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The urban agenda

Addressing contemporary
challenges in Canada's cities

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The imperative for thriving cities



Canada's urban centres comprise the engine powering the nation's growth, fostering economic prosperity, cultural diversity, and social development. However, uncertainty about the future is rising for numerous reasons: climate change, housing affordability, labour market changes, financial sustainability, and increased immigration. These challenges are evident in Canada's major urban centres—Calgary, Edmonton, Ottawa, the Greater Toronto and Hamilton Area (GTHA), Montreal, and Vancouver. Despite their interconnection, governance and coordination remain fragmented across the orders of government whose policies and initiatives could help address them. A workable solution, therefore, demands a nuanced and comprehensive approach. It demands a strategic framework to guide decision-making, policy formulation, and resource allocation in order to address the diverse needs of urban areas. Essentially, it demands a renewed urban agenda.

Urban regions are pivotal hubs in society, where diverse identities intertwine, economic activity flourishes, growth is rapid, challenges are amplified, and opportunities are born. In recent years, the importance of the city-region as an influential actor in all facets of social and economic well-being has been recognized by various international organizations and academics.¹ Urban transformation is an interdisciplinary topic that requires coordination between various sectors, actors, and orders of government to achieve sustainability and success. Canadian municipalities are shifting toward such a development and some may already have a strategy or plan to achieve it, but we propose that renewing the urban agenda would allow them to consider leading practices on how governments can unite across various levels and with the private sector and not-for-profits in order to tackle some of the biggest challenges the country faces. It would further allow us to offer forward-thinking solutions, critical considerations, and important next steps.

Defining an urban agenda



The concept of an urban agenda is inherently multi-faceted, encompassing not only a holistic strategic framework to address a region's most complex challenges but also a roadmap that can guide municipal and regional governments to foster sustainable development, enhance quality of life, ensure social equity in urban settings, and tackle

a region's challenges. An urban agenda strives to create linkages between governments, institutions, and society by using resources optimally, stimulating sustainable economic growth to build livelihood opportunities, and creating infrastructure to support daily healthy-living standards for all.

Recognizing the need for renewal



Canada's urban regions compete well on the world stage. As of 2024, the country has the 10th-largest economy in the world, with a GDP of US\$2.24 billion.² It also claimed more spots than any other country in the 2023 Global Liveability Index's top 10 most liveable cities in the world, with Calgary, Toronto, and Vancouver making the list.³ However, the following challenges are escalating in urban centres, spurring the need for action:

Housing affordability

Housing affordability is fluctuating. It has improved or otherwise maintained an overall positive outlook in Calgary, Edmonton, Ottawa, Montreal, and Gatineau, which can be attributed to income increases combined with slight interest-rate decreases,⁴ high rates of interprovincial migration,⁵ tax-rate differences, higher levels of housing development, and increased overall demand, among other variables⁶. In contrast, Toronto (and more widely, the GTHA) and Vancouver have faced supply gaps and constraints which, paired with high immigration levels and interest rates, continue to add to the areas' affordability challenges and high housing demands.⁷

Rising homelessness

In the majority of Canada's large urban centres, the homeless population has continued to increase. The one outlier is Calgary, where the number of unhoused people decreased slightly in 2022 to bring it to its lowest count since 2016.⁸ This was likely due to a slight

improvement in housing affordability. However, 30.1% of people experiencing homelessness in Calgary were also found to be Indigenous, signalling a need for more culturally appropriate housing services.⁹ In Edmonton, Ottawa, Toronto, Montreal, Gatineau, and Vancouver, the unhoused population is growing at a concerning rate; Ottawa¹⁰ and Toronto¹¹ have even declared homelessness emergencies in recent years.

The increasing number of unhoused Canadians is attributed to rising housing and rental costs. Efforts by cities to provide supportive housing continue to be criticized as being underfunded and understaffed, for not being coordinated with other agencies, and for lacking strategy. As a result, there have been calls by local organizations and populations for governments to act on this growing, nation-wide challenge.

Increased immigration

Canada's population is swelling, with newcomers settling in urban regions and driving housing demand. According to the latest census, among the country's 41 largest urban centres, the proportion of immigrants was above the national average of 23% in Calgary, Edmonton, Toronto, Montreal, and Vancouver,¹² with Toronto hosting the largest proportion (46.6%) and Vancouver next in line (41.8%). There are different admission categories for immigrants to Canada—including economic immigrants, those sponsored by family, and refugees¹³—with those from certain categories often attracted to specific urban centres.

For example, the same census showed that economic immigrants made up the majority in Edmonton, all of Quebec, and Vancouver,¹⁴ whereas Ottawa-Gatineau had a lower proportion from this category compared with the rest of the province (Ontario) but a significantly higher proportion of refugees. In Toronto, Montreal, and Vancouver, Canada's three largest urban centres, the relative share of recent immigrants has continued to decline, possibly due to higher housing costs.¹⁵

Labour-market changes

The rising population, fuelled by immigration and coupled with changes in the economy, has been contributing to dynamic labour-market needs. This is particularly evident in Canada's urban centres, some of which have seen favourable decreases in unemployment, including Edmonton (with an unemployment rate of 5.5%),¹⁶ Ottawa-Gatineau (4.1%),¹⁷ Saguenay-Lac-Saint-Jean (3.2%),¹⁸ and Vancouver (5.4%)¹⁹. These changes are attributed to employment growth outpacing labour force growth,²⁰ and to job gains in the civil service and technology sectors²¹. Specifically in the province of Quebec, relatively low unemployment rates are reflective of large-scale labour shortages,²² overqualified applicants,²³ and immigration policies failing to encourage new immigrants to reside in regions outside its urban centres²⁴.

Major urban centres elsewhere in Canada have seen increases in unemployment, such as Calgary (rate of 6.3%)²⁵ and Toronto (6.4%)²⁶. For Calgary, this unfavourable shift is attributed to high migration driving labour-force growth and a decrease in job vacancies.²⁷ And despite Toronto's increasing unemployment, the number of full-time jobs has also grown.²⁸

Increasing income inequality

A mix of labour market uncertainty and improvements has been causing rifts in income inequality. Toronto

ranks No. 1 in terms of highest inequality among Canada's large urban centres, with Calgary, Edmonton, Ottawa, Montreal, and Vancouver making the top 10.²⁹ Among the many contributing factors at play: lower levels of social mobility can make income inequality more persistent over generations; and, despite rising median incomes,³⁰ poverty suburbanization can lead to persistent pockets of poverty, which contribute to overall income inequality³¹. For example, Alberta's income gap has shrunk in recent years due to resource-sector downturns and effective poverty-reduction efforts, yet Calgary has the second-highest income inequality of all metropolitan areas in Canada.³² By contrast, Gatineau is one of the few large urban centres on the lower end of the income inequality scale, according to Gini coefficients, and has the second-lowest income inequality among Canadian metropolitan areas.³³

Accelerating climate change

Climate change adds a layer of complexity with which municipal and regional governments must contend. Several of Canada's large urban regions have already declared climate emergencies, including Calgary, Edmonton, Ottawa, Toronto, Vancouver, and Montreal. Deteriorating air quality, damage to infrastructure from flooding and rain/ice storms,³⁴ adverse effects on drinking water (e.g., ensuing drought and water-flow changes jeopardizing the North Saskatchewan River, currently Edmonton's sole source of drinking water),³⁵ deadly heat waves (which have more severe effects on vulnerable populations),³⁶ and hotter/more humid summers³⁷ are among the impacts they're feeling.

Of the large urban regions in Canada, Montreal and Vancouver have unveiled climate action plans to become carbon-neutral by 2050. Toronto's plan is even more ambitious, with a goal to reach net-zero carbon emissions by 2040. Gatineau has not yet declared a state of climate emergency; however, it continues to experience many of the same impacts of climate change as other regions.

Supporting Canada's cities: five recommendations



To continue competing on the world stage, Canada must be clear about how its metropolitan regions perform. To do this, a much more coordinated, co-operative approach to solutions and critical investments are required.

To this end, we've developed the following recommendations for governments:

1

Forge multi-level alliances for comprehensive collaboration, while addressing overlap and fragmentation. While we recognize overlap can be intentional, without proper communication and strategic alignment, it may lead to fragmentation. Effective, seamless coordination and communication within and between federal, provincial, territorial, indigenous, and municipal levels of government is paramount to addressing mounting challenges across Canada's urban regions.

To mitigate disagreements and foster cohesive action, we propose the establishment of non-partisan tables or working groups for each metro region, operating under the umbrella of the urban agenda we advocate. This approach could leverage existing federal programs, such as the Permanent Transit Investment Program, as a starting point for dialogue. Each metro region would need to produce an integrated regional plan that addresses transit, housing, and climate change needs, among others. These plans would serve as the basis for establishing metro regional agreements, which must be periodically reviewed to ensure effectiveness. The tables would require unique agendas tailored to the specific issues facing each region. Additionally, individuals involved would need to adopt collaborative working methods, all while ensuring the support of their political leaders.

Case study: Hamburg, Germany, has seen success using a multi-level approach in its Hamburg 2030 initiative, which strategically aligns federal, state, and local authorities to address the city's challenges collectively. By pooling resources and expertise, Hamburg has created a model of effective multi-level collaboration, demonstrating the power of a united front in urban development.³⁸ Germany is even encouraging a more effective and coordinated role for cities and regions to engage in decentralized development co-operation (DDC) and global partnerships. It conducted a year-long multi-level study to learn how to improve coordination, financing, policies, and partnerships in support of DDC, the key findings of which were that promoting direct co-operation with all levels of government of partner countries can lead to cost savings, higher returns on development finance, and more frequent recognition of innovation and opportunities.

Takeaway: Multi-level collaboration can increase the resources and expertise available to all levels of government, thereby helping to address otherwise seemingly insurmountable challenges. Moreover, provincial governments can act as the pivotal catalyst. With their constitutional positioning between federal and municipal mandates, they can play a leadership role to bridge the gap, facilitating effective communication and alignment of funding toward common goals.

Case study: The success of TransLink, Metro Vancouver's award-winning transportation system, can be attributed to its multi-level family of public companies. Through these subsidiaries and contractors, TransLink provides bus, rail, ferry, and paratransit services, road and bridge services for maintenance and management, walkway and bikeway networks, and transit police services. It also partners with local technology startups to incorporate the newest technological advances in its service model. Through these multi-level partnerships, TransLink is able to capitalize on synergies and continually update and advance its processes.³⁹

Takeaway: Government can collaborate with the private sector to devise and use innovative approaches to deliver services, streamline processes, and better meet the public's needs.

From these and other examples, it seems Canada's urban regions could similarly benefit from multi-level partnerships, capitalizing on efficiency gains and using existing resources and expertise to address many of the pressing challenges they face. For example, they might forge innovative partnerships with industry leaders, as TransLink has done, in order to develop affordable housing solutions and thus decrease the number of unhoused people. By leveraging the strengths and resources of all levels of government, along with strategic partnerships with the private sector, urban regions can overcome constitutional barriers and drive sustainable, inclusive development.

2

Develop and utilize an adaptive policy framework. Due to the dynamic nature of urban challenges, a policy framework that allows for the continual assessment and modification of urban agendas is an essential tool. Flexibility and responsiveness are crucial for addressing new and evolving issues.

Case study: In Australia, the Resilient Melbourne initiative employs an adaptive approach to help ensure the city's policies remain flexible and responsive to ever-evolving physical, social, and economic circumstances. By regularly reassessing its strategies, the city can stay ahead of urban challenges—the cornerstone of proactive policy adjustment. The initiative involves four key actions: **adapting** to reduce the city's exposure to future shocks and stresses; **surviving** disruptions and bouncing back; **thriving** by significantly improving residents' quality of life; and **embedding resilience**—in both ideas and pursuits—into institutions and general standards of operation. It also includes 15 supporting actions (i.e., those supporting Melbourne's resilience) and 15 aligned local actions (i.e., existing initiatives that align with its principles) to proactively address the city's challenges.⁴⁰

Takeaway: An adaptive policy framework can help determine the functions that must be consistently maintained, can guide the review and updates of functions and embed them into policies and processes to enable informed decision-making, and can enhance the ability to remain innovative and nimble while not compromising on the core purpose of a policy or process.

Canadian urban regions can look to the success of the Resilient Melbourne initiative in developing and using their own adaptive policy frameworks to mitigate negative impacts, build resilient communities, and achieve more sustainable urban governance. For example, to combat one of the most complex, shared challenges—climate change—all levels of government can create and implement adaptive strategies such as continual assessment, flexible policy design, regular monitoring and evaluation, and engagement with corporations and society at large.



3

Harness technology and data to inform governance and decision-making. It's critical to use data to make decisions about urban-agenda initiatives and to enhance the effectiveness of policies and programs.

Case study: Singapore's Smart Nation initiative exemplifies the transformative power of data, underscoring the potential for municipalities to harness their data for informed, efficient, and citizen-centric governance. By utilizing advanced analytics and technology, Singapore has enhanced its urban planning, traffic management, and public services.⁴¹ There are three pillars in the initiative's goal of a smart nation:

1. Achieving a digital society that empowers everyone, regardless of their circumstances, to benefit from technology. This entails improving both accessibility to technology and digital literacy for citizens, as well as designing inclusive digital solutions.
2. Achieving a digital economy, which would take advantage of the latest technology to digitalize processes and drive business growth.
3. Establishing a digital government, whose aim would be to digitalize all procedures and processes yet serve its citizens with greater empathy. This means using technology to create policies that are more personalized, allowing the government to respond to citizens' needs more effectively.

Takeaway: Digitalizing and increasing the accessibility of governance tools and the channels to access services and supports—coupled with empowering society (including public servants) to enhance their digital literacy—can help increase the effectiveness of policies and programs.

Harnessing technology and data to inform governance and decision-making can lead to more effective and evidence-based policies and programs—especially with technology continuing to evolve. Canada's urban regions should thus use these tools to tackle their challenges and help improve the quality of life of their citizens, while being mindful of designing solutions that allow equal access to services and supports for those who cannot or choose not to engage with technology, as does Singapore's Smart Nation initiative. For example, in order to respond to the impacts of a rapidly increasing population, governments could use technology and data to gather insights about immigrants to Canada—such as preferences and key skills—to inform decisions about social services, preferred communication channels, and integration programs.



4

Engage communities to generate a sense of inclusion and yield better results. Cities should champion community engagement and inclusivity in the urban-agenda renewal process by exploring models that allow citizens to actively participate in shaping urban policies, which would help ensure diverse perspectives are considered.

Case study: The Portland Plan—an initiative of Portland, Oregon—emphasizes active citizen participation through town halls, workshops, and online platforms. By involving diverse voices in decision-making, the city has fostered a vibrant and inclusive urban community, creating a sense of ownership among its residents. The Portland Plan brought together more than 20 agency partners along with thousands of residents, businesses, and not-for-profits to create a strategic plan with the aim of increasing the city’s prosperity. More than 20,000 comments and ideas from these participants were used to build the plan, which itself is organized around an equity framework focusing on three integrated strategies: education, economic prosperity and affordability, and healthy connected neighbourhoods.⁴²

Takeaway: By engaging the community in planning, decision-making, and reform, governments can enhance buy-in and ownership of initiatives for all involved, thereby increasing the likelihood that changes will yield positive results and be well-received.

Engaging communities helps foster a feeling of inclusion and ensure urban policies can respond to the needs of all residents, ultimately benefiting the entire populace. The Portland Plan is an example of the importance of actively involving citizens in decision-making to better shape urban policies and foster a vibrant, inclusive community. Canada’s urban regions can apply its lessons to help ensure their policies resonate with all citizens and lead to more equitable urban development. For instance, in light of the challenge of increasing income inequality, engaging with residents could help ensure the perspectives of marginalized populations—including low-income communities—are considered by empowering them to participate in governing decisions. This engagement would also help these populations by identifying their barriers to economic opportunities and creating solutions tailored to their needs.

5

Develop sustainable financing models to support long-term development. Municipalities cannot shoulder alone the financial burden of providing essential services, nor do they possess uniform sets of revenue tools. The current patchwork system of financial mechanisms at each level of government is inadequate for a progressive, sustainable urban agenda. Government levels must collaborate to develop new approaches to regional service delivery.

Case study: With its Green Bonds program—which is dedicated to issuing bonds for environmentally sustainable projects—Copenhagen, Denmark, has attracted private investment for crucial urban initiatives. This approach showcases the potential for innovative financing mechanisms to drive long-term, sustainable urban development.⁴³

Takeaway: Intentional models that address city challenges can attract other actors' contributions to these and related initiatives.

The Green Bonds program can serve as a template for sustainable finance initiatives that encourage sustainable infrastructure projects and support economic growth. In Canada, this type of finance model could be effective if regional governments do the work of exploring a range of strategies—such as impact investing, the promotion of green financing options, and the cultivation of diverse partnership opportunities—and identifying those that best suit the structure and needs of their city. Then, by leveraging the strengths and resources of all orders of government, they could adapt and implement those models to support long-term urban development while addressing pressing environmental challenges.



The path to a better future



Drawing inspiration from these global examples, Canada can navigate uncertainty and mounting challenges in its major cities by embracing a new urban agenda to build resilient, sustainable, and inclusive environments. Through collaboration and alignment across all levels of government, adaptability, data-driven governance, community engagement, and innovative financing, cities in this country can reshape the trajectories of their communities, helping to ensure they thrive through evolving challenges.

A renewed urban agenda is a powerful strategic tool that governments can use to address their most complex challenges and guide them on taking action to enhance the quality of life of all residents.

The responsibility falls on all levels of government, institutions, and members of society to act on the lessons from these global examples. There is no one key player that can address all the challenges facing Canada's urban regions. Rather, all participants in the complex ecosystem should engage in a collective effort to define and design an urban agenda tailored to the community's needs in order to create positive change.

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