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► **To cite this version:**

Elena Ostanel, Francesco Campagnari. The Urban Agenda in Canada. Limited Room for Action in Federal-Municipal Relations. Francesca Gelli; Matteo Basso. Identifying Models of National Urban Agendas. A View to the Global Transition, Springer International Publishing, pp.243-262, 2022, Comparative Studies of Political Agendas, 978-3-031-08390-7. 10.1007/978-3-031-08388-4_9. hal-03918938

HAL Id: hal-03918938

<https://hal.science/hal-03918938>

Submitted on 24 Jan 2024

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The urban agenda in Canada. Limited room for action in federal–municipal relations

Elena Ostanel¹ and Francesco Campagnari^{2,3}

Abstract (200 words max)

The urban agenda has lived short periods of explicit discussion in Canada. The federal government has tackled urban issues only on limited periods, in particular from 1968 to 1979 and from 2001 to 2006. The chapter argues that, while in these periods the federal government established new agencies, developed programs and aimed to acquire knowledge on urban issues, their impacts have been limited by the provincial jurisdiction over municipal and urban affairs. While federal governments often develop place-based narratives supporting the importance of decisions taken locally about land use, transportation, and any other issue related to urban development, a deep analysis shows that local governments have limited room for action. In order to illustrate the limited effects of past federal measures and the current lack of autonomy of municipal governments, the chapter first explores the two main phases of explicit urban action by the federal government, followed by the analysis of the urban approach of the current government. It then discusses the planning mechanisms in the city of Toronto and the measures adopted by federal and provincial governments to support urban areas during the Covid-19 emergency.

Introduction

In order to understand the extent and nature of the Canadian urban agenda, we should locate it in the context of the Canadian Constitution, of the relations between federal and provincial government and of the fiscal and power imbalance they create for municipalities⁴ (Stoney and Graham 2009, 393). The jurisdiction

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⁴ **Canada is a Federal parliamentary constitutional monarchy. It is divided in ten provinces and three territories: the former have higher degrees of autonomy than the latter. Provinces have responsibility for multiple policy fields such as health care, education, welfare, urban planning, municipal autonomy**

over municipalities in Canada is in fact attributed by the Constitution to provincial governments, who have the power to create and legislate on municipal powers and responsibilities. Municipal governments, being “creatures of the provinces”, do not have vast powers of autonomy

Furthermore, federal-municipal relations have fluctuated over the decades for causes linked to nation-building strategies (Wolfe 2003), the amount of available Federal surplus, the state of relations between federal and provincial levels of government, consensus strategies by federal parties (Stoney and Graham 2009). Even though federal impacts in urban affairs are unavoidable⁵ (Berdahl 2004, 27) both by direct policy actions (immigration policies, infrastructure policies) or by the indirect effects of government employment strategies and governmental real estate, the room for a concrete realization of the Federal Urban Agenda in Canada still remains limited.

Starting from these considerations, the chapter argues that the Federal Urban Agenda has been short lived and ineffective even in the few occasions where the federal government explicitly referred to urban problems (often with progressive approaches).

The Chapter highlights that while federal governments often develop place-based narratives supporting the idea that decisions taken locally about land use, transportation, and any other issue related to urban development are **crucial to effectively tackle these issues**, a deep analysis shows that local governments have limited room for action. The localist agenda of the federal government, aimed at the financial autonomy of municipalities, was often blocked by provincial governments. In this condition, as Lehrer pointed out for Toronto, urban changes are strongly impacted by the global economy more than by the capacity of local policies to govern them (Lehrer 2006).

The chapter is organized as follows: the first section illustrates the historical evolution of the approaches of the Canadian federal government to urban issues. Exploring federal programs and policies developed since the beginning of the XX century, the section focuses on two main periods of explicit discussion of a federal urban agenda, linking them with the approach of the current Trudeau government. We argue that the periods of explicit urban intervention did not generate relevant impacts on the level of autonomy of municipalities, and that the approach of the current government to urban issues has not generated different outcomes.

The second section explores the planning mechanisms in the city of Toronto, in order to understand the practical implications of the lack of municipal autonomy; similarly, the third section explores the effects of the Covid-19 emergency on Canadian cities, assessing the measures adopted by federal and provincial govern-

⁵ Canada is today a highly urban country, with 81% of its population living in urban areas. The situation was highly different at the end of the XIX century, when its institutional architecture was designed: in 1861 84% of the population lived in rural areas (Statistics Canada, 2015). The main Canadian cities are Toronto (5,5 million inhabitants), Montreal (3,5 million inhabitants), Vancouver (2,3 million inhabitants), Calgary (1,2 million inhabitants), Edmonton (1 million inhabitants)

ments to support urban areas. The conclusions finally summarize the contribution of the chapter to the current debate, allowing a better understanding of the current tackling of urban issues in Canadian cities.

The federal urban agenda: short lived efforts for explicit urban actions

Over the years, the Federal Canadian Government has adopted different approaches to the issues emerging from Canadian cities. Differently from other cases outlined in this volume, the Canadian government explicitly conceptualized these issues as urban – meaning considering their interconnected and intersectoral nature – only in short periods. And, as we will see, even in these brief phases the Federal Government developed policies and programs with little impact at local level.

This section focuses on the two periods of explicit urban action by the Federal Government – from 1968 to 1979 and from 2001 to 2006 – and on the position of the current government, in charge since 2015. **The following table summarizes the three periods.** In the two periods of explicit development of urban visions and programs, the federal government showed the will to engage with urban issues. In both periods the government established new agencies, developed programs and aimed to acquire knowledge on urban issues. Through their differences, and in particular in the respective construction of urban problems, we can have a better understanding of their respective failures, of their impacts and and of their influence on today's urban agenda.

Table 1. Periods of explicit urban action by the Canadian Federal Government

Period	Government party	Conceptualization of the federal urban agenda	International references
1968-1979	Liberal party	The Federal Government (FG) is a direct actor on urban issues	United States HUD programs and policies
2001-2006	Liberal party	The FG enables municipal autonomy on urban issues	UK's New Localism approach to local autonomy
2015-today	Liberal party	The FG develops comprehensive urban visions but disjointed sectoral policies	COP21, UN Habitat III, 2030 SDGs.

1968 – 1979: the Federal government as direct urban actor

In the first half of the XX century, as the Canadian population shifted towards cities, the problem of living conditions in urban areas entered the federal agenda. In this period the issue was mostly **framed in quantitative terms, in relation to**

the material and infrastructural equipment of cities, pushing for new housing and sanitary policies (Wolfe 2003). The understanding of these problems focused on this infrastructural dimension; action to tackle them was straightforward, and structured around federal-provincial collaborations.

At the end of the 1960s urban issues re-emerged in the federal agenda. Rising housing prices, the destruction of inner-city neighborhoods, and increased sensitivity to environmental protection led to protest movements for public housing and against urban renewal plans, **mostly carried out by municipalities**. In this phase these issues started being understood as multidimensional, thanks to the involvement of multiple problem-setting actors (civil society, technical and political actors).

The **Liberal-led** federal government, until then mostly focused on housing issues, adopted this integrated approach to urban affairs, **influenced by the experiences being developed in that period by the US Department of Housing and Urban Development**. The federal Task Force for Housing and Urban Development - appointed in 1968 - recommended a stronger federal role in urban affairs and the establishment of a dedicated Ministry to coordinate comprehensive planning and research activity on urban affairs (Stoney and Graham 2009). In 1971 the Ministry of State and Urban Affairs (MSUA) was established to influence the process of urbanization, integrating federal policies and establishing cooperative relations with provincial and local stakeholders. The housing issue was now positioned in a broader frame, acknowledging the interconnectedness of the urbanization phenomenon.

The MSUA was set up as a policy department, tasked with policy development, research and coordination among departments and governments (Wolfe 2003). It had the goal of generating a beneficial federal government influence on the process of urbanization, integrating the federal government's urban and non-urban policies, and fostering cooperative relationships on urban affairs with provinces and municipalities (Stoney and Graham 2009, 378).

The approach of MSUA rested on the idea that effective solutions to urban issues would result only from the development of federal programs intentionally pursuing these problems, and from the establishment of collaborative governance structures including provinces, municipalities and other federal branches. In particular, the federal government started establishing direct links with municipalities, organizing meetings with Federation of Canadian Municipalities (FCM), reducing the distance between municipal representatives and their federal and provincial counterparts. To integrate responses to urban issues, the federal government introduced trilevel meetings between federal, provincial and municipal governments and also briefings with the FCM.

In 1973, MSUA further expanded its mandate from policy to program development, launching programs for urban renewal in collaboration with provincial and local governments (Spicer 2010), providing loans and grants for land clearance, relocation, administration and basic infrastructure. Funding for these programs increased during the 1970s, with a first allocation of \$300 millions over four years, and since 1978 \$250 years annually (Carlson, 1979).

The MSUA framed urban problems as interconnected issues requiring the collaboration of different levels of government (in particular municipalities) for effective problem-solving. However, this construction of urban problems exposed federal action to provincial criticism. Provinces were initially hesitant in collaborating with the MSUA (Spicer 2015), and later became irritated by it. They perceived an invasion of provincial jurisdiction on municipalities by direct funding programmes and federal-municipal briefings; they also saw as a threat the interaction of the federal government with the FCM (Stoney and Graham 2009). The Ministry was also criticized by other branches of the federal government, as they perceived the MSUA to be trespassing in policy fields under their jurisdiction.

These critiques ultimately led to the disbandment of the Ministry. In order to keep good relations with provincial governments, the MSUA was shut down by the Federal Government in 1979.

The MSUA experience was a first experimentation of institutionalization of explicit comprehensive intervention of the federal government in urban affairs. It expanded the previous single-issue approach with interdependent aspects of urban programs like citizen participation and intergovernmental coordination. It led however to little long-term changes in the treatment of urban issues, as the collaborative institutional architecture it aimed to establish was swiftly removed by the following governments.

2001 – 2006: the Federal government as enabler of Municipal autonomy

In the 1980s urban issues entered only indirectly the federal agenda. A heated constitutional debate focusing on the division of power between federal and provincial governments involved municipal autonomy, but it ultimately led to no revisions of jurisdictions (Berdahl, 2004). Instead of pursuing explicit visions, the federal government aimed to create new policy and program instruments moving the center of action from the federal to provincial and municipal levels (Stoney and Graham 2009), and adopting a place-based approach. The most representative instruments developed in this period is the Urban Development Agreement, a tripartite agreement between municipal, provincial, and federal governments. These agreements addressed complex and intersecting social and economic problems like poverty, crime, health, and social exclusion in inner city neighborhoods, **with important applications in Western Canadian cities (Doberstein 2011).**

Following the inspiration of the New Labour experience in Great Britain, at the end of the 1990s “new localism” became the main discourse around urban issues in Canada. Municipalities and cities were framed as the drivers of the national economy and the setting of the main social problems (Friendly 2016). This discourse supported a devolution of power towards the local level, arguing that municipalities should have greater fiscal and financial autonomy to directly

tackle issues. This framework was supported by Liberal Party, by the FCM, and the mayors of the main Canadian cities.

In 2001 the Liberal government created a Cities Secretariat and appointed a Prime Minister's Caucus Task Force on Urban Issues. Its final report (Prime Minister's Caucus Task Force on Urban Issues 2002) supported the establishment of a national urban strategy structured around long-term, stable sources of funding to municipalities for affordable housing, transit and infrastructure (Spicer 2015).

In 2002 Paul Martin, Minister of Finance from 1993 to 2002 and Prime Minister from 2004 to 2006, outlined his idea for a "New Deal for cities". The Deal aimed at reframing the way governments work together for the social, cultural, economic and environmental sustainability of cities and communities (Bradford 2007). It aimed to develop cooperative and integrated joined-up governance structures between federal, provincial and municipal governments (Leo 2006), while recognizing provinces as their main federal interlocutors on urban affairs (Friendly 2016; Spicer 2010).

In 2004 the federal government created the Ministry of State for Infrastructure and Community (MSIC) with the purposes of providing predictable long-term revenue streams for municipalities (Government of Canada 2005, 2), establishing tri-lateral government collaboration for area-based policy-making, and building knowledge on urban policy (Bradford 2007). Long-term revenue streams were pursued with federal investments and transfers to municipalities. Tripartite agreements supported local partnerships and area-based interventions. The knowledge-generating effort was pursued with investments in National Research Council regional centres and in research on infrastructure and experimental collaborative projects (Stoney and Graham 2009; Bradford 2007). The federal government also launched an External Advisory Committee on Cities and Communities to develop a 30-years vision for communities and cities in Canada. It proposed a double devolution of power, stable funding for municipalities and a federal leadership for tri-level cooperation in partnerships (External Advisory Committee on Cities and Communities 2006).

Considering the constitutional jurisdictions, the New Deal tried to involve provinces and territories more explicitly, recognizing them as key actors in urban policy and program development. Responsibilities were clearly divided through Memoranda of Understanding, occasionally involving municipalities and other stakeholders (Rose and Preston 2017). This approach recognized that a complete double devolution of powers could only be implemented only with the collaboration of provinces.

Differently from the MSUA period, the New Deal mostly remained a vision, as no policies or funding programs were implemented before the change of government in 2006. Nonetheless, it consolidated a new strong discourse on urban issues, theorizing the need for local solutions to local problems. Urban problems had to be tackled first and foremost by municipalities at the local level: the role of the federal government was therefore not to directly engage in those problems, rather to enable municipal autonomy. In this period "urban" issues for the federal government coincided with "municipal" or "local" issues, as proven by the use of the

two terms as synonyms in policy documents, without distinctions between urbanized and non-urbanized local governments.

2015 – today: a Federal vision and multiple sectoral policies

In 2006 the new government merged the MSIC with the Ministry of Transportation, reversing the push for a New Deal for Cities and Communities (Horak and Young 2012; Bradford 2007). The Conservative government launched a “New Deal for provinces and territories”, stressing the primary role of provincial governments (Bradford 2007). It adopted the least joined-up and indirect policy instruments, reducing spending and giving tax credits instead of investing directly in social or community infrastructure (ibid). The effort aimed at establishing a minimal yet efficient federal presence in urban areas.

In 2015 the **Liberal party** went back to government, with a platform based on promises of reviving the New Deal for Cities policies (FCM 2015; Spicer 2015) and committing to highly collaborative governance structures (Friendly 2016). In the last six years, the Trudeau Government has recognized the importance of Canadian cities, focusing on economic development, growth, and help to disadvantaged Canadians (McGregor 2016). It has not launched an explicit urban programme or policy (Bradford 2018; OECD 2017), acting instead on two separate but interconnected levels: first, the federal government used international agreements, like the 2030 Agenda for sustainable development, the COP21 agreement and the New Urban Agenda (Reid and Charles 2017), to outline its vision on urban issues and interact with Mayors of the main Canadian Cities out of Constitutional constraints (Scruggs 2016). The Habitat III National Report (Government of Canada 2016) is the most representative among these international documents. Following the “new localism” approach, the government argued that the complexity of global phenomena active today at the local scale require extensive collaboration between governments, as well as involving non-governmental and private-sector stakeholders. The federal government was tasked with an indirect role, aimed at empowering local governments. It proposed closer federal-provincial collaboration on sectors like infrastructure, poverty reduction, climate change, business innovation, and the introduction of federal accessibility legislation. Municipal-federal alignment in policy priorities was also considered. Furthermore, it recognized the FCM as a key stakeholder, to be integrated in the federal-municipal machinery for climate change policy. This document and the other agreements had however a visioning nature, with little effect on provincial policies on municipalities.

The federal government operated **then** on a second level. The discussions of urban issues and the will to develop an urban strategy in these international agreements did not lead to federal policies or programs explicitly addressing urban issues, avoiding trespassing provincial jurisdiction over municipal affairs. The

federal government focused instead on sectoral plans, programs and strategies, systematizing interventions in fields of federal jurisdiction in connection with the vision embedded in international agreement. Among these instruments we can mention the National Housing Strategy, Canadian Poverty Reduction Strategy, National Climate Plan, National Infrastructure Plan, Early Learning and Child care Framework, Federal Strategy on Gender-based violence, Strategy on Innovation. Each strategy was developed through a process of extensive stakeholder involvement in its specific field. **None of these sectoral plans, however, explicitly aims to directly generate integrated urban effects.**

These strategies reinforced federal-provincial partnerships and multiple-stakeholder involvement. Compared with the international documents like the Habitat III National Report, the federal government mentioned municipal actors more cautiously. This caution testifies that despite efforts and implicit actions, provinces still acted as gatekeepers in federal-municipal relations, and that explicit federal action on that regard is still limited by constitutional constraints.

Municipal action in Toronto between desires and concrete realizations

In the context we described in the previous sections, Canadian cities include a diffuse array of policies and programs aimed at realizing the ‘local turn’ of the Trudeau government. Bradford talks about ‘implicit national urban policy’ that to be effective requires creative experimentation with **multi-level modes of governance** to align national goals with local priorities and leverage collaborative opportunities (Bradford 2018) that are difficult to be achieved.

Analyzing the possible concrete realization of the federal urban agenda at the local level is particularly important in a territorial context where the vast majority of Canadians live in cities and the vast majority of economic output and private investments is concentrated in cities. In fact, roughly half of Canada's GDP is produced in its 6 biggest cities alone —Toronto, Montreal, Vancouver, Calgary, Edmonton, and Ottawa-Gatineau.

Instead of explicit urban development strategies, the Canadian government support for cities has emerged over the years largely as the by-product of many “aspatial” policies and sectoral programs for the economy, environment and society (Bradford 2018). As explained in the previous sections, Canada does not have a national urban policy, as cities and municipalities are a provincial responsibility (OECD 2017).

In order to better understand this dynamic, we can focus on two of the main assets of the urban agenda **of the Trudeau Government** and assess their concrete realization in the case study of Toronto: the support to sustainable and resilient communities and access to affordable housing.

Toronto's socio-spatial polarization is proceeding at a rate much greater than elsewhere in Canada. Spatially, formerly middle-income neighbourhoods are transforming into either high or low income (Walks and Maaranen 2008). The city is increasingly segregated, with visible minorities concentrated in low-income neighbourhoods and white residents dominating affluent areas in numbers far higher than their share of the population (Hulchanski 2009). In this context, Toronto is experiencing both sustained gentrification and advanced suburban restructuring (Walks and August 2018). As Lehrer pointed out, urban changes in Toronto are more impacted by the global economy than by the capacity of local policies to govern them (Lehrer 2006) particularly in a strong neoliberalized governance" at least since the advent of the 'common sense revolution' in 1995, when a Tory government was elected on a platform of neoliberal reform (Hackworth and Moriah 2006).

These contradictions are particularly evident if we assess access to affordable housing in a context that relies almost completely on market mechanisms to supply, allocate, and maintain its housing stock (Scanlon and Whitehead 2004). In fact about 95% of Canadian households obtain their housing through the market (Hulchanski 2007); the situation is particularly severe in a period of housing crisis (Walks and August 2018). In this context the concrete realization of the National Housing Strategy is weak. Trends in the federal role in the secondary part (i.e. affordable housing) of the housing system depend on the particular nature of the federal-provincial relations and disputes of the day, the constitutional and social policy philosophy of the federal political party in power, and the effectiveness of national housing and social welfare organizations in mobilizing popular support for specific housing and urban policies and programs' (Hulchanski 2007, 7). Again, Municipalities have limited room for action in the joint-funding formula-an offer of federal money that must be matched by provincial governments (ibidem, 2007).

Even though the Municipal government could use instruments like Section 37 (see below) to provide affordable housing, the reality shows many constraints mainly due to the municipal-provincial relationship.

Rules and regulations that define the development-planning context in Toronto are established in the Province of Ontario's Planning Act. The legislation provides local municipalities with the planning tools that are necessary to regulate growth and development activity. The Provincial level has complete jurisdiction over municipal government activities. The province exercises its oversight on municipal planning and zoning decisions.

In Toronto, when a development requires a Zoning By-law amendment (i.e. city-wide regulations on land use, that could be useful to build affordable housing) the city has an urban planning tool, known as Section 37, which allows for the possibility of requesting benefits to construct or improve facilities in the city. The density for benefit agreements are defined by the Ontario Planning Act (Planning Act, R.S.O. 1990, c. P.13.; Section 37) and establish a form of "density bonusing", which refers to municipal governments' ability to secure 'benefits' from develop-

ers in return for allowing development that exceeds existing height and density restrictions (Moore 2016).

Under Toronto's Official Plan, developments that exceed a threshold of 10,000 square metres of gross floor area, and where the application increases the permitted density by at least 1,500 square metres, and/or significantly increases the permitted height, are typically subject to this tool (City of Toronto 2019, 1).

The power to apply and negotiate the conditions of benefits are held by city councillors, with no involvement of the urban planning city team (Moore 2016). As a consequence, benefits are not inserted in a city-wide planning strategy but jeopardized according to the willingness and capacity of local councillors. Section 37 does not give directions about what type of benefits municipalities should secure (Moore 2016). Moreover, benefits are in close proximity to the development and do not necessarily impact the root causes of neighborhood inequalities (ibidem, 2016). From 2007 to 2011, Toronto parks, roads and streetscapes account for forty percent of all benefits secured, while heritage preservation and affordable housing account for only eleven percent (Moore 2016).

Section 37 has been criticized because it can be used strategically by developers to raise density in neighborhoods. Once a density agreement has been approved by the City, other developers can appeal to that change as a condition to redefine the Zoning By-Law amendment. In addition, they can refuse the density agreement proposed by the City by appealing to the Ontario Local Planning Appeal Tribunal (LPAT).

The LPAT is a judicial conflict resolution approach used by the province of Ontario to resolve urban disputes. The LPAT's board is appointed by the Province and it is empowered to adjudicate disputes. It has the option of upholding, striking-down or changing regional and local municipal planning decisions. As Krushelnicki has pointed out, LPAT decisions are final and not subject to appeal based on the planning arguments and evidence presented (Krushelnicki 2007).

Over its 85 years of existence, the history of the LPAT in urban planning resolutions has been controversial. Some authors have stated that the effect of its resolutions, instead of resolving conflicts, ended up creating planning policies (Webber and Hernandez 2016). Moore (2013), who has focused the analysis on the politics around the LPAT, stated that the tribunal act was a way of distancing councilors from the urban planning decision within the City; rather than viewing the Tribunal as an impediment, municipal politicians are complicit in a process that allows them to defer contentious decisions. Supporters, including those associated with the real estate development industry, welcome the apolitical but professional hearing process of the tribunal, particularly when a decision has to be taken in urban contexts where resolutions have to be given without many resources (Webber and Hernandez 2016).

Beyond the controversy around the LPAT or the Section 37 urban planning tool, it is clear that the Municipal level has limited chances to mitigate negative effects of neighborhood change and promote access to affordable housing. On the one hand, the LPAT is a provincial institution with no representation on the city

level, and on the other, the use of Section 37 does not offer guarantees that citizens' demands are accomplished.

Beside the above mentioned specific planning tools, during the last years the City of Toronto has released specific policies directed to address neighborhood inequalities. In 2005 a neighborhood strategy (called 'A strong neighborhood: a call for action') was developed to improve neighborhood wellbeing based on an evaluation of the neighborhood's access to services and safety. Based on this previous assessment, in 2012 the Toronto Strong Neighborhoods Strategy 2020 (TSNT) was designed. The TSNT was aimed at providing "an equitable set of social, economic and cultural opportunities for all residents, leading to equitable outcomes across all neighborhoods" (City of Toronto 2014, 2). The TSNT's definition has been based on a neighborhood wellbeing assessment inspired by the World Health Organization, known as Urban Health Equity Assessment and Response Tool (World Health Organization 2010). This tool has been designed for measuring health inequities in the developing world (Prasad et al. 2015) and applied and adapted to the specific context of the city Toronto (City of Toronto 2014). The TSNT assessment identifies 31 out of 140 neighborhoods 'below the benchmark' and asks them to define place-based action plans. In order to support the action plans, the TSNT creates three types of funding streams: the first one is a direct investment from the City (called Partnership Opportunities Fund) to build or enhance community infrastructure in City-owned and City-leased locations (City of Toronto 2012); the second is a micro-grant (called Neighborhood Grants) that offers grants to resident-led groups to help them animate their neighborhoods with events or activities (City of Toronto 2012); the last one is called Neighborhood Funders Network and is an indirect funding stream, based on the coordination of Foundations, Private and Public entities around the selected neighborhoods (City of Toronto 2012).

Notwithstanding the investment of the Partnership Opportunities Fund (\$12 million capital investment fund), the investment deals with infrastructure owned or leased by the City, excluding action on private properties and other public infrastructure not owned by the city. Micro-grants, as the TSNT Neighborhood Grants, have demonstrated to be a cost-effective approach for mobilizing social and health improvement action projects (Schmidt et al. 2009). In addition, micro-grants work as an incentive to stimulate community action and progress (Owens et al. 2018). Lastly, the Toronto Neighborhood Funders Network funding stream is a good approach for coordination, especially with funders that can overlap objectives and visions, in a situation where a big number of nonprofits, not necessarily connected with the neighborhood and with different levels of organization, are competing for funding.

The TSNS confirms what the OECD described in the assessment of the state-of-the-art of the national urban policy in Canada: the national level contributes indirectly to urban development by serving as a key infrastructure funding partner, working with provinces, territories, municipalities, the private sector and non-profit organisations, as well as other federal departments (OECD 2017). But in a context where multi-level governance is difficult to be implemented, while prov-

inces act as gatekeepers in federal-municipal relations and private investments are difficult to be planned by the municipal level, ambitious federal policies (like the National Housing Strategy) are intended to remain on paper.

The impact of the Covid-19 emergency on Canadian cities

As described in the previous sections, international agreements and documents helped develop a vision for urban areas for the current Federal government. Sectoral plans and programs may have helped approach monothematic aspects of urban issues. However, the Federal government still lacks a way to support Canadian municipalities – **as envisioned by the current federal discourses on urban areas and municipalities** – in autonomously tackling urban issues.

This limited municipal autonomy has been visible in particular during the Covid-19 crisis. Canadian Municipalities have been at the frontline in emergency management. They have often clashed with provincial governments (which override municipal ones) about the level of toughness of restrictions (Moore 2021). The Federal government has provided additional financial support for municipalities through existing funding redistribution schemes like the Federal Gas Tax Fund (Government of Canada 2020a). The Safe Restart Agreement between Federal and Provincial governments, focused on providing subnational governments with increasing testing and contact tracing capacities, personal protective equipment procurement, and to fund enhanced sanitation measures to protect the elderly and most vulnerable, also included a dedicated funding stream for municipalities for Covid-19 and public transit costs (Government of Canada 2020b). Provinces like Ontario also provided additional funding to address increases in operating costs (Province of Ontario 2020).

These measures provided additional temporary funding through existing institutional relations but without proposing intervention on the root issue of lack of municipal autonomy.

As a consequence, the pandemic triggered a series of unprecedented situations at a local level particularly delineating long-term effects on rental housing and urban neighbourhoods. From 2014 to 2017 almost 40,000 rental units were constructed in Toronto and only 2.5% of them were considered to be affordable (Monsebraaten 2018). During the initial months of COVID-19, it is estimated that over 1 million jobs were lost in Canada (Evans 2020). Due to job loss, affording basic necessities such as food and shelter became very difficult for many individuals. During the first state of emergency in the City of Toronto (March 2020), many individuals were provided with rent relief from their landlords and subsidies from the Federal government. This was for a limited period of time. Although, it may be assumed that rental prices would decrease given the COVID-19 pandemic, that is not the case (Sunny 2021). CMHC notes that the increase in rental pricing may be related to the high vacancy rate within the City throughout 2020. The vacancy rate went from 1.5% in 2019 to 3.4% in 2020, which is the highest vacancy rate in

the past 14- years. Since there have been less renters in the City, landlords are increasing the cost of rent to offset the balance of not having enough tenants (ibidem 2021).

In the wake of the pandemic, the Federation of Canadian Municipalities still advocates for greater municipal autonomy, proposing the formalization of federal-municipal collaborations (FCM 2021). Similarly, Canadian urban scholars have renewed their call for an explicit urban policy (Eidelman and Bradford 2020).

Conclusions

The Chapter has highlighted how the Federal Urban Agenda in Canada has limited room for action due to diverse and often interrelated factors. First of all, there is a question of competencies: the constitutional jurisdiction of Provinces over Municipalities has blocked any federal initiative directed to support the realization of the Urban Agenda at local level. This must be inserted in a political realm where calls for provincial sovereignty are rooted in discourses of protection of cultural differences (in particular from the french-speaking province of Quebec), and in the support of provincial predominance over federal government on municipal issues by conservative parties at federal level. Municipal governments, being “creatures of the provinces”, do not have vast powers of autonomy so they have organized lobbying structures such as the Federation of Canadian Municipalities (FCM) to influence policies at the provincial and federal level, thus not directly impacting on the Federal Agenda’s implementation.

Even if federal impacts in urban affairs are unavoidable both by direct policy actions (immigration policies, infrastructure policies) or by the indirect effects of government employment strategies and governmental real estate (Berdahl 2004, 27), the consistency of the Urban Agenda at local level has been short lived and ineffective.

As the Chapter has highlighted, this situation leads to a paradox: while federal governments often develop place-based narratives supporting the idea that decisions taken locally about land use, transportation, and any other issue related to urban development are crucial, a deep analysis shows how – even with a Federal government active in the definition of a National Housing Strategy – local governments have limited room for action. The case study of Toronto shows how urban changes are strongly impacted by the global economy more than by the capacity of local policies to govern them (Lehrer 2006).

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