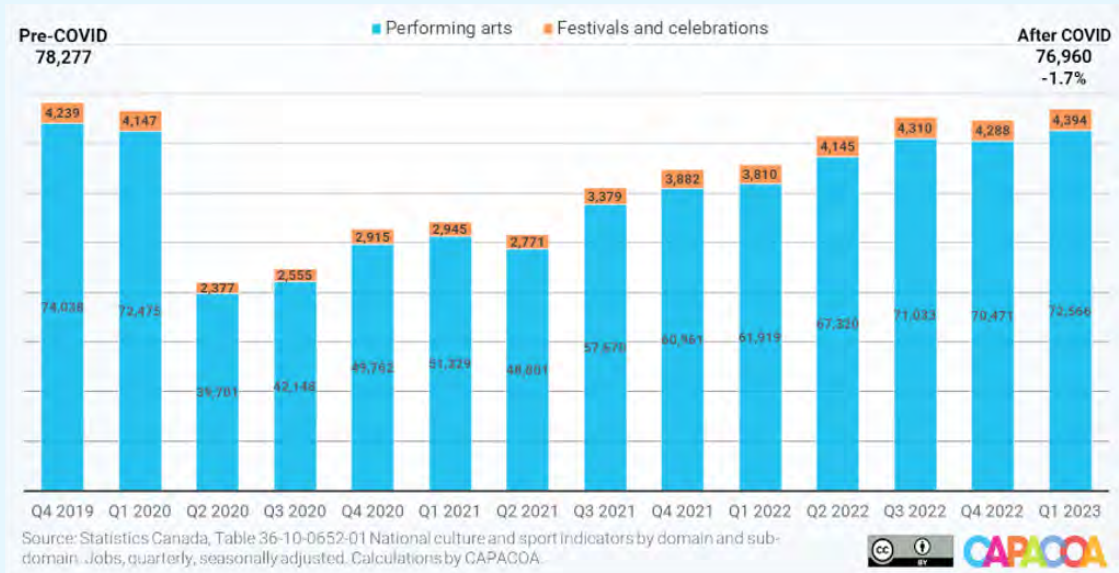
Source: Statistics Canada, Table 36-10-0652-01, released 2023-08-09. Calculations by the Canadian Association for the Performing Arts.

Between 2019 and 2022, the number of performing arts establishments decreased 16.9 percent. Across all industry groups, the decrease was much more pronounced among establishments without employees (19.0 percent) than with employees (5.9 percent).

In 2022, the live performance domain contributed $3.3 billion to Canadian GDP and accounted for 72,000 jobs.

Source: Statistics Canada, Table 36-10-0652-01, released 2023-08-09. Calculations by the Canadian Association for the Performing Arts.

Cities are dependant on visitors for lodging, food, conference, retail, entertainment and many other goods and services (Figure 35). There tends to be increasing rates of visits with population size but there are key exceptions where tourism is strong in smaller cities such as Niagara Falls, Victoria and Kelowna. In most cases, cities have rebounded strongly from the significant pandemic drop.

FIGURE 35

Visitors to Canadian Census Metropolitan Areas, 2022
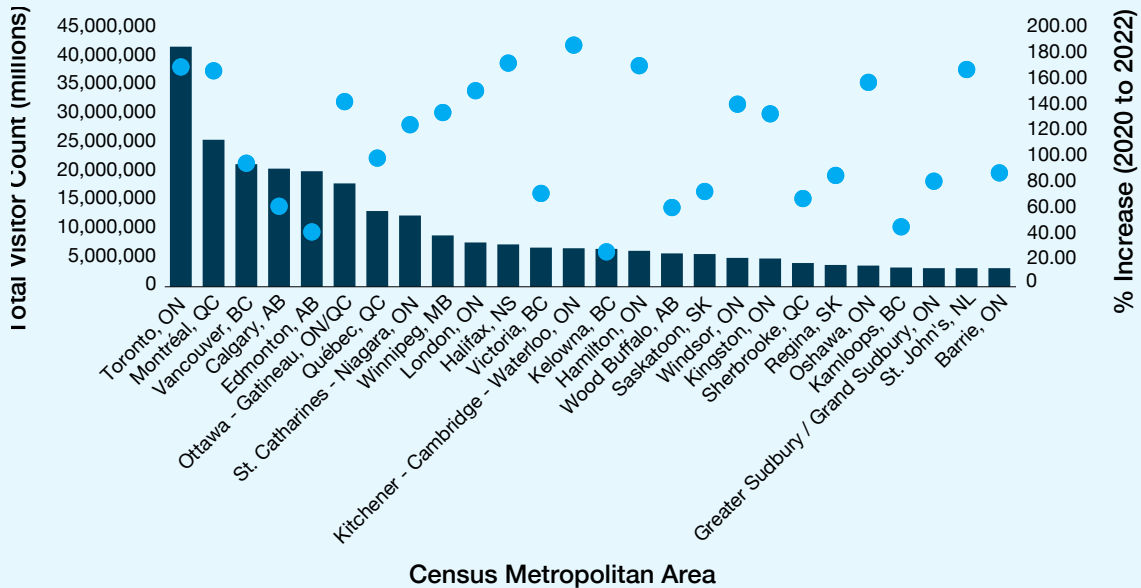
Source: Environics Analytics.

Toronto's civic infrastructure is reflective of the presence of these key building blocks of livable cities. The higher densities of downtown areas means they are often richer in civic assets (Figure 36). Improvements in these areas have important positive amplifications, meaning that the decline of civic infrastructure in core areas has many connected downsides, including increased social inequity.

Population density and civic infrastructure have an important relationship in all communities that needs to be better understood. Areas of the city where these institutions are absent or few in number may reflect a form of "civic desert" that represents an important opportunity for development.

FIGURE 36

Toronto Region Civic and Cultural Assets
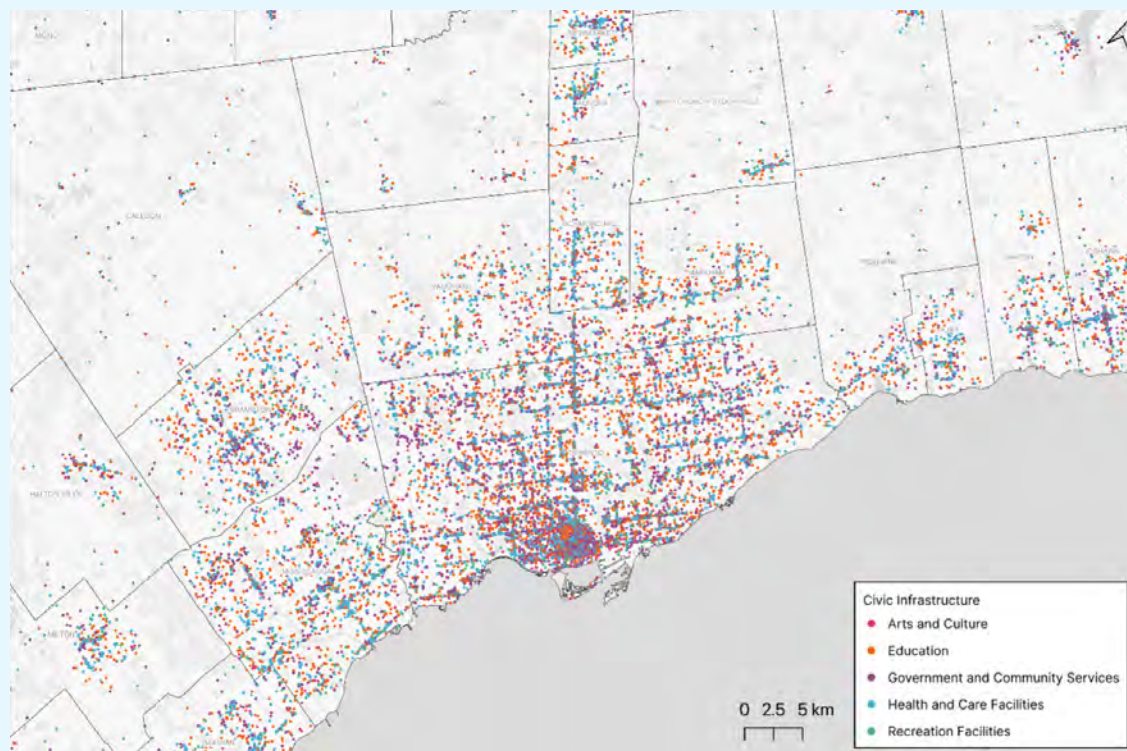
Source: Environics Analytics, OpenStreetMap, Statistics Canada, Mapbox.

Canada's libraries are an untapped national network of social infrastructure that includes 652 library systems and 3,350 branches. Canada's libraries are visited over 100 million times a year.

One investment in library programming generates over six times more in economic and social benefits. That is, for every dollar invested in Canada's urban libraries, six dollars is generated in community economic impact, a return of over 600. This number is significantly magnified when we take into account the social value of libraries in addressing literacy, educational outcomes, and workforce development; culture; mental and physical health; reconciliation; belonging; and the health of our democracy.

In the course of their work on *Overdue: The Case for Canada's Public Libraries* CUI revealed the increasing number of social, educational and health services that public libraries are providing across the country.

FIGURE 37

Civic Mapping Data: Local Libraries as Critical Community Infrastructure

Source: Canadian Urban Institute. OVERDUE: The Case for Canada's Public Libraries, 2023.

The CUI worked with Moneris to formally evaluate the effectiveness of placemaking activities funded through the Federal Development Agency for Southern Ontario's MyMainStreet program. In the case of the Downtown Kitchener BIA's patio program (see Figures 38 and 39), the evidence clearly demonstrated a significant direct benefit to local businesses.

FIGURE 38
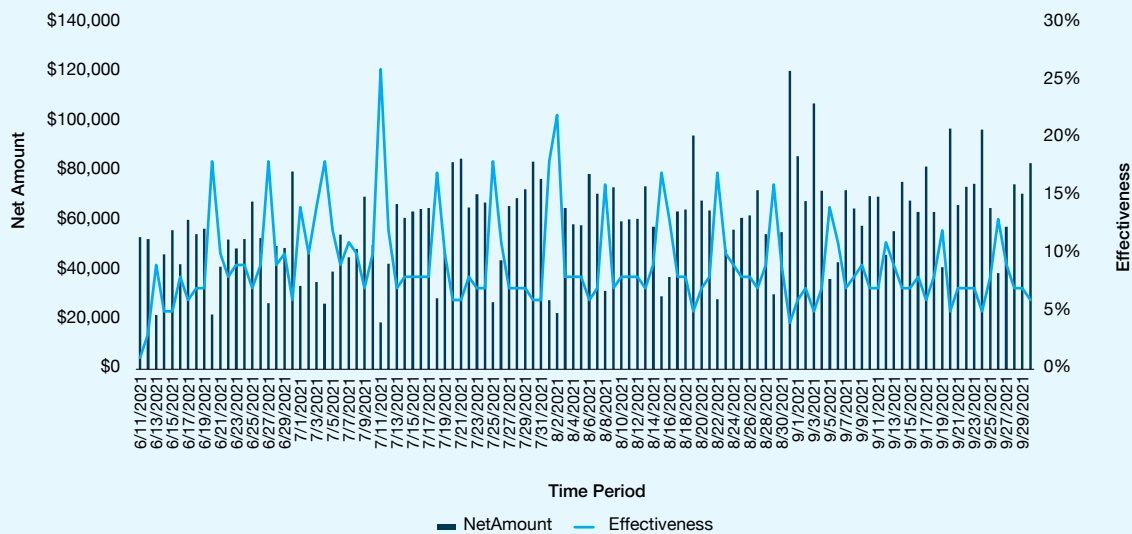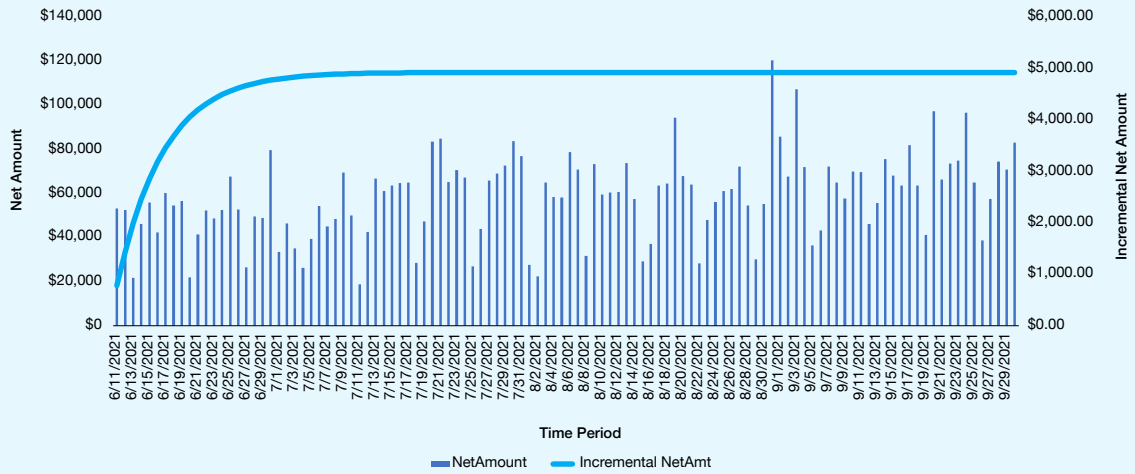
Effectiveness of Downtown Kitchener BIA Patio Program

FIGURE 39

Consumer Spending Impact of Downtown Kitchener BIA Patio Program

Source: Moneris; Canadian Urban Institute. My Main Street research program. https://www.mymainstreet.ca/

Strong Mayors in a Weak Mayor System: Soft Power and the Convening Role of Cities

Lisa Helps

Former Mayor, City of Victoria

Lisa Helps is the former two-term Mayor of Victoria, British Columbia. She is currently working as Housing Solutions Advisor to Premier Eby for the start-up of BC Builds, a new housing program that will use public land, low-cost financing, and other innovative tools to get more housing built more quickly for working people in BC.

Cities large and small across the country are grappling with an unprecedented and interrelated set of challenges: the climate crisis, the housing crisis, the opioid crisis, the cost of living, increasing inequality, polarization, systemic racism, and spiralling infrastructure and climate adaptation costs.

None of these can be addressed by cities alone, so city leaders spend time doing advocacy with other orders of government that have the power, resources and legislative authority for more resources and authorities for cities. This advocacy is important because an all-hands-on-deck approach is necessary if we have any hope of making progress and reversing some of these troubling trends.

Mayors are often in a difficult position, as Canada is said to have a "weak mayor" system. This means that mayors chair council meetings, cast one vote as if they were just another councillor, and represent the city publicly. As Bryan Kelcey notes in his article, "To lead in the 21st century, Canadian mayors need the power to propose," Canada's Constitution lists cities among provincial powers and, thanks to provincial laws, most cities are still governed with the same weak mayor model as a 19th century Upper Canada village.

In my experience as Mayor of Victoria for eight years, I found that a mayor does have real power. Mayors and the cities they lead have "soft power" and the power to convene. Soft power means the ability to coordinate and affect others by attraction and persuasion, rather than just coercion and payment; it's the "ability to influence others by ideas and attraction that set the agenda." For centuries, cities and their leaders have been drawing on their networks, connections, and trust to build consensus around their agendas and pursue big objectives.

Crisis sparks collaboration

During the COVID-19 pandemic, as the world was shutting down around us, a small group continued to go into City Hall every day and we quickly became the City's core pandemic team. Like all other city leaders across the country, we had to figure out how to adapt city services: what to keep open, what to close. But our biggest conundrum was how to take care of the 400 to 600 people who ended up homeless almost overnight, when shelters reduced their numbers, bubbles got smaller and people who had been staying with friends or family were sent outside.

Action: Identify problems where collaboration is the only way forward.

Early on I realized there was no one to take the lead on this and it was left to us. I called a meeting of everyone I thought could help and requested that we meet every day at 1 p.m. The meeting involved key City staff, BC Housing, Island Health, the region's Chief Medical Health Officer, and a few other core service agencies. All attendees were people with the ability to make decisions and to act. I requested that the same person from each agency attend each day, for continuity and because building trusted relationships would be key to doing the work.

Action: Identify moments or perennial issues that can be served by using the power of convening.

At each daily meeting I asked the same three questions: What did you do in the last 24 hours? What will you do in the next 24 hours? What support do you need to take action? I met biweekly with then-Minister of Housing, now Premier David Eby, to keep him and his staff up to date on our work and to enlist them as a partner. These biweekly meetings were important to keep the momentum going and keep the Province focussed on the issue with everything else they had to worry about.

It was a gigantic effort and took a long time to accomplish, but eventually we had mobilized provincial and local resources, and offered indoor sheltering opportunities to everyone who needed them. The meetings eventually went from daily to weekly to biweekly, and we wrapped them up for good in August 2021. People told me afterwards that they missed the meetings when they ended because of the feeling of connection that developed as we worked together on a really difficult challenge. Some participants also told me that they wouldn't think of coming to the meetings without their actions completed because of a deep sense of responsibility they felt to the group and to our shared goal.

Action: Meetings should generate concrete actions and a shared sense of accountability that inspires people to follow through.

This soft power convening tactic can work on any issue, and not only in emergencies like the pandemic where there may be a greater willingness to work together. In Victoria we used this same power to develop Victoria 3.0 Recovery, Reinvention, Resilience, a 20-year economic plan to create low carbon prosperity. We also convened the initial group that created The Centre for Ocean Applied Sustainable Technologies, now a multi-million-dollar blue economy innovation hub on southern Vancouver Island, with an orientation to the Pacific export economy.

> This **soft power convening tactic can work on any issue**, and not only in emergencies like the pandemic where there may be a greater willingness to work together.

Soft power is real power. And deploying it means that while cities continue to advocate for everything from more stable, predictable funding for infrastructure and housing to constitutional change to make cities more than creatures of the provinces, they can take matters into their own hands, bring people together in new ways and drive action.

This convening power has an added benefit in the current climate of polarization and deepening social divides. As an antidote to this division, there seems to be a hunger to come together differently, roll up sleeves and co-create real, meaningful solutions. In this way, the convening power of cities is also the power to heal.

A short guide for city leaders on using soft power to convene

- Get the appropriate people in the room. This often means people who may not be in the same room unless you invite them, and are likely to be people who have differences of opinion.

- Focus the energy by asking the same simple but powerful questions at each meeting. Have no agenda other than these questions.

- Assign actions at the end of each meeting that should be completed by the next meeting, including some to yourself.

- Convene meetings at the right frequency to keep the momentum but enough time for people to get their actions done by the next one.

- Hold space for vastly different perspectives to co-exist.

- Celebrate small successes along the way.

- Engage the whole person and all their gifts and skills, not just their job title.

- Keep a sense of humour.

- Love people well.

Photo Essay: Lessons from Small Town Success

Dorian Moore

FAIA, Archive DS Detroit (Partner) and University of Windsor

Dorian Moore, FAIA, Archive DS Detroit partner, has experience in large-scale urban master planning, including international teams invited to re-envision 11 Gulf Coast cities post-Katrina and the Portlands in Toronto. Dorian teaches urbanism at the University of Windsor.

Across Canada, many smaller cities are contending with long and persistent changes in their main street dynamics. Some of these changes have been accelerated by floods, fires, COVID-19 and shifting retail patterns. The responses that business and municipal leaders are making represent a wide range of important insights that can be shared with other communities and adapted for their particular challenges. Some of these insights are captured here in both the summary notation and the photographs that reflect what those responses look like.

What are the consistent challenges regardless of size?

- Establishment of the community's unique identity
- Focusing current housing development to support downtown enhancement
- Diversifying the economy
- Accommodating growth to benefit the overall community

What's working?

- Investment in small public spaces in the downtowns
- Availability of local niche shops
- Eco-tourism
- Proximity to natural features
- Creating an identity based on unique characteristics

Leamington, Ontario

Population: 29,680

Defining Characteristics:

- Lakefront access and National Park
- "Tomato Capital of Canada"
- Farmlands
- Highest Latin population in Canada

Successes:

- Rebounded from the loss of a major employer (Hienz)

Challenges:

- Continued diversification of its economy

Opportunities:

- Strengthening downtown based on increased tourism (eco-tourism)
- Strengthened access to Windsor/Detroit economic sphere
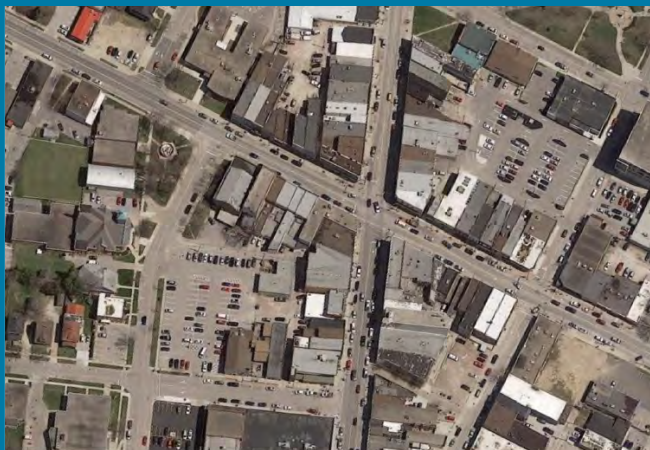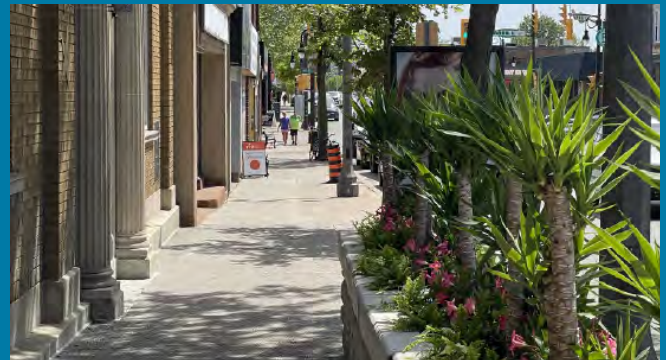
Kimberley, British Columbia

Population: 8,115

Defining Characteristics:

- Tourist area known for hiking, camping, and fishing
- Mining history
- Bavarian-themed environment for tourist attraction

Successes:

- Voted BC's Best Small Town
- Car-free walkable downtown core
- Pivoted from mining to tourism

Challenges:

- Maintaining small town character while experiencing growth based on livability and tourism industry

Opportunities:

- Increase emphasis on eco-tourism and its ability to enhance the identity of the town as well provide

Saint-Basile-le-Grand, Québec

Population: 17,053

Defining Characteristics:

- Low scale, low density
- Walkable
- Homes and infrastructure in good condition immediately adjacent to the downtown

Successes:

- Commuter train that led to retail development near the core
- Co-recipient of the $7 Billion Northvolt Electric Battery Plant
- 3,000 jobs expected

Challenges:

- Mitigation of the impact of large scale investment on the outskirts of town
- Possibly sprawl generation

Opportunities:

- Increased revenues based on job creation could lead to the development of housing and amenities in the core
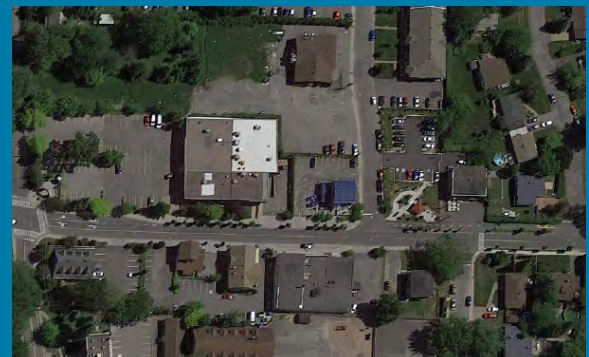
Woodstock, Ontario

Population: 46,000

Defining Characteristics:

- Good traditional physical fabric and public spaces

Successes:

- Restoration/renovations currently underway
- Investments made in public space

Challenges:

- Attracting businesses that will result in a repositioned downtown environment

Opportunities:

- Proximity to other larger urban centers (London, Kitchener/ Waterloo) could draw individuals seeking an alternative urban lifestyle

High River, Alberta

Population: 13,324

Defining Characteristics:

- Low scale, low density, walkable
- Multiple urban blocks and infrastructure in good condition
- Proximity to river/natural features

Successes:

- Major public park and walking trail
- Scenic sites make it a destination for television and movies

Challenges:

- Remote location
- Hit hard by flooding in 2013. A constant potential issue

Opportunities:

- New businesses add to the walkability of the traditional neighborhoods
- New construction communities like Montrose provide traditional neighborhood pattern

Kingsville, Ontario

Population: 22,118

Defining Characteristics:

- Low-scale, walkable downtown
- Distinctive downtown feel

Successes:

- Quaint local shops with potential to increase tourism

Challenges:

- Development outside of the downtown core is a lost opportunity to redefine the city's traditional urban structure
- A renewed streetscape could be the beneficiary of development investment

Opportunities:

- Increased densification of the downtown based on demand for walkable environment
- Streetscape enhancement to make the downtown a more attractive option

Advancing the Critical Role of T3010 and Civic Data in Community Building

François Brouard, DBA, FCPA, FCA

Professor, Sprott School of Business, Carleton University

François Brouard is a Full Professor in the accounting group at the Sprott School of Business, Carleton University, Ottawa and coordinator for the T3010 data users research group. His research interests include social enterprises, financial management, governance, foundations, philanthropy, nonprofits, arts sector and comedy industry.

Building civic capacity matters because the communities themselves are critical assets. Civic assets are not only the physical infrastructure (roads, water systems) but include the community organizations, groups and institutions all around us. Knowledge about these significant civic organizations and their contributions in each city enables municipal leaders to better reach volunteers, enlist donors and engage the clientele they serve.

Knowledge as a community asset

Knowledge is often considered a form of power. The raw alphanumeric values of data become information when they are processed and organized to provide context. Knowledge is the application of actionable and relevant information for decision-making. Assigning meaning, information and knowledge enables both individuals and organizations to accomplish their goals.

In human society, we know that creating and sharing knowledge creates a more dynamic community. Newcomers arriving in a new community from the same city, the same province, another province or another country need to know what is available in that

community. They may be active and integrated in their community if they have learned what is available. Many civic projects invest in creating awareness of opportunities for people to participate in community life. For example, an organization may offer an opportunity for kids or adults to volunteer or learn about activities they are interested in, such as in the City of Ottawa, which lists a number of partners and community organizations representing a wide range of activities such as arts and culture, sports and leisure, community associations and groups, community resource centres, multicultural groups and seniors' clubs.

Canadian data about civic and cultural life needs improvements. In Canada, the primary civic data collector is the Canada Revenue Agency.

Knowledge needs the information that arises from data. This means that one of the challenges in creating or sustaining community depends on data management. At the moment, except for sporadic surveys, Canadian data about civic and cultural life needs improvements. In Canada, the primary civic data collector is the Canada Revenue Agency. Registered charities (organizations that can issue tax receipts for donations) are required to fill in a T3010 form every year. This return provides a range of information about Canadian charities and, by extension, the civic sector. As valuable as this is, it has some serious limitations. Recognizing this, the 2019 Senate of Canada report on the charitable sector proposed a number of important recommendations. The problem is that there has been a slow response to those recommendations. Changes in the data related to the T3010 would improve both the charitable and not-for-profit sector organizations across the country. We urgently need to see those recommendations implemented.

There are a range of T3010 changes that need to be made. First, current data collection lacks information on diversity, geographic coverage and standards used to collect organizational data. Second, data collection would benefit from using existing online technology for prefilling forms and helping smaller organizations reduce the overhead burden of providing data. Third, data quality is always a challenge when forms are completed by respondents. This introduces many errors that need to be reviewed, cleaned and repaired. There is room for significant improvement in the collection and cleaning cycle. Finally, data needs to be easily available across long periods of time through easily used, open access pathways that could in turn support dashboards and APIs (application programming interfaces) that are widely used, putting this important data to work in improving the function of Canada's civic life.

Policy actions

Multiple stakeholders (Senate of Canada, Imagine Canada, Ontario Nonprofit Network, academic researchers, think tanks) have commented on the need for improvements. In order to improve the civic data landscape, hree specific policy actions could be taken.

- **Action 1: Commit to better and expanded data collection**
  There is value in the information already provided by the T3010 data. What we need is more work on refining data content, increasing data collection, improving data quality, expanding data dissemination and advancing data analysis. This effort needs to include all organizations in the non-profit sector, rather than just registered charities. There is a lack of information regarding non-profits, small community associations and unincorporated community groups. These groups provide many benefits in their communities that go unmeasured.

- **Action 2: Ensure better collaboration among governments**
  Organizations have become accustomed to gathering all kinds of data for their various purposes. Governments are no different. However, there is a need to improve the way that federal, provincial and local governments collaborate on data collection and use. For example, there is currently no exhaustive list of registered charities, non-profits and unincorporated community groups. Information on registered charities is available but many other community organizations could be more clearly seen and understood with better cross-government sharing of data.

Existing organizations, such as Canada Revenue Agency, Statistics Canada and other government departments or agencies could readily integrate data resources for processing and wide use. It is important that we combine data collection and data management expertise for greater benefit to Canadians. Non-profits and small community associations are contributing to the dynamic vitality of the cities, but it is difficult to assess their contributions without proper knowledge.
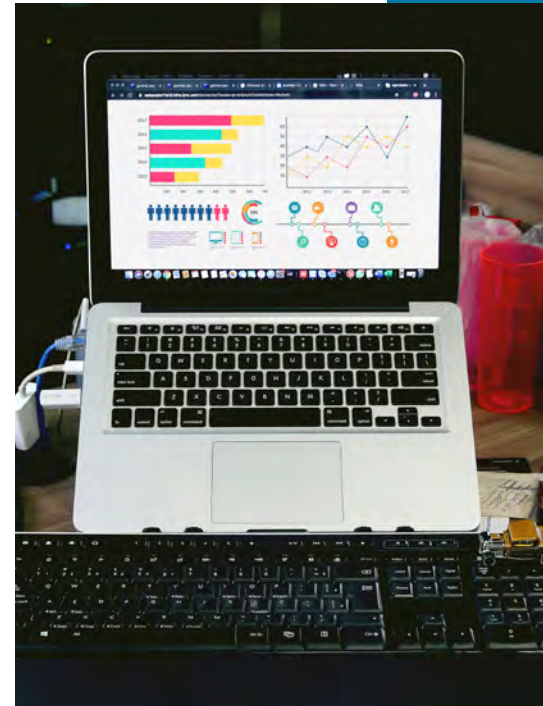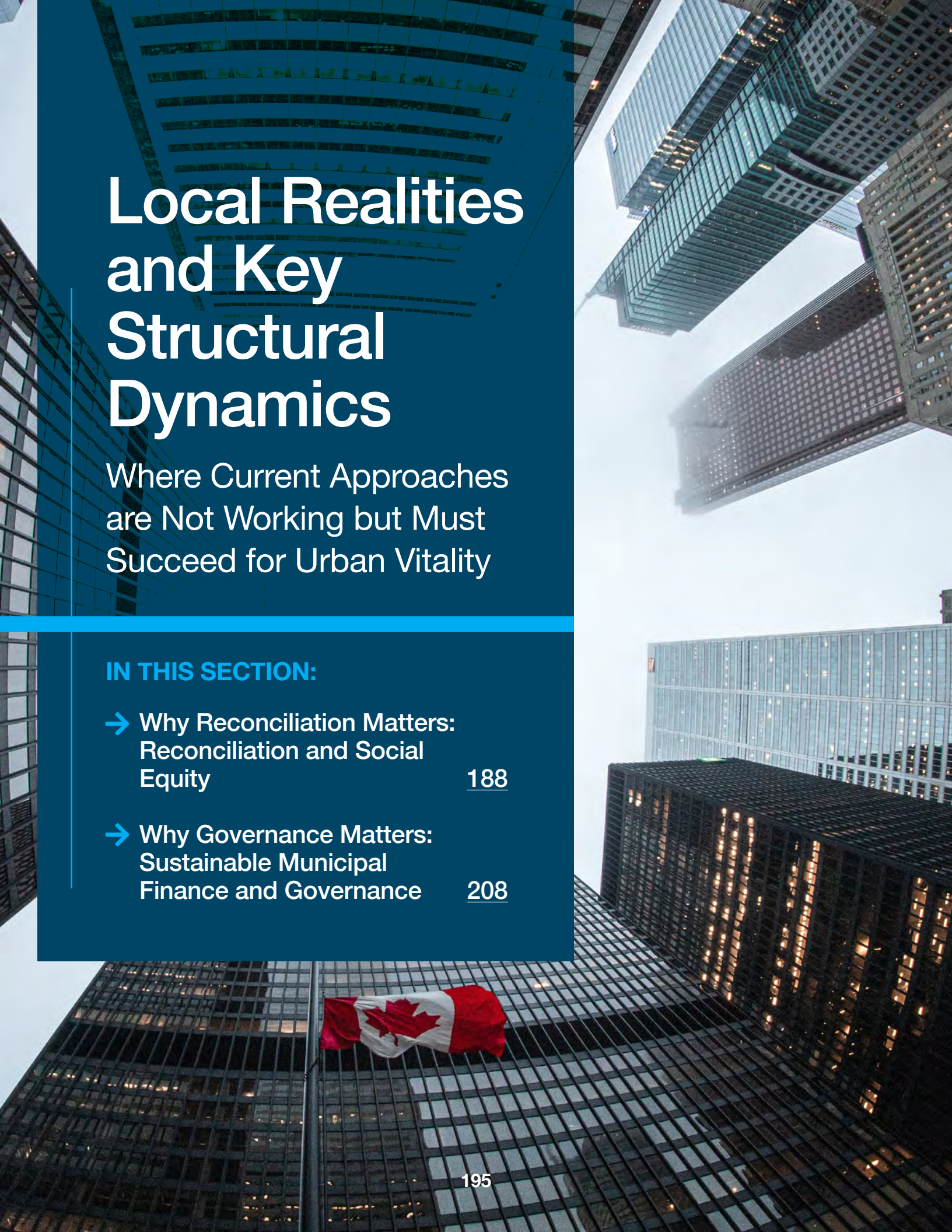
- **Action 3: Increase the use of civic information in support of better policymaking**
Better data used well will lead to better research and more effective policy. Currently, a lot of the information collected is only for compliance purposes rather than insight. The COVID-19 pandemic crisis put a spotlight on the impact of the non-profit sector during times of social distress. Improved knowledge will lead to better policy development and improved service to communities.

The Downtown Kitchener Patio Program studied the effects of CUI's My Main Street revitalization program, which offered residents, new entrepreneurs and existing businesses a range of supports intended to develop economic opportunities for the main street community. The net result was a clear indication that these types of placemaking activities are effective. From among the 65 main streets that benefited from the program, Kitchener is held out as an example of the impact of this type of investment. From June 11 to September 30, 2023, the Downtown Kitchener Business Improvement Association saw a net spending of $6.56 million. Of that amount, $526 thousand, roughly 8 percent, was directly attributed to the patio program. In 2022, spending was increased to $8.25 million, with $761 thousand being directly attributed to the addition of street level patios, an increase of 45 percent from the year before.

Local Realities and Key Structural Dynamics

Where Current Approaches are Not Working but Must Succeed for Urban Vitality

Local Realities and Key Structural Dynamics

Investment in city building can pay wide ranging dividends—economic, social, and environmental. However, Canada is not organized to do this effectively. Many of the urban systems that need attention do not function at the municipal scale; rather, they often function at either the regional or highly localized (neighbourhood) scales. A coordinated approach between all orders of government is required, but some adjustments need to be made.

Federal and provincial governments need to consider geographic differences when designing programs and policies more carefully. Municipal governments need to make new commitments to cooperation at the regional scale while also finding ways to empower decision making within neighbourhoods. Discussions about better power arrangements must start with meaningful Indigenous engagement and link suitable scales with appropriate funding.

We have, in some cases, talked about these equitable, financially sustainable and accountable processes, but we need to significantly increase our bias toward action if we wish to change our current trajectory.

Why Reconciliation Matters: Reconciliation and Social Equity

Conflict and inequity are very evident in urban settings and must be actively addressed there. Working toward real and effective belonging for all Canadians is at the root of a strong, exemplary civil society. When we experience true belonging, a deeply significant form of community is being practised.

The disproportionate impact of the pandemic and containment efforts on equity-deserving people and communities has been revealed again through COVID-19. The future must include Indigenization of our cities by the Indigenous community and finding new opportunities for social equity in our urban spaces, housing, economic development opportunities, mobility and movement, jobs and wealth generation.

In the City of Winnipeg, mapping income by census area reveals income disparity clearly (Figure 40). These disparities can be further refined by smaller geographic areas and offer insight into both challenges and opportunities in solving the range of issues that disparity reflects.

> The disproportionate impact of the pandemic and containment efforts on equity-deserving people and communities has been revealed again through COVID-19.

FIGURE 40

Average Income by Winnipeg Neighbourhood, 2020
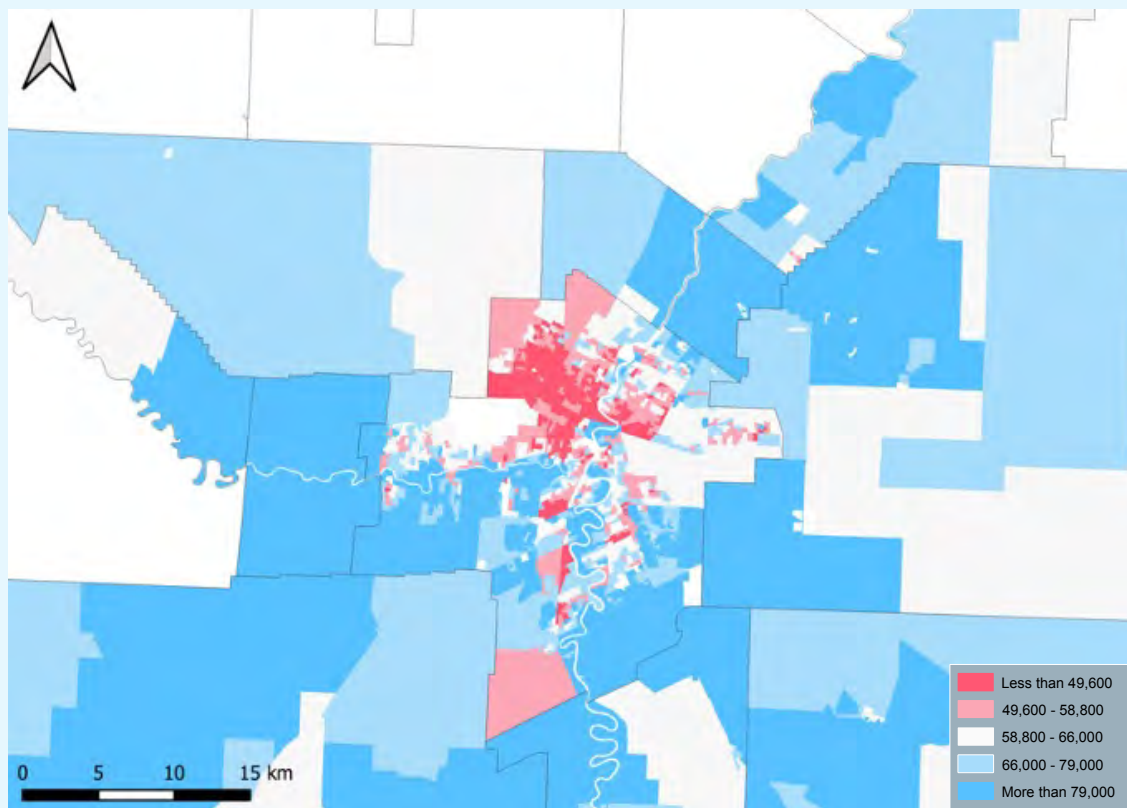
Source: Statistics Canada, Census, 2021.

FIGURE 41

Share of Indigenous Population by Region Size, 2021

- Very Large (Over 1M) — 22%
- Large (250K to 1M) — 15%
- Mid-sized (100K to 250K) — 12%
- Small (10K to 100K) — 15%
- Non-Metro — 36%
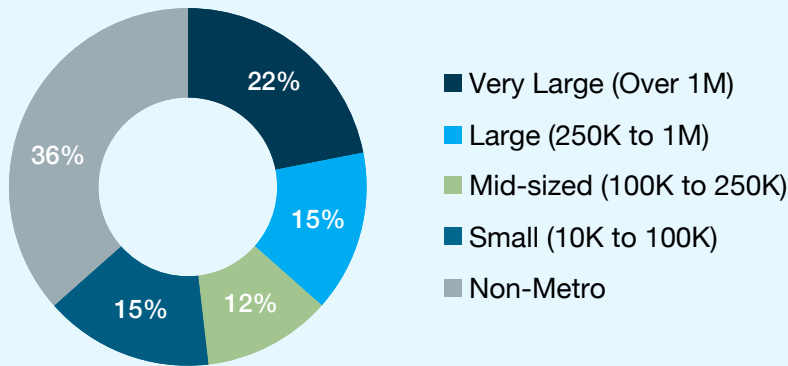
Source: Statistics Canada, 2021 Census.

A significant proportion of the Indigenous population lives in Canadian cities. This reinforces the need to continue to respond to urban planning and development approaches in collaboration with Indigenous communities.

FIGURE 42

Map of Indigenous Languages in Canada

Source: https://native-land.ca/

Indigenous languages and communities are integral to life in Canada, including Canadian cities.

Addressing Urban Economic Reconciliation

JP Gladu

Principal and Director, Mokwateh

JP Gladu is Principal of Mokwateh and served as the President and CEO of the Canadian Council for Aboriginal Business. He is Anishinaabe from Thunder Bay and a member of Sand Point First Nation located on Lake Nipigon, Ontario. JP earned an Executive MBA from Queens University and the ICD.D from Rotman School of Management University of Toronto and has over 30 years of experience in the natural resource sector at Board and Executive levels.

The critical challenge

In Canada, all land is Indigenous land; our people have been living, trading and cultivating the lands on which our major cities are built. However, a prevailing settler community has marginalized the Indigenous presence in urban centres, creating an incorrect perception that cities are incompatible with Indigenous identities. Despite this, 61 percent of Canada's Indigenous population resides in urban areas, with some regions reaching 85 percent. The youthfulness and growing population of Indigenous communities drives this urbanization trend. These creative, educated, entrepreneurial youth are all looking for meaningful economic opportunities and are making their presence felt in small and large cities across the country.

A 2011 Urban Aboriginal Peoples study revealed that while Indigenous people in urban areas seek significance and visibility within the cityscape, 40 percent felt under-represented, with no single Indigenous organization or political party resonating with their perspective. There exists a strong desire within this community to positively shape the urban spaces they inhabit. The survey reflects that 60 percent believe they could enhance their city's livability.

There are various reasons for Indigenous people residing in urban settings, but a gap persists between service availability and accessibility for urban Indigenous community members. Even with a burgeoning Indigenous middle class, poverty remains disproportionately high among urban Indigenous populations. The demand for culturally sensitive and accessible Indigenous-led community support continues to rise. Indigenous peoples relocating to urban areas face challenges related to environmental, social, cultural and economic factors, compounded by racism and overall community rejection. These issues affect both newcomers and those raised in urban centres.

According to Statistics Canada, roughly 46,000 individuals identified as Indigenous in the City of Toronto, the largest population in Ontario and the fourth largest in Canada. However, Indigenous organizations estimate the actual number to be closer to 70,000. These Indigenous populations tend to cluster in the Downtown East, Beaches, and southern Scarborough areas.

Historically, numerous First Nations communities were displaced beyond city limits, but a shift is underway. As these communities reclaim and develop municipal sites, they assert change making agency over the land's development and governance.

It is imperative that Indigenous people not feel any less connected to their heritage due to their urban location; rather, the urban landscape must take steps to authentically reflect its longstanding Indigenous constituents.

How Canadian cities are addressing the challenge

Cities like Saskatoon, Winnipeg and Vancouver are taking crucial steps toward Economic Reconciliation. They've established urban reserves on lands previously designated for municipal development.

> **It is imperative that Indigenous people not feel any less connected to their heritage due to their urban location**; rather, the urban landscape must take steps to authentically reflect its longstanding Indigenous constituents.

Notably, Muskeg Lake Cree Nation pioneered this approach in 1988 in Saskatoon, transforming land initially set aside for municipal development into a thriving commercial hub, home to numerous Indigenous and non-Indigenous businesses. Saskatoon mayor Charlie Clark highlighted the collective pride and commitment to creating a more resilient, inclusive community through this initiative.

Winnipeg took a significant stride by establishing Canada's largest urban reserve last year. This involved repatriating lands from the former Kapyong Barracks to a joint reserve owned by seven First Nations in Treaty One territory. This ambitious 15-year project aims to develop 1,100 residential units and over 1 million square feet of commercial space, fostering economic growth and community development. Manitoba Keewatinowi Okimakanak Grand Chief Garrison Settee emphasized a paradigm shift toward active participation in economic prosperity, rather than mere observation.

Vancouver's undertaking is perhaps the most ambitious. The acquisition of Squamish reserve land for a $3 billion mixed-use development named "Sen̓ áḵw" aims to create a sustainable village, reclaiming ancestral territory from its 1913 eviction for CP Rail development. The planned 6,000 new housing units, primarily for the "missing middle" amidst a housing crisis and competitive real estate market, includes several hundred designated for Squamish Nation members. The Nation anticipates generating substantial rental revenue, projected at up to $10 billion that will be used to assist its members.

Toronto, renowned as the "city of neighbourhoods" boasts 240 unique cultural enclaves. From Michelin- recognized eateries in Chinatown to vibrant cosmopolitan areas like Greektown, Little Italy, and Little Portugal, these neighbourhoods thrive on Indigenous land. However, there's a glaring absence of a district celebrating Canada's ancestral heritage.

In 2014, the provincial government returned a 2.4 acre parcel of land to Anishnawbe Health Toronto. This marked the inception of the city's first purpose-built Indigenous Hub. Combining essential health, education, employment facilities, and mixed-use spaces, this development aims to create a flourishing centre for Toronto's Indigenous community.

While the Indigenous Hub represents a significant stride in inclusive urban planning, there's an urgent need to envision even more impactful strategies for Economic Reconciliation. This stride must act as a catalyst to move the needle toward further Indigenous municipal land development. These urban reserves are fundamental in helping already existing communities flourish as they act as a magnet for commerce and culture.

Steps needed to achieve economic reconciliation

To advance Economic Reconciliation with Indigenous peoples in Canada, several key policy steps are crucial:

- **Enhance the Treaty Land Entitlement claims process**
  Streamlining and expediting the Treaty Land Entitlement claims process is essential for providing First Nations with the necessary capital for land acquisition. This should ensure adequate funding without relying solely on lengthy court proceedings. Currently six Treaty Land Entitlement claims are moving toward settlement and are in the capital awarding phase, while over 30 remain in the arbitration stage, some now for more than a decade.

- **Promote partnerships and development projects**
  Encourage partnerships between Indigenous communities, developers and municipal government entities for significant development projects. These ventures, like those underway in Vancouver and Toronto, can create planned communities on strategically located real estate, fostering economic growth and community development.

- **Expand Indigenous-led housing initiatives:** Support initiatives like the Indigenous Hub in Toronto, led by the Missanabie Cree First Nation and EllisDon. These should be part of a broader commitment to Indigenous-focused housing projects, aiming to provide 5,200 residential units by 2030, as outlined in the Housing TO 2020-2030 Action Plan.

- **Prioritize cultural celebration and sharing**
  Ensure that spaces and communities develop in partnership with Indigenous peoples and reflect and celebrate Canada's rich cultural diversity and history. This involves not only providing adequate housing but creating environments where Indigenous culture can thrive and be shared.

- **Integrate Indigenous communities in urban spaces**
  Actively integrate Indigenous communities within urban centres, emphasizing their cultural richness and contributions. This includes making communities visible and celebrated aspects of city life rather than relegating them to the periphery.

Overall, meaningful Economic Reconciliation requires collaborative efforts from developers, architects, municipal governments, Indigenous communities and the cityscape at large. It's about creating spaces that not only provide for basic needs but also foster cultural celebration, autonomy, and shared history.

Indigenizing Our Cities*

Ginger Gosnell-Myers

Indigenous Fellow, Simon Fraser University Morris J. Wosk Centre for Dialogue; Program Lead, Black + Indigenous Design Collective

Ginger Gosnell-Myers is Nisga'a and Kwakwak'awakw whose more than 20 year career challenging colonial systems is creating new pathways for radical change. She is the first Indigenous Fellow with the Simon Fraser University Morris J. Wosk Centre for Dialogue, where she focuses on Decolonization and Urban Indigenous Policy and Planning.

For our third National Day of Truth and Reconciliation, I was struck by how much change has occurred for Indigenous Peoples in Vancouver and British Columbia. I work primarily in the field of urbanism, advocating for Indigenous knowledge to be reflected throughout the city, and for Indigenous people to be included in decision-making processes when it comes to how our city should look and feel.

My theory of change is that the more people see and experience Indigenous knowledge throughout our neighbourhoods and the places we live, work, and play, the more connection we will feel to our natural environment. This makes us more aware of how important it is for all of us to be better stewards for the health of these lands and waters.

If you know the Indigenous place name and story behind it, and see Indigenous design reflected in the architecture and landscape, then you will know there are millennia of history in that place; it's not just a generic strip mall. Cities especially need more opportunities for people to be connected to the environment. Indigeneity, overlooked and erased, provides a vital pathway for all people to connect to the land and environment. Residents are largely unaware of the stories and history of the lands they are on. That needs to change. Municipal policies that direct developers, architects and planners to include Indigenous knowledge and engagement through the development process is one way to ensure Indigeneity in cities and towns is built in.

*A version of this article was originally published on September 29, 2023 in The Tyee.

The path to reconciliation includes climate justice. Indigenous lives and cultures are dependent on access to our lands and waters for spirituality, for foods, for medicines. This requires Indigenous Peoples having a say in how our lands and waters are developed and protected. Again, this is where municipalities play a role in ensuring that Indigenous knowledge is centred when designing the landscape for access to parks and water.

Indigenous Peoples have been forcibly removed from the land that our towns, cities and communities are located on; our children put in residential schools and the land and resources exploited at our expense. Despite this, the strength and wisdom of Indigenous Peoples remains. We have continuity with thousands of years of connection to these lands and waters.

We are still here and have maintained our laws over our territories. Now, and, in the midst of a climate emergency, more than ever, we require this deep knowledge, to reframe the relationship we all have to nature and to the places we call home.

I've been working through the Black + Indigenous Design Collective. The aim of the collective is to increase opportunities for Black and Indigenous Peoples in various fields of urbanism: design and planning, architecture and landscape architecture, public art and through urban policy-making processes. Our small but mighty team is finding strength through solidarity, preparing our communities with the capacity and resilience needed to create the futures and cities we all deserve.

It's imperative for Black and Indigenous Peoples to be at the forefront of urbanism— and be in decision-making roles. Because of our lived experience and commitment to decolonization, we know how to ensure that equity, justice and sustainability are primary considerations. Our experienced erasure provides us with the lens to consider groups that are normally excluded from urban plans. Imagine a city that is designed with children in mind, doesn't alienate people with disabilities, and reflects the deep Indigenous history of the place. Unfortunately, this kind of thinking has been all too rare.

What does this have to do with the National Day for Truth and Reconciliation?

We have to remember that Canada stole First Nations children from their homes to be placed in Indian residential schools, which were horrifying places of abuse. One of these was St. Michael's Indian Residential School in Alert Bay, where my father was sent. The last residential school did not close until 1996.

Canada advanced policies of cultural genocide for hundreds of years—through the underfunding of Indigenous education and health care, the mass incarceration of residential school survivors into the prison system, and the poisoning of the land and waters for the economic benefit of a few.

This, and more has, been a common part of Indigenous life in Canada, to which we cannot turn a blind eye as we have for too many Indigenous women, men and two-spirited people who are missing or were murdered.

For too long Canadians have been comfortable not knowing any of this. Instead, we see the stereotyping of Indigenous people, which then makes it difficult to be Indigenous in schools, hospitals, workplaces and cities. Accordingly, supporting Indigenous futures created by Indigenous Peoples is important.

I hold my hands up in thanks to everyone who has supported and made efforts to understand the history of colonization and its impacts today, who have created space for Indigenous knowledge to be at the forefront in the fields of urbanism and who have included Indigenous professionals in decision-making roles.

I'm inspired by the work taking place through the Black + Indigenous Design Collective. It will change Vancouver in necessary ways, creating a unique identity that will reflect Indigenous and Black cultures in exciting and contemporary ways.

As we remember the National Day for Truth and Reconciliation, let us continue to understand Canada's harmful actions toward Indigenous communities, so that we can celebrate Indigenous futures and create space for the Indigenous innovation we all need and deserve.

Action items

- **Study and implement policies that enable Indigenous knowledge and engagement** through the development process to ensure Indigeneity in cities and towns.

- **Strengthen access to parks and water** through municipal policy that includes zoning and bylaws that make it essential rather than optional.

- **Develop local opportunities for groups** like the Black + Indigenous Design Collective to improve urban planning and design.

- **Formally implement programs that inform all Canadians about the history of Indigenous Peoples** and their innovative contributions to city and community building.

Stronger Municipalities through Indigenous Housing Strategies

Jena Weber

Policy Manager, Aboriginal Housing Management Association of British Columbia

Jena Weber currently serves as the Policy Manager at AHMA. Jena has an MA in Public Administration and Public Policy from Carleton University. She has spent the last 15 years working in key leadership positions across the Indigenous, non-profit, and public sectors in Ontario, Alberta, and BC. Jena is committed to advancing policies and programming responses that enhance cultural safety and Indigenous models of response across the housing continuum.

Stephanie Lowe

Senior Housing Policy Analyst, Aboriginal Housing Management Association of British Columbia

Stephanie Lowe is a Senior Housing Policy Analyst with AHMA. She has been with the organization for two years and leads various major policy projects regarding Indigenous housing and homelessness. Stephanie contributed heavily to AHMA's State of Cities submission. She has worked in public policy since 2015 in both the public and non-profit sectors in New Zealand, Australia, and Canada.

Indigenous housing strategies are critical for the future health of Canadian communities and cities. Careful estimates indicate that approximately 75 percent of Indigenous people in Canada live in urban environments, not on reserves. This means that municipal leaders are uniquely positioned to raise their collective voices to influence provincial and federal policies and legislation toward a stronger future together—a future that sees the end of homelessness and housing precarity for society's most vulnerable and marginalized people.

With the insight and guidance of organizations like the Aboriginal Housing Management Association of British Columbia (AHMA), there are very specific actions that municipalities can take to significantly improve the quality of life for Indigenous people in their communities. These include:

- **Meaningful engagement, participation and inclusion of Indigenous voices**, knowledge and partnership at decision-making tables.

- **Consideration of socio-economic equity and deeply affordable housing** in municipal plans that connect with reconciliation and "for Indigenous, by Indigenous" (FIBI) approaches.

- **Convening stakeholders through wraparound services** to reduce barriers and support complex health needs within social and supportive housing developments.

- **Prioritizing vulnerable and marginalized community members** by reducing high-cost development fees and offering low-cost financing.

- **Empowering non-profit housing experts** to preserve affordable housing stocks.

- **Build on free lease land**, rezone and streamline permit and development processes.

Within this recommendation framework, there are three high priority actions for the near-term that can be undertaken by municipalities today:

- The highest priority now is for municipalities to **facilitate the development of new Urban Indigenous projects**. Now that the Province's Community Housing Fund is open and the Indigenous Housing Fund will soon follow, land transfers and other incentives, such as discounted or waived development cost charges and 5- to 10-year property tax exemptions, can make or break it for those trying to get approval on their projects.

- Cities can make a difference by **including Urban Indigenous housing needs assessments and data** in their municipal housing plans and official community plans to encourage non-profit and affordable development.

- All municipalities can **develop a memorandum of understanding** or a letter of agreement to work together with the AHMA member or Indigenous housing provider in their community. These collaborations result in better outcomes by incorporating Indigenous wisdom, lived experience and expertise on cultural safety and wraparound services.

Stronger Municipalities through
Indigenous Housing Strategies

These recommendations arise from AHMA's significant experience working on Indigenous housing needs and with municipalities. The AHMA is a housing and service provider whose members oversee 95 percent of the Indigenous housing units across British Columbia, providing homes to almost 10,000 Indigenous individuals and families living in urban, rural and northern regions of the province. Housing support includes homelessness prevention, wraparound support services, transitional housing, affordable housing and, most recently, complex care housing.

Working across these needs, it is clear that municipal leadership can help advance reconciliation by taking bold action in their respective communities. Municipalities are essential for improving outcomes for Urban Indigenous families and society as a whole. Housing is the foundation of well-being and thriving communities that are diverse, equitable and well-supported.

> **Housing is the foundation of well-being and thriving communities** that are diverse, equitable and well-supported.

The resources, information and expert partners like AHMA are available to support municipalities' journeys to becoming active allies. In housing, there are a multitude of opportunities for reconciliation to be embedded in community well-being and sustainability. Distinction-based strategies fail the large population of Indigenous Peoples not living on reserve lands, because Nations are limited in their capacity to help. AHMA's FIBI strategy bridges these gaps and honours diversity. We encourage municipalities to become familiar with this strategy and support local Indigenous housing initiatives.

One clear example of municipal and Indigenous partnership is the City of Surrey's Indigenous Housing Needs Assessment. This approach uses an inclusive lens in planning for Indigenous housing needs. Surrey put together a diverse team through Skookum Lab, involving AHMA and the local housing society, to collect the data required to create a comprehensive Indigenous housing strategy.

The lessons learned from the process apply to other settings and projects:

- Conduct an Indigenous-led housing needs assessment

- Understand the housing profile in your community through careful and consistent research

- Develop a dedicated affordable housing strategy that includes health-based wraparound services

- Ensure that social justice and equity are integrated into the plan

- Work with the community on a plan to address homelessness and informal settlements

- Engage frontline practitioners to understand intersectional vulnerabilities—people who are dealing with multiple barriers to access safe, affordable housing

- Partner with local Indigenous organizations

Many cities grapple with how to make clear commitments to actions that support reconciliation. Carefully developed shifts in policy that advance Indigenous autonomy in decision-making practices will benefit all community members. Any call to action needs policy that is backed by clear and sustained investment. There's nothing more empowering than being part of the solution. Data and research can be used to provoke more municipalities to understand and act on affordable housing as a forethought, not an afterthought.

Encouraging Growth as a Path from Smart City to Intelligent Community*

Brian Bowman

Mayor of Winnipeg

Brian Bowman served as Winnipeg's Mayor from 2014-2022 and made history by reportedly becoming the first Indigenous Mayor of a major Canadian city. Under his leadership, Brian guided the City's response to the global pandemic, transformed its reconciliation and human rights efforts, while delivering more than $2.5 billion in tri-level government funding for infrastructure to support Winnipeg's steady population growth. He currently serves as Vice-President, Sustainability and Social Impact for Great-West Lifeco (Canada Life).

When I ran for Mayor of Winnipeg in 2014, my vision was that we needed to grow, numerically, to be the best version of Winnipeg that we could be. I had been practicing law for 14 years at that time and had seen what was and was not working. Growth was a very concrete and necessary objective to focus on. At that time the population of Winnipeg was under 700,000. I wanted Winnipeggers to look to growth as an opportunity to leverage the growth as a way of being a better community. I'm now serving in my second term and we are pushing 800,000. I have really focused the dialogue on growing better, deepening the dialogue, welcoming the world to our city. We continue to grow numerically and in addressing the issues we face.

One of the defining aspects of my municipal leadership is that I am the first Indigenous Mayor of a major Canadian city. I'm Métis, and when I ran, about 12 percent of Winnipeg was Indigenous. I expect that as we approach the one million mark—projected to happen in the next 15 years—Winnipeg will be 25 percent Indigenous. Our growing

*Based on Brian Bowman's interview with Tony Pipa (Brookings Institute).

edge has been to see our Indigenous community as a source of wisdom, strength and resilience. We don't need to try to be unique—we are distinct in our arts, culture, thinking and community dynamics. This is a valuable differentiator for us that we embrace rather than overlook.

Canada's Constitution calls for us to provide peace, order and good governance. It's not sexy. However, good governance and providing good managerial stewardship of a municipal government is something that I set out to do. That should not be overlooked. I jokingly tell people that my blandness can be an asset. People just needed–when I started and I think still need–to have a steady hand at the wheel. What we really focused on is building and repairing trust and accountability at City Hall.

Open data and open government initiatives were an important part of that. I am a former privacy lawyer. I used to advise businesses and governments on building privacy by design. What I've taken to government, now that I'm in this office, is really looking at transparency by design. How do you design the functions and operations of government with the default value being openness and transparency? That approach has resulted in a lot of positive outcomes. More debates are grounded in fact and a shared set of data so we can have well-informed dialogue.

What does that look like? If we don't have common data, we can't debate actual progress very well. We need people to be better informed in working with us. In 2014, we started live streaming all of our committee meetings. We pushed forward our open data and open government initiatives. We also created a new office of public engagement, so that we could make sure we weren't just communicating outbound messages. We had professionals helping to guide us with proper public engagement, so we could be informed about public engagement on decisions we were making at City Hall. We've been able to transform the functions of municipal government and improve the perceptions of our local government.

I see technology as a means to an end, and distinguish between a smart city and an intelligent community. Smart city initiatives have been embraced by municipal governments for many years. In Winnipeg we are trying to leverage smart city tools to gather and deploy data across various platforms. We have been recognized for that effort but it is an ongoing challenge. How do we use technology and data to make Winnipeg an intelligent community? How can we use data to amplify what's best about our city? Nobody has a monopoly on good ideas. But how do you get good ideas and learn from each other as a community and, by extension, from other communities around the world? That's what will make this a better community for everyone.

We think being an intelligent city is to link data with the power to convene as a municipal government. As an example, we initiated an illicit drug strategy. We are not responsible for health as a City, but we are deeply impacted when health outcomes aren't good in our community. Rather than just let it be someone else's problem, we created the Illicit Drug Strategy Task Force. We convened federal, provincial, and municipal governments to tackle the meth epidemic that is common across Canadian cities and cities around the world. We've done that on property tax challenges and housing issues as well. We focus on informed convening toward solutions because so many things are connected whether social, economic or environmental issues. That connectivity mindset underpins our convening efforts.

Reconciliation and inclusion are very important for me in this second term. This work represents the future of a better Winnipeg and we are trying to lead from a human rights perspective. Winnipeg is home to the Canadian Museum for Human Rights. We can learn how to address human rights work from them: you connect with the broader community by talking about human rights, that reconciliation is something that impacts everyone, that we all have a stake in that process. We try to learn from human rights struggles and trials in other communities like south of the border. We have something to teach and something to learn. We are committed to doing a better job of protecting and promoting the human rights of all of our residents, including our growing Indigenous community.

Action items

- **Use municipal power to convene key networks of people** and institutions to address community needs.

- **Combine data with dialogue on policy issues** to address growing challenges.

- **Make use of numeric growth to inform quality of life progress** for all citizens–growth in size and substance.

- Require that **smart city developments demonstrate the pathway to intelligent community action**.

- **Develop transparency and open government approaches** to build citizen trust in local government.

Opportunities for Indigenous-Municipal Relationship-Building

Alexandra Flynn

Assistant Professor, Peter A. Allard School of Law, University of British Columbia

Alexandra Flynn is an Associate Professor at Allard School of Law at the University of British Columbia where she teaches and researches in the areas of law and cities. Her work focuses on the constitutional role of cities and urban governance. She is currently leading CMHC and SSHRC-funded projects focused on Canada's housing crisis: the Housing Assessment Resource Tools project, which redefines and helps to measure housing need; and the Balanced Supply of Housing Node, which brings together academic and non-profit community organizations.

Indigenous Peoples had systems of law, trade and governance from time immemorial. Colonial powers removed Indigenous Peoples through disease, violence, treaties and other means, and these same communities became Canadian cities. But, municipalities cannot avoid relationships with Indigenous communities. Based on the 2021 Census, close to 50 percent of Indigenous Peoples live in large urban areas in Canada, with an increase of 12.5 percent over five years. In addition, there are now more than 120 "urban reserves"—lands governed by First Nations located adjacent to municipal boundaries.

Until recently, local governments argued that they had few, if any, obligations to First Nations and Indigenous Peoples. Since 2010, many municipalities across Canada have introduced significant changes.

Approaches that can serve as general guideposts for respectful, reciprocal Indigenous-municipal relationships

- **Adopt and implement the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) as a framework for reconciliation:**
Long before federal and provincial governments were concerned with UNDRIP, some municipalities had endorsed the declaration, including Vancouver, Toronto, Edmonton and Winnipeg. In 2022, the Musqueam, Squamish and Tsleil-Waututh Nations, together with the City of Vancouver, passed a UNDRIP Strategy. It includes short-, medium- and long-term actions across City departments and services, with the goal of achieving the rights articulated in UNDRIP. The strategy is a response to a Call to Action from the Truth and Reconciliation Commission (TRC).

- **Introduce Indigenous advisory bodies:**
A number of cities have Indigenous advisory bodies, which provide advice on city policies and initiatives and/or nation-to-nation intergovernmental practices between city councils and First Nations leadership. They rarely have budgetary or decision-making power, but are staffed, and make agendas and minutes available.

- **Implement Indigenous Affairs Offices within the municipality:**
Some cities have established Indigenous Affairs Offices at a senior level within their bureaucracies. These offices often have staff members who identify as Indigenous and seek to build relationships with local First Nations and Urban Indigenous Peoples. Staff may also provide input and advice to senior administrators and elected officials, and resolve disputes among Indigenous Peoples and municipal officials.

- **Require training in Indigenous laws and cultures:**
Some local governments require cultural competency and knowledge training on Indigenous Peoples and communities. This action fulfills the TRC's Call to Action to provide education to public servants on the history of Indigenous Peoples, including the history and legacy of residential schools, and skills-based training in intercultural

> A number of cities have **Indigenous advisory bodies**, which provide advice on city policies and initiatives and/or nation-to-nation intergovernmental practices between city councils and First Nations leadership.

competency, conflict resolution, human rights and anti-racism. For example, in 2018, the city of Edmonton committed to training each of its more than 10,000 employees on the history of residential schools and their impact on Indigenous Peoples.

- **Enter into protocols and agreements with First Nations located adjacent to municipal boundaries:**
Some municipalities and First Nations may have entered into agreements to adhere to particular principles in their work together.

For example, the Memorandum of Understanding between the city of Regina and Cega'kin (Carry the Kettle) First Nation formalizes a commitment to a long-term relationship, mutual economic growth and working toward a municipal services agreement. The Cultural Planning and Co-Operation Agreement between Metro Vancouver Regional District and Tsleil-Waututh First Nation, signed in 2020 regarding Belcarra Regional Park, formalizes the ongoing collaboration between the two parties. These agreements offer a chance for municipalities and First Nations to set out the unique obligations that concern their respective governments.

- **Meaningfully consult with First Nations and Indigenous Peoples:**
Canadian courts have held that federal and provincial governments are bound by the duty to consult and accommodate (DTCA), which means they must meaningfully consult on matters that affect First Nations and Indigenous Peoples. Municipalities, as governments, should abide by the DTCA, which include processes that enable consultation and accommodation, where appropriate.

Fundamentally, Indigenous-municipal relationships must be mutually beneficial. Municipalities are uniquely positioned to develop relationships as neighbours and (hopefully) friends, sharing diverse community contexts in ways that more remote Canadian provincial and federal governments are challenged to realize.

Why Governance Matters: Sustainable Municipal Finance and Governance

Canadian cities require a new model of sustainable municipal finance and resilient models of governance to chart a path forward.

Resource access and management are critical for communities, cities and regions to be effective. Urbanism is underwritten by financial flows and the rules and regulations are reflected in day-to-day governance. Environment, social belonging, movement of goods and people and the delivery of the essentials of life are encoded in our policies and legal structures. If we are good at that, much of what we need can be realized.

Sustainable urban governance and finance that strengthens Canada's regions to compete globally is paramount to solving the issues and seeing action on the solutions. We know that municipal budgets have been decimated by the pandemic, projecting never-before-seen budget shortfalls for 2023 and beyond, and yet municipalities are the closest to the issues facing our cities and well-positioned to solve unique, local challenges in context-specific ways.

Municipal revenue is limited (Figure 43). Property taxes are the most significant source but vary considerably by city across the country with the highest percentage (Halifax) nearly three times the percentage of the lowest (Saskatoon). Fees and fines are the second most significant source of revenue with greater consistency by percentage across all cities. The allocation of tax revenue by orders of governments reflects the significant disparity between municipalities and provincial and federal orders, from 11 percent to 89 percent, respectively (Figure 42). Evaluation of expected service at these respective rates of funding is a key facet of the urbanism discussion in Canada.
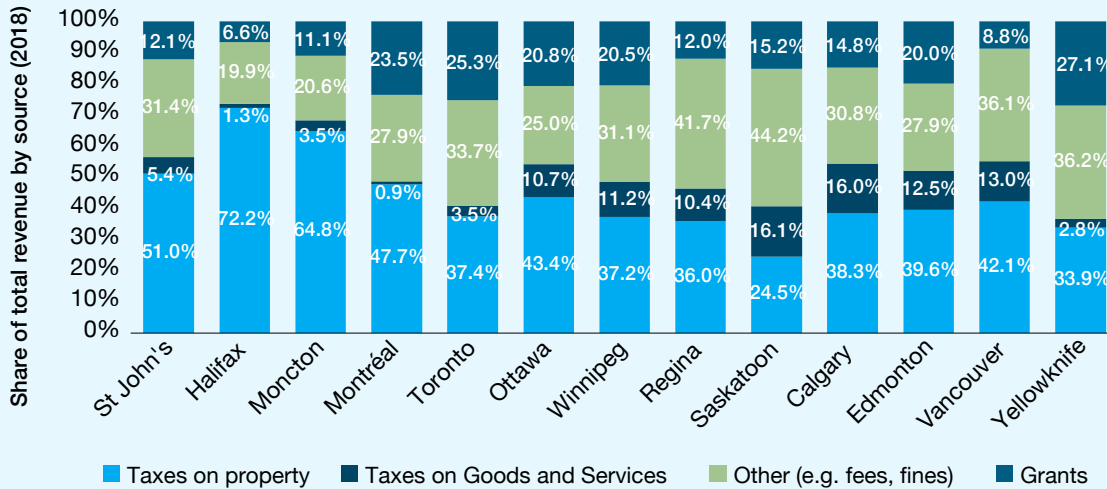
> Sustainable urban governance and finance that strengthens Canada's regions to compete globally is paramount to solving the issues and seeing action on the solutions.

FIGURE 43

Municipal Revenue by Source

Municipal governance functions within a connected network of other orders of government, civil society institutions, business and a host of informal collaborations. As the order of government most directly connected with Canada's nearly 40 million citizens, it is essential that municipal governance works very well. Accountability for federal and provincial governments must be determined by how well communities, towns and cities are doing across the many different Canadian jurisdictions (Figure 44).

FIGURE 44

Shares of Tax Revenue
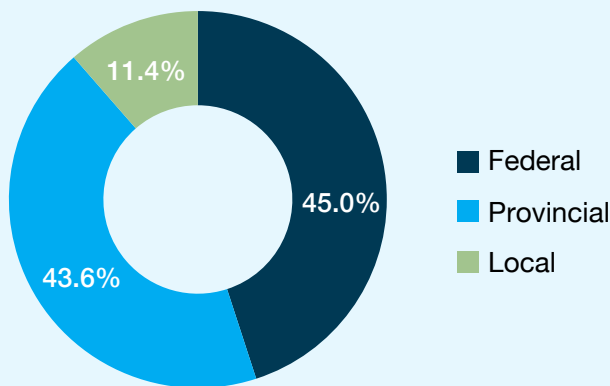
Source: Statistics Canada, Municipal Financial and Socioeconomic Data Dashboard and Municipal Financial and Socioeconomic Data Dashboard.

Elevating Understanding: Creating a Culture of Municipal Information and Data Circulation

Sandra Breux

Professor of Democracy, Representations and Territory, Institut national de la recherche scientifique, Montréal

Sandra Breux is full professor at the Centre Culture Urbanisation Société of the INRS (Institut national de la recherche scientifique, Montreal). Over the years, she has developed a field of research on the Canadian municipal level. Her research focuses on municipal representative democracy and voter behavior.

There is a lack of mutual knowledge between citizens and politicians at the municipal level of government in Canada. On the one hand, elected officials have imperfect knowledge of citizens' preferences because they are often in contact with a minority of them. The 2022 data from the Canadian Municipal Barometer (CMB) show that most elected officials learn about voters' preferences directly. This happens through private conversations, emails, phone calls, public meetings, door-to-door canvassing and more. Despite the diversity of these contacts, elected representatives do not have access to a global representation of their constituents' preferences.

On the other hand, citizens are often unfamiliar with both the competencies of municipalities and the work of elected municipal officials. This is reflected in, among other things, participation rates that are generally lower than at other levels of government. Multi-level governance can explain some of the difficulty citizens have in distinguishing between the competencies of each political level; municipal, provincial

and federal. Another important dynamic, however, is the low esteem in which the profession of elected municipal officials is held among citizens. If remuneration is used as an indicator of social esteem or value, 2020 CMB research reveals that compensation of elected municipal officials is often below the hours of time they invest in carrying out their duties.

Inadequate awareness of citizens' perspectives and inadequate compensation of elected officials are two sides of the same coin. Each of these dynamics reduces the institutional effectiveness of municipal governance. This is not a recent development, but as the demands on local governments increase, the problem will get worse unless it is addressed.

Two important strategies we can pursue to change this dynamic:

- Recognize that elected officials increasingly work in a context where **municipalities' resources may not be keeping up with the issues and challenges emerging today** (e.g., climate change). Additional resources are needed to improve expertise designed to improve local decision making.

- **Foster citizens' awareness of and interest in municipal government.** Citizens' daily lives are significantly impacted by their locally elected officials. Current research has highlighted the low circulation and poor quality of political information at the municipal level during election times, but day-to-day awareness of important decisions and governance processes is also low. That awareness and engagement needs to be increased.

How can we improve the flow of information to reduce the distance between elected representatives and citizens? What strategies and tactics can be used to address the two identified challenges? There are two proposals that can strengthen municipal governance.

First, we need to make existing information more visible and accessible to citizens. In recent years, some cities have set up independent organizations to administer municipal elections (e.g., Élections Montréal). These neutral bodies use their websites to provide information to voters (where you vote, what you need to bring) and

> How can we **improve the flow of information** to reduce the distance between elected representatives and citizens?
> What **strategies and tactics** can be used to address the two identified challenges?

easy to find information for potential candidates (what is required to run). Election results are also posted. Such websites make it possible to centralize election data and information within a single municipality.

Such an initiative could be taken a step further by (a) extending it to each municipality, including smaller municipalities with limited resources, and (b) adding elements on the competencies of municipalities and the decisions that will need to be made throughout the year (such as construction of a new sports facility, street development) and not just election issues.

The aim would be to highlight the resources and capabilities of municipalities and the decisions that need to be made. Candidates and elected representatives could make use of this base of resources and demands in forming election platforms or campaigns. This would encourage elected representatives to align with ongoing needs in the community. It would also provide citizens with an understanding of their community's needs over time, including accountability for candidates and elected officials. Access to such a website could be systematic: anyone dealing with a municipal service could be offered the opportunity to receive this information in the way that suits them best. A similar approach could be adopted for new residents and tenants. Increasing access to municipal governance increases citizens' literacy about their local government and encourages their involvement.

Secondly, new resources are being developed that can bridge the knowledge gap between citizens and elected officials. The CMB is a research partnership that, since 2019, has been collecting extensive survey data from elected municipal officials in nearly 400 Canadian municipalities with populations greater than 9,000. To our knowledge, this type of information gathering is unprecedented. Over the next few years, the CMB plans to extend this type of information gathering to more than 1,000 Canadian municipalities, and combine it with a survey designed to capture citizens' opinions on a multitude of subjects. In this way, it will be possible to inform elected representatives of their citizens' preferences and interests. Initiatives like this narrow the knowledge gap between those who govern and those who are governed. This, in turn, can support a municipal culture of innovation, helping to meet the rising demand for creative local solutions to a wide range of issues.

Elevating Understanding: Creating a Culture of Municipal Information and Data Circulation

Citizens may often feel that democratic institutions fail to make the right decisions. However, the latest CMB data (2023) highlights the openness of elected municipal representatives to institutional innovation, challenging the image of government as a sclerotic and ineffective system. Modest gains are an encouragement, but more will need to be done to improve the flow of information between citizens and the local governments that exist to serve them.

Action items

- Require all local governments to **provide more accessible and relevant information platforms for voting, candidate and potential candidate participation.**

- **Fund and support platforms that provide municipal-level information** about decisions that need to be made and the range of needs that a municipality is addressing. These should operate year-round and not only at election time.

- Fund and support **platforms that provide municipal-level data across Canada** to better inform citizens' preferences and elected officials' actions.

- Build on the municipalities' capacity and willingness to **innovate in response to emerging challenges.**

The Urgent Need for "Prescribed" Collaboration with Municipalities

Rino Bortolin

Strategic Advisor, Windsor Law Centre for Cities, University of Windsor; Former City Councillor, Windsor

Rino Bortolin presently serves as a Strategic Advisor and Project Manager at the Centre for Cities, Windsor Law, University of Windsor. He previously served two terms on Windsor City Council (2014-2022) but decided not to seek re-election, opting instead to concentrate on policy and systemic change efforts beyond the Council chambers.

In the past, the federal government has been somewhat hesitant to establish direct partnerships with municipalities. However, over the past decade, Canadians have increasingly expected all elected officials to collaborate on the pressing issues of our time, with climate change and housing being particularly prominent examples. Canadians desire a clear and transparent approach to cooperative efforts that align with the goals they expect elected officials to achieve.

The federal government now acknowledges the necessity of working closely with municipalities to effectively accomplish its objectives and fulfill the mandates it received from voters. Many critical issues unfold at the municipal level in real time, making direct collaboration essential. For instance, addressing climate change requires active involvement on intersecting issues (e.g., transportation, land use) at the municipal level; otherwise, federal objectives and targets will remain beyond reach. Consequently, we've witnessed an unprecedented flow of funds from the federal government into municipalities.

However, the crucial question remains: Have these investments yielded the desired outcomes envisioned by the federal programs? My experience as a municipal councillor revealed numerous instances where federal programs lacked the specificity needed to achieve the intended outcomes, with the result that federal investments fell far short of their intended goals. Municipalities, along with representative organizations like the Federation of Canadian Municipalities and the Association of Municipalities of Ontario, consistently advocate for stable and unrestricted federal funding. While the desire for more funding with fewer restrictions is understandable, the opposite is actually required: a more prescriptive, deliberate and purposeful collaboration between the federal government and municipalities in designing federal programs and allocating funding.

During my eight years on City Council, I participated in discussions where municipal administration collaborated closely with federal ministries on specific programs, particularly transit funding and rapid housing initiatives. Both of these programs continue to see rapidly increasing federal investments to municipalities. However, in both programs, the lack of specificity allowed program objectives to be manipulated to serve tangential and unmet municipal needs, often at the expense of not fully achieving the stated goals or federal program objectives. For instance, in transit funding, funds earmarked for "connecting corridors" were sometimes used to fill sidewalk gaps—a loose interpretation of "connections" to meet grant criteria.

The federal government faces mounting pressure to invest in and revitalize the housing market. Municipalities are relying on federal support to spur housing development within their regions, but we must remain vigilant about the potential unintended consequences of these investments. The federal government's allocation of a substantial sum for its rapid housing initiative, with a tight timeline of less than eight months as the sole deliverable, led to inflated property prices. Municipalities and housing corporations were compelled to overpay for units as

the available stock was limited during that short timeframe. Consequently, these units may not be ideally located for affordable housing, and they may fail to reduce monthly costs if they fail to incorporate climate-friendly criteria in the discussion. In essence, cities overpaid for housing that may not serve the intended clients effectively, while overlooking other critical considerations.

A housing crisis grips the nation, impacting Canadians from all walks of life, across all provinces and territories. The impending construction surge, akin to post-war development, presents a historic opportunity. It's imperative that municipal and federal partners alike approach this endeavour meticulously to ensure its success, avert potential issues and misuse and reinforce strategies that address climate change, equity and affordability.

> **The impending construction surge, akin to post-war development, presents a historic opportunity.** It's imperative that municipal and federal partners alike approach this endeavour meticulously to ensure its success, avert potential issues and misuse and reinforce strategies that address climate change, equity and affordability.

The federal government's indication of potentially funding municipal infrastructure ahead of necessary development for housing production, while sensible on the surface, demands thorough evaluation. This assessment should go beyond housing unit quantity. For example, it should evaluate and quantify whether the municipality meets specific density criteria justifying the conversion of farmland and green spaces into new development, or if it inadvertently promotes urban sprawl at taxpayers' expense.

Promoting sprawl as the primary development pattern across municipalities stands to severely undermine climate initiatives, compromise the federal government's goals, exacerbate equity disparities, strain transportation networks and challenge municipal finances. In essence, providing funding for basic municipal infrastructure that supports sprawl as the primary means of expanding housing could lead to disastrous consequences not fully understood by federal ministries.

Municipal political cycles are short and often lead to elected officials favouring immediate gains over systemic changes with long-term benefits. We must adopt a systemic approach to housing and other key municipal priorities, empowering the federal government to allocate funding without potential unintended consequences stemming from municipalities prioritizing short-term interests.

The Urgent Need for "Prescribed" Collaboration with Municipalities

Therefore, federal programs must be clear and specific in their objectives and implementation. While we require the federal government's commitment to consistent funding, it's equally crucial to ensure these funds align with a program's intended goals and achieve the desired outcomes, inclusive of long-term, climate-conscious growth and affordability. In simple terms, municipalities need a robust and prescriptive collaboration with the federal government.

Action items

- Ensure **federal support for municipalities has enough specificity to determine if the support was effective.**

- Structure **federal support to include prescriptive, deliberate and purposeful markers of collaboration.**

- **Actively monitor for unintended consequences** and learn from previous partnership issues.

- **Determine if program funding will contribute to municipalities' historic patterns** of low density sprawl or support developing higher density, more compact development forms with better long-term value for the community.

- **Ensure long-term strategies are formally linked to short-term funding** and support as a buffer against short-term political cycle accountability.

"All at Once" Infrastructure Development for Canadian Municipalities

Ehren Cory

Chief Executive Officer, Canada Infrastructure Bank

Ehren Cory is the CEO of the Canada Infrastructure Bank, an impact investor that develops the next generation of infrastructure Canadians need. He is a recognized leader in sustainable finance and infrastructure investing in Canada. Ehren is a graduate of the MBA program at INSEAD in Fontainebleau France, where he graduated with distinction. He also received an Honours degree in Business Administration from the University of Western Ontario.

Canadian municipal politicians have a lot to juggle these days, with the need to address climate change on top of challenges ranging from housing and economics to homelessness and mental health.

Transitioning to net zero emissions is not easy given the required infrastructure investments, but it is necessary to improve the lives of citizens and help the planet. Municipalities can take tangible steps, from retrofitting buildings to transitioning bus fleets from diesel to electric to reduce energy use and greenhouse gas (GHG) emissions, but they need support to do that.

Support public and private decarbonization transitions

The Canada Infrastructure Bank (CIB) is helping proponents from both the public and private sectors decarbonize their assets by offering loans and flexible concessionary financing to move their climate action plans forward.

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"All at Once" Infrastructure Development
for Canadian Municipalities

We have already earmarked $10 billion toward 50 projects across our five priority sectors—clean power, green infrastructure, transit, ports and transportation and broadband. The CIB also invests in Indigenous infrastructure initiatives across all these sectors.

- **Action 1: Support Clean Power Infrastructure**
Approximately 40 percent of our investments are devoted to clean power and green infrastructure. Faced with growing demand for electricity, clean power is high on our list, with an investment in a small modular reactor and energy storage facility along with electricity production projects.

- **Action 2: Support Green Infrastructure**
The CIB has investment partnerships with municipalities and regional levels of government that support transit, zero-emission buses (ZEBs), building retrofits and district energy systems. This creates many opportunities for financing municipal decarbonizing efforts despite financial limitations that come from their heavy reliance on property taxes.

- **Action 3: Broaden Zero-Emission Transit**
The CIB has committed over $1.5 billion toward the purchase of more than 5,000 ZEBs by transit agencies and school bus operators, including nearly 1,500 by municipalities, and is lending about $1.6 billion to develop an automated electric transit network in Montreal. We are also working to ease "range anxiety" by investing in electric vehicle charging stations, and are about to announce our first hydrogen production and refueling investment.

- **Action 4: Build Municipal Infrastructure Back Better**
Following a great legacy of transformational infrastructure, from building railways and seaways, the country's spending on infrastructure lagged for decades and only started to rebound in the last decade. Some forecasts say Canada needs to invest more than $80 billion per year, or $2 trillion over the next three decades, for replacement and new projects to help support the net zero transition.

Faced with an annual infrastructure deficit of $60 billion, Canada must accelerate investments, yet the challenge is far greater than any single level of government, notably municipalities, can manage in the current fiscal framework.

> We have already earmarked **$10 billion toward 50 projects** across our five priority sectors—clean power, green infrastructure, transit, ports and transportation and broadband.

- **Action 5: Fully Connect Canada with Broadband**

  Broadband service is critical to Canadians' daily lives. It is essential for our quality of life, for everyone who owns small businesses, goes to school or wants to stay connected to family and friends.

  The CIB is collaborating with internet service providers and provincial and federal governments to accelerate the delivery of large-scale broadband projects in Canada, especially to rural and remote communities. Due to the low population density and current lack of broadband infrastructure in these municipalities, the cost of connection per household is very high. The CIB's low financing rates allows broadband connectivity to expand at a quicker pace and lower cost to implement. To date, we have facilitated the connection of 341,000 households to broadband.

Integrating action on key project developments

These policy actions will require Canada, including municipalities, to explore innovative financing tools if they are going to ensure their communities are resilient and climate positive.

The Federation of Canadian Municipalities has estimated that the cost of replacing or rehabilitating all municipal assets that are currently in poor condition is more than $176 billion. Assets include bridges and culverts; potable water assets; wastewater assets; stormwater assets; roads; community, culture and recreation infrastructure; public transit and solid waste assets.
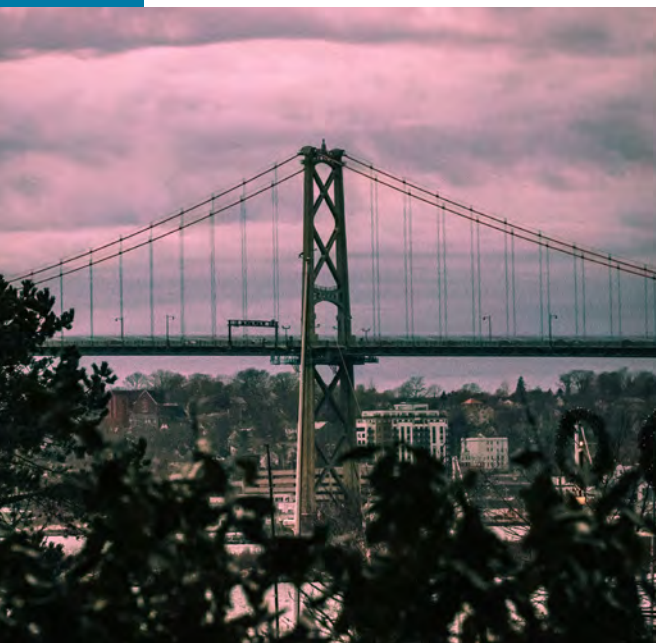
With limited options to finance local priorities from their own balance sheets, municipalities have relied heavily on federal and provincial levels of government for grants to help invest in maintenance or new infrastructure. But fiscal pressures by senior levels of government to reduce spending have accelerated demand for blended financing between traditional grants and fully private investment. The goal is to deliver public-good outcomes such as sustainable transit lines to increase ridership; renewable energy projects to reduce GHG emissions; and ports and irrigable land to increase trade.

By leveraging the capital and expertise of the private sector, public dollars can go further to support projects that might not otherwise move forward, and allow grant dollars to support projects more appropriate for traditional funding mechanisms.

Take critical first steps

One of the largest sources of emissions in the urban environment comes from buildings. The structures and the energy that feeds them account for 18 percent of our emissions, according to the Canada Green Building Council.

Municipalities interested in either energy or resiliency retrofits can also consider approaching a growing number of private sector aggregators. That would allow communities to start small by updating one building, instead of facing the deep financial commitment that comes from launching a larger program on their own.

The CIB has also made landmark investments in communities—a small modular reactor in Ontario, broadband in rural communities, and Canada's largest electrolyzer and biofuels facility in Varennes, Quebec. We are also pursuing carbon capture and storage opportunities.

Many of our investments touch local municipalities, either in addressing climate change aspirations, saving costs, creating employment or driving up productivity. Now, more than ever, we need to be creative in our approach to tackling our "All at Once" challenge.

Agenda-Setting Through Action

Agenda-Setting Through Action

Idea generation, testing of a concept, deployment into a concrete environment and subsequent modification and adjustment are part of the iterative cycle needed to find our way in a complex and challenging environment.

What follows is a list of objectives and concrete actions distilled from the conclusions of the contributors to this report. These action items are an open invitation to translate aspirations into meaningful impact. The lives of neighbours, friends and family will be shaped by what we pick up and run with. We don't all need to do everything. It is far more critical that the organizations and networks we are part of take on a specific action item and do all we can to address what is needed.

A well-defined problem, accompanied by a solution path, is of great value in the struggle to advance a better future for urbanism in Canada. The goal is to focus efforts, create alignments and illuminate progress or setbacks over time. Each section of the report is represented below through a distillation of key objectives and the actions that can change the status of those objectives.

> When it is obvious that the goals cannot be reached, don't adjust the goals, adjust the action steps.
>
> – Confucius

Objective 1: Improve Research and Data

Develop stronger research and training capabilities alongside substantial data development and use across all aspects of municipal function.

ACTIONS:

Post-Secondary Funding

Increase city-oriented post-secondary funding in all Canadian regions.

Link Local and National Data Agencies

Link municipal funding with highly applicable data collection through national agencies that collect local level data.

Increase Data and Communications Talent

Increase hiring of data and communications staff to increase public awareness and engagement including business, not-for-profit and government networks.

Objective 2: Increase Skilled Collaboration

Significantly increase skilled collaboration across disciplines, agencies and orders of government to deepen the regional networks of cities and accommodate growth and development.

ACTIONS:

Accountability for Collaboration

Formalize accountability measures that detect the degree of collaboration a municipality exercises.

Require Cross-Government Agreements

Require agency, business and development partners to formalize agreements across sectors, departments and orders of government.

Compile Collaboration Case Study Library

Compile a library of significant collaborations and partnership that include accounting of benefits and make this collection widely available to accelerate learning and practice.

Housing Supply and Affordability

Objective 1: Retain Non-Market Housing for Affordability

Retain sufficient non-market housing stock to meet affordable demands while preventing market scarcity in order to keep housing affordable.

ACTIONS:

Make Housing Part of Infrastructure

Include housing in infrastructure assessments—municipal, provincial, federal.

Increase Government Non-Market Housing

Develop new government programs that support non-market housing.

Make Housing a Human Right

Introduce policy frameworks that advance housing as a human right.

Objective 2: Transform Underused Office Space

Transform chronically underused commercial or office space into affordable housing units.

ACTIONS:

Develop Retrofit-Suitable Housing Inventory

Develop structures for collecting and sharing data on buildings and spaces available for retrofitting to housing.

Produce Detailed Housing Needs Map

Develop detailed mapping structures to determine housing needs, groups excluded from housing, and barriers to adequate housing by geography.

Formalize Deeper Local Convening Power

Increase municipal governments power to convene stakeholders across government, business and not-for-profit sectors.

Climate Action and Sustainable Urban Development

Objective 1: Design Infrastructure Builds to Compound Benefits

Design and integrate infrastructure, building retrofits and climate change goals in ways that compound the benefits.

ACTIONS:

Make All Building and Infrastructure Retrofits Energy Efficient

Implement strong energy efficiency policies for retrofits and infrastructure to trigger compound benefits.

Use Philanthropic Support to Accelerate Partnerships

Leverage philanthropic investment to accelerate compounding benefits and deepen partnerships.

Identify Gaps that Philanthropic Funding is Best Suited to Bridge

Identify the gaps that philanthropic resources are best suited to fill and include those projects in municipal assessments of need and opportunity.

Objective 2: Make Municipal Finance and Risk Models More Robust

Update and embed in municipal processes a much more robust financial and risk modelling framework that includes indirect, non-market, uninsured and other factors.

ACTIONS:

Improve Population Modelling Platforms of Municipalities

Develop platforms for municipalities that support more accurate and detailed population modelling.

Invest More in Research Labs that Answer Municipal Questions

Increase investment in research labs, including both theoretical and applied approaches, that link with municipal needs and questions and can iterate in small steps toward solutions.

Design Funding that Deepens Collaboration and Community Benefit

Design funding to support meaningful cross-departmental and cross-sectoral approaches that provide clear and direct benefits to local communities.

Mental Health, Addiction and Homelessness

Objective 1: Strengthen National Housing Strategy link to Mental Health and Homelessness

Update the National Housing Strategy with a greater emphasis on how mental health and homelessness are deeply linked and can be addressed by a strong housing strategy.

ACTIONS:

Add Housing First Program Federally

Implement a Housing First Program to the National Housing Strategy.

Develop Federal Housing Accelerator

Develop a Federal Housing Accelerator Fund that is linked to municipal reviews of demand.

Improve Policy with Ethnographic Approaches

Design policy with detailed local research approaches that support an investment mindset tuned to local conditions but enabled by higher order funding.

Objective 2: Formally Link Public Health and Municipal Planning

Directly link planning processes at a city level with healthcare, mental health, and homelessness policies across all levels of government.

ACTIONS:

Evaluate Zoning and Bylaws for Adequate Housing Support

Review zoning and bylaw documents to determine applicability in addressing homelessness.

Build In Multiplex Residential Buildings in Suburbia

Increase the density of multiplex residential buildings in single detached neighbourhoods to increase affordable and supportive housing options for residents.

Link Health Budgets and Community Housing

Directly link health care budgets with community housing support and investment in order to generate wider benefits from health, housing and city planning.

Transit Infrastructure Investment

Objective 1: Improve Infrastructure Mapping

Canada needs a more effective infrastructure mapping, planning, and execution approach to meet the wide range of needs that transportation supports.

ACTIONS:

Produce Better Infrastructure Data

Improve infrastructure data quality and access for all communities.

Link Funding to Regional-Scale Strategies

Focus on regional strategies and plans by directing core funding to that scale.

Connect Regional Plans Across the Country

Map regional transit plans across the country and connect them to each other.

Objective 2: Integrate Transportation Modes more Effectively

Integrate the full spectrum of transportation modes, scales, and needs together for greater adaptation and efficiency.

ACTIONS:

Develop Library of Transportation Experiments

Develop a library of transit and transportation pilot projects from municipalities across the country including both successes and failures to accelerate learning.

Start Suburban Multi-Modal Transportation Networks

Lead new programs that can retrofit car dependent suburbs into effective multi-modal transportation networks.

Grow Core Funding While Funding Experimental Efforts

Provide core funding to known transportation needs at greater levels while also funding the experimental projects that can adapt to meet specific local needs.

Local Life and Placemaking

Objective 1: Make Better use of Small Local Business to Guide Large Investment

Make smaller and localized business, culture and placemaking the foundation of larger-scale investments.

ACTIONS:

Use Small-Scale Success to Direct Large-Scale Funding

Make large-scale plans and development dependent on insights from successful small-scale businesses and projects.

Collaborate with City Hall to Collect Better Local Data

Use the process of collecting data about street level cultural and business assets an occasion to build stronger relationships with City Hall and the administration.

Measure City Hall Success by Small-Scale Business and Culture

Evaluate the success of City Hall planning based on the number and diversity of small-scale enterprises and organizations in local neighbourhoods.

Objective 2: Invest More in Cultural Enrichment to Attract New Business

Make cultural enrichment a key component of efforts to attract external investors and new sectors to deepen quality of life for local residents and viability for local businesses.

ACTIONS:

Use Cultural Capacity to Lead Tech Growth

Invest in cultural capacity ahead of external business recruitment.

Expand Definition of Cultural Assets

Formalize and expand definitions of cultural assets in planning and development documents.

Map Cultural Strengths and Weaknesses at Block Level

Create a map of cultural strengths and weaknesses at a block level across the city to clarify what needs to be done to preserve or grow community cultural offerings.

Economic Development

Objective 1: Accelerate Local Business Growth

Accelerate local business growth through creative use of space and organizational restructuring.

ACTIONS:

Action 1: Get Government Workers Back to the Office

Adopt strategies that get government and other workers back into offices.

Action 2: Increase Awareness of Employee Ownership Trusts

Educate business owners about Employee Ownership Trusts.

Action 3: Inventory Unused or Underused Buildings

Create comprehensive public listings of old, underused or unused buildings and building spaces.

Objective 2: Strong Partnerships between Large and Small Cities

Develop partnership between larger and smaller cities that amplifies complementarity and reduces unnecessary competition.

ACTIONS:

Increase Small and Mid-size City Immigration

Increase immigration and settlement in mid- and small-size cities.

Innovate Remote Work Strategies Between Cities

Develop a remote work strategy between mid- and small-size cities.

Conduct a Red Tape Review for Housing and Commercial Development

Undertake red tape reviews for housing and commercial development across city jurisdictions to improve business and housing growth.

Civic Institutions and Cultural Assets

Objective 1: Collaboration as a Formal Measure in Municipal Challenges

Prioritize collaboration as the keystone species for solving a wide range of municipal challenges.

ACTIONS:

Identify Collaboration Poor Deserts by Neighbourhood

Generate a list of neighbourhoods where greater collaboration is urgently needed.

Use Degree of Collaboration as Key Metric of Success

Use a collaboration framework to evaluate the state of municipal, provincial and federal cooperation on municipal priorities.

Increase Use of Convening Power to Solve Issues

Adopt a 'power of convening' mindset in approaching the top three municipal problems that have been resistant to improvement.

Objective 2: Develop Data Collection and Sharing for Civil Society

A significantly improved data collection and sharing platform for the charitable sector across the country.

ACTIONS:

Build National Scale T3010 Dashboard

Build a high quality dashboard based on cleaned and updated T3010 data that can be used for building applications or layers that feed into existing municipal GIS mapping and planning software.

Make Governments Accountable for Data Sharing

Require government agencies that are data oriented to provide integrated sharing and collection processes for improved usage by municipalities.

Make Public Data Dashboards a Requirement for Governments

Support more action oriented and accountable policy development by using data platforms and dashboards that are widely accessible.

Reconciliation and Social Equity

Objective 1: Indigenous Leadership is a Vital Part of Municipal Governance

Make substantive Indigenous participation in municipal governance and planning a regular and integral part of local city building.

ACTIONS:

Formulate an Indigenous Memorandum of Understanding

Develop a Memorandum of Understanding to describe the specific roles and functions that Indigenous and municipal participants will be responsible for.

Identify and Support Indigenous and City Groups of Expertise

Establish a group of Indigenous and municipal experts within the City administration who can study, plan and implement the most effective approaches to community needs from housing to transit to educational access to serve Indigenous needs/communities.

Implement UN Declaration on the Right of Indigenous People

Adopt and implement the UN Declaration on the Right of Indigenous Peoples (UNDRIP) at a municipal level.

Objective 2: Indigenous Cultural Learning is Integral to City Administration

Integrate Indigenous cultural learning and training with existing elected and administrative City working teams.

ACTIONS:

Increase Knowledge of Indigenous Culture and Practice

Develop or locate resources and tools to support ongoing study and learning directly relevant to the Indigenous group or groups that are part of the city.

Build Indigenous Learning into Local Post-Secondary Institutions

Work with local education institutions to develop new resources and tools including urban design, community development, and transportation related curriculum.

Schedule Regular Indigenous Collaborations

Regularly meet with and consult Indigenous groups that operate within or nearby the municipality to build trust and understanding.

Sustainable Municipal Finance and Governance

Objective 1: Make National Level Data Locally Relevant and Accessible

Develop a range of data driven user friendly, platforms that are national in scope but provide locally useful descriptions of municipal needs and progress over time.

ACTIONS:

Build a Year-Round Municipal Elections Issue Dashboard

Establish a municipal elections platform that highlights key needs and decisions in the municipality and which operates year-round.

Link Government Funding with Investment Outcomes

Link federal and provincial funding with measurable investment outcomes, including failures, that the public can access through the local dashboards.

Formalize Collaboration as a Funding Accountability

Require that funding structures include evaluations of collaboration.

Objective 2: Net Zero Infrastructure is Highly Visible in Municipal Finance and Reporting

Strengthen municipal finance planning and reporting to include more detailed assessments of clean infrastructure and operations.

ACTIONS:

New and Retrofit Efficiency Not Optional

Require new and retrofit infrastructure to be efficient and renewable.

Make Public Transit Net Zero

Develop concrete plans to move to net zero-emission public transit.

Make the Municipal Region Broadband Compliant

Commit to full broadband coverage across the full extent of the municipality as a foundation for both citizen and operational efficiency.

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