

**A NEW
CITY
AGENDA**

John Sewell

with comments from Cathy Crowe (Toronto), Paul Durber (Ottawa),
Bill Phipps (Calgary), Peter Trent (Westmount, Montreal) and Grant Wanzel (Halifax)
Foreword by Alan Broadbent

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The logo for Zephyr Press features a stylized, calligraphic letter 'Z' in a light grey color. To the right of the 'Z', the word 'Zephyr' is written in a black serif font. Below the 'Zephyr' text, the word 'PRESS' is written in a smaller, black, all-caps sans-serif font.

Zephyr
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FOREWORD

Alan Broadbent

Canadians are increasingly coming to grips with the fact that their country has changed in the past century from rural to urban. Statistics tell much of the story: over 80 per cent of Canadians live in cities, more than 50 percent in the nine largest cities, and half of the economy is generated by our four large urban regions. Young Canadians are moving to the city for education and work, and most of them will never return to the countryside. Although rural Canada remains appealing, often beautiful, and a great place to live, it is losing population.

Many of our towns and small cities are also losing population. Only a handful of our largest urban regions are growing. Whether from desire or necessity, to attend school or find work, for love or acceptance, people are moving to Canada's biggest cities. And they are staying.

This dwindling is a problem. Across the breadth of the country, we have too few thriving cities. Outside of the large urban regions of Toronto, Montreal, and Vancouver, only a small number of cities are on the rise. Calgary is clearly prospering, and some of the government cities like Ottawa, Edmonton, Quebec City, and Halifax are holding their own. But broad expanses of Canada have very small cities struggling to make ends meet, dealing with very real problems, and waiting for financial aid from other levels of government. These cities, like their wealthier kin, often become the focal

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points for many of the issues of their regions, whether they are social problems or economic shortfalls.

While these smaller, struggling cities look for answers, they need not cast an envious eye at the larger, growing cities, for these places aren't much better off. It is an irony of Canada's constitutional arrangements that all cities are cast from the same legal and financial moulds. They are creatures of the provinces, and as such are severely limited in their authority. Almost all of them rely heavily on the property tax for revenues. (Canadian cities depend on property taxes for about 50 per cent of their budgets: in the U.S. it is about 15 per cent of budgets; in Europe it is about 5 per cent.) The property tax is an inflexible tax: property values do not vary much from year to year, and do not rise at the rate the economy does.

On the other hand, the provincial and federal governments rely on revenue from income and consumption taxes that reflect more accurately the growth of the economy. The former Winnipeg mayor Glen Murray used to put it best: if Winnipeg built a new convention centre, the other levels of government would benefit from the increased business in hotels and restaurants, and from the new jobs created, through sales and income taxes. Winnipeg itself would only get the property tax, which might have just replaced the property tax paid by previous users of the property, but even that might have been bargained away in the competitive process to attract the new facility in the first place.

While Canadians have been quick to comprehend the centrality of cities in their lives, their governments have

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lagged far behind. Most governments have simply been ignorant of the trends and have happily downloaded obligations onto cities without attendant money to pay for them. In doing so they have balanced their own budgets but put the cities on the ropes. A few governments have been hostile to their cities, such as Ontario's Harris government, which added amalgamation into the mix and ignored the consequences.

Some governments in recent years have at least rhetorically recognized both the current plight of our cities and, more important, their critical role in national prosperity. The federal government of Paul Martin and the Ontario government of Dalton McGuinty have talked the talk, but it remains to be seen if they will walk the walk. Signs from the Martin government have not been encouraging, as they continue to behave in time-worn ways, a dodgy blend of political rainmaker and Lady Bountiful. They descend on the city prior to an election and dispense promises of money that cleave closer to their short-term political needs than to any plan developed by Toronto City Council and its planners. The federal government's record of honouring these promises in Toronto over the past ten years is shameful.

What the large urban regions need is not plans and manna from above, but more control of their own destiny. Cities don't need a federal or provincial government to solve their problems. They are tired of being "looked after," mainly because they now know it doesn't work. What they want is the tools to do the job themselves.

Those tools are money and powers. The money comes from the ability to levy a broad range of taxes, and not neces-

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sarily new ones. As the federal and provincial governments have downloaded obligations to the cities, they have kept the revenue that used to pay for the services. They should now hand over such revenue to the cities in the form of tax points from consumption taxes like the gas tax, the “sin” taxes, and income tax.

The powers come from agreements with the other levels of government to give cities the ability to develop their own policies and programs, and to implement them. There is not one size to fit all cities. Canada’s three large city regions will have much greater powers than towns and villages. The second-tier cities will have less broad, but still substantial, powers. All will have a greater control of destiny than they now enjoy.

One of the real problems in making the transition to a new way of governing the country is that so few people have thought about it, particularly in the federal and provincial governments. While there has been much activity in those governments, and much hand wringing, most of it has been defensive. At the federal level, there has been a frantic cataloguing of all the impacts of federally run urban programs, as if that would somehow make government dysfunction and duplication disappear. But there have been precious few in that government who understand the new Canada facing them.

John Sewell does understand it. He has been thinking about cities for a long time, and has experienced governance dynamics between municipalities and the federal and provincial levels of government intimately from many vantage

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points: as a Toronto city councillor, mayor of Toronto, provincial commissioner, writer, journalist, commentator, and activist.

In this book, Sewell forms an answer to the question that many have with concepts of municipal autonomy: How would it actually look? Like most good concepts, this one provokes thorny questions in its application. What programs would be delivered by the city? What would the role of the province be? The federal government? Who would protect minority rights? How would the money work? Where would the boundaries be? How would the internal governance of an urban region work, by a super government or many small governments negotiating issues? Why couldn't any city or town or hamlet get the authority and the money?

Sewell knows, of course, that moving to greater autonomy for our city regions will not be simple. And it will not likely happen all at once. But he expresses the possibility of making that transition by positing both what it might look like sector by sector, and making some creative suggestions as to how governance might work better.

Canada is full of constitutional experts, veterans of the patriation process of 1981, of the subsequent Meech Lake and Charlottetown efforts, and many other stops along the way. Their chief purpose, it seems, is to remind us from time to time why nothing can be done to bring our constitutional arrangements into line with our current and future challenges, as the internationally renowned urban planner Joe Berridge has put it. But in the modern world, it is powerful city regions that are the economic, social, and cultural engines of society,

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and failure to realize that, and to make the appropriate investments, is to hobble our nation.

In effect, the potential for Canadian cities to flourish is deadlocked by a Constitution that has bred unproductive federal-provincial wrangles and stand-offs, with cities disappearing in the dust. As Hugh Segal has said, the nation serves the Constitution, rather than the Constitution serving the nation. By articulating a new vision of governmental arrangements for Canada, John Sewell offers a way to break out of this deadlock.

Alan Broadbent is Chairman and CEO of Avana Capital Corporation. Avana has initiated and funded a number of civic engagement projects, including the convening of the mayors of Canada's five largest urban regions.

ONE STARTING THOUGHTS

Here's the problem: the provincial and federal governments have power and money but seem unable to deliver on their obligations, while city governments, in Toronto for example, excite significant public expectation but do not have the authority or the resources to meet such expectation.

That is the unfortunate situation Canadians find themselves in at the beginning of the twenty-first century. The federal and provincial governments together apparently had more financial resources than they needed, so they cut taxes at a furious rate, thereby reducing their revenues. In the past, those governments thought they could solve various public policy problems, such as poverty and poor health, but having found such issues seemingly intransigent have backed away from them. In the areas of affordable housing and child poverty, for example, governments eliminated or downsized programs after first arguing that they mainly benefit the undeserving. Governments with the power and means to address social problems have abrogated any responsibility for them, and then claimed a shortage of funds even if they had wanted to undertake solutions.

Municipal governments, on the other hand, have very limited powers, generally those defined by provincial legislation passed in the mid-nineteenth century, or, in the case of the western provinces, legislation drafted in the mid-nineteenth century and passed in the early twentieth. City resi-

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dents beseech local representatives to address their problems, and local councils look for solutions. Several decades ago, local councils were able to engage senior governments in problem solving, as they did in the case of non-profit housing and the expansion of child care, but in recent years municipalities have been left to forage for themselves, with provincial governments' having downloaded responsibilities and financial obligations, making the task of the municipality that much more difficult.

Rarely has the divergence in interest between levels of government been so clear and plain. The most common picture today is of a municipal leader making an impassioned plea to the provincial or federal government for some new or extra stipend for a good cause – more money for the transit system, please, or for sewers and water pipes. Or a mayor will ask for a smidgen more legislative room to enact, for instance, a hotel room levy to help fund an advertising campaign directed at tourists, or an improved convention centre, perhaps. On a day-to-day basis, such requests seem to the woman on the street like the inevitable squabbling of elected leaders as they vie for power and prestige. The big issues – severe social inequality, homelessness, unsafe neighbourhoods, spiralling health costs – are necessarily pushed to one side by local leaders in the hope that some small amelioration can be achieved.

This book makes the point that Canadians can't afford to put off resolving the dispute for much longer. The big problems must be addressed, and that will occur only when local governments are given the independent authority and the taxing tools they need to manage essential programs and ser-

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vices. Local leaders must realize the importance of the big picture, or their opportunity to bring it into being will not be realized.

The beginning point for change is the public desire for governments to deliver the social benefits the society wants at a cost that is feasible for the public purse. The big problems are not unsolvable, but they won't be effectively dealt with if the responsibilities for them continue to be assigned to levels of government that have shown themselves unable and unwilling to successfully grapple with them. Problems can be solved by lodging responsibility for them at the local level and ensuring that the financial tools to support local governments are available. Making these arguments emphatically, finding the appropriate means to implement the needed changes, and encouraging local leaders to lead public debate and decision making in these directions are the purposes of this book.

The book uses many Toronto examples and suggests many remedies appropriate for Toronto, but the arguments have general applicability to all large cities in Canada.

Two

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Let's start out by considering a very large concern for city residents.

One of the most significant social changes that have occurred in Toronto and other Canadian cities in the past decade is an increasing disparity in incomes. The rich are getting richer and the poor really are getting poorer. This trend is documented in a number of studies. Most recently, in November 2003, the Federation of Canadian Municipalities concluded that in Toronto the bottom one-third of the population has suffered a serious decline in income compared with the top two-thirds, whatever the current health of the economy. That study also reaches similar conclusions for other Canadian cities.

Other studies have pointed out that those most affected by limited income are women and children. Two-parent families can survive (even if only marginally), but mother-led families – and most single-parent families are mother-led – are greatly stressed. The brunt of the growing income gap is felt by the children.

The prevalence of poverty is a serious drag on city life. It demeans the social and cultural environment – no one likes having to beg on the street or having to step around and over beggars – and there are data indicating that serious inequality has a negative impact on the general health of a population and on economic performance. Toronto will be a better city

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if the degrees of inequality are reduced.

Unfortunately, the Canadian Constitution does not assign responsibility for social equality, income distribution, or the status of women and children in society. Historically, these matters have been considered within the purview of both provincial and federal governments. Several decades ago concern for the absence of assigned responsibility was addressed in the Canadian Assistance Plan (CAP), which outlined how financial resources would be shared between the federal and provincial governments in the provision of uniform social programs nationwide, and guaranteed the federal government would pay half the costs of welfare in each province. But in 1995, the federal Liberals replaced CAP with the Social Contract agreement and the Canadian Health and Social Transfer (CHST). Together, these alternatives generally seem to absolve both levels of government from responsibility for alleviating social inequality. On the one hand, the Social Contract prevents the federal government from instituting social programs without provincial consent, thus creating a good excuse for neither government taking the lead. On the other hand, the CHST allows federal funds to be transferred and used by the provincial government as general revenue rather than for health or social purposes. It's no surprise that in recent years neither level has shown much interest in social issues, so what we see is a subtle form of downloading, as those senior governments slough off responsibilities within larger cities where inequality is mostly found.

Surprisingly, the city already plays a quite substantial role in supporting programs meant to alleviate inequality. Toronto

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administers welfare programs for the province (in the past decade welfare was renamed Ontario Works) and is required to contribute about 20 per cent of their cost. The city must pay 20 per cent of the cost of subsidized day care, with the balance covered by the province. The city used to pay 20 per cent of the cost of Children's Aid, but that obligation has been assumed by the province, though in recent years the province has refused to pay full costs, so Children's Aid Societies have had to run deficits. The city supports a number of social agencies with annual grants, and city residents and businesses donate about \$75 million a year to the main organization providing funding to about seventy-five agencies, United Way. The United Way is one of the few grantors that allow agencies to use grants for either programs or administration, as the agency sees fit. The city now produces an annual Report Card on Children showing, among other things, that about one-third of Toronto children live in poverty.

The federal and provincial governments may provide some financing for local organizations involved in child care, child welfare, income support and training, but it is not nearly enough. For instance, poverty has been aggravated in the past eight years by the Ontario Tories' decision in 1995 to cut social service payments by 22 per cent and then freeze them at this low level. The province has also implemented many punitive rules against those receiving Ontario Works support. (Since a new Liberal government has assumed power at Queen's Park in October 2003, some small changes have been made to these draconian approaches.)

The federal government has instituted the National

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Child Benefit Supplement, a monthly payment to low-income families, although in Ontario the previous provincial government deducted an equivalent amount from families on welfare so that Ontario children in welfare families received none of this benefit. Ottawa has also allocated \$2.2 billion over five years to the Early Childhood Development Initiative to support child care nationally, but the province did not use the funds for child care. In 2003, the federal government began a new program, the Multilateral Framework on Early Learning and Childcare – an additional \$900 million over five years – and the new government in Ontario has agreed to use some of the funds to repair day care centres.

The city has a long history of delivering vital early childhood programs through the public health department. And indeed the federal government has continued to provide the Canadian Pre-natal Nutrition Program, the Community Action Program for Children, and the Aboriginal Head-Start program for both pre-natal support and during a child's first six years. The programs are delivered at a community level, which explains why the city has played such a helpful role through its own public health department. But given the sad plight of so many women and children in the city, the programs cannot be considered adequate.

With the Early Childhood Development Initiative and the National Child Benefit Supplement, the provincial and federal governments are moving large amounts of money around, but too frequently there are no guarantees that children will receive the services they need. In Toronto there are eight hundred non-profit day care centres, many of which are

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under severe financial pressure because governments don't pay the full cost of the service, \$28.04 a child a day; the payment received by day care centres is only \$24.62, a shortfall of \$3.42. For non-profit day care centres in Toronto the shortfall totals \$18 million a year. Worse still, subsidized day care is available to only 20 per cent of eligible children. The waiting list for affordable child care is enormous.

Let's be clear about what this means. The federal and provincial governments are not much concerned about the impecunious state of women and children. Both levels of government have seen surpluses in recent years (although in places like Ontario the government has preferred to cut taxes rather than cash in the surplus) but have shown little or no inclination to direct money to address the problems faced by women and children. Instead, they have cut taxes.

A city like Toronto will be able to focus on urgent social issues in ways not possible for the provincial and federal governments, which are always trying to balance urban needs against other priorities; in smaller centres and rural areas inequality is not so drastic. As well, those governments love to hate Toronto, just as other provincial governments love to hate their own largest city – the one producing wealth through commercial activities supported by public infrastructure. Since the inequality is right on the city's doorstep, it makes sense to give cities the lead hand in trying to address it. One characteristic of older cities is that many residents share a concern about their neighbours and are not disinclined to support programs for their betterment. Now is an appropriate time for the city to take ownership of these issues so that

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they can be firmly addressed.

There is another good reason why cities should have responsibility for social service and equity programs. The design of local programs can fit the political and social circumstances of a particular city rather than being generalized to meet political and social demands across the large, diverse and uneven terrain of a province or of the whole country. One size never fits all. Cities have different experiences in social equality, with different factors at play. Designing an income equity program for Thunder Bay is different from designing a social program for Hamilton or Toronto. Each city could devise appropriate programs to address problems that resident households experience, rather than being required to apply broad regulations written by other governments for nowhere in particular. The feedback loop in cities is small and direct, and as is known from local public health programs, the city can learn quickly from its successes and failures.

Another benefit of local control is that the city can coordinate its varied local social service programs, some of the very ones now virtually impossible to coordinate as funded under different federal and provincial ministries. Local coordination is usually cost-effective, and it helps to avoid gaps in service.

Already Toronto has shown interest in more local initiative. An initial experiment in integration is the Toronto First Duty model, which brings together parenting, child care, and kindergarten programs into a coordinated service linked with community resources in half a dozen low-income neigh-

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bourhoods. First Duty is supported by grants from the Canadian Auto Workers union and General Motors, which each pay one-third of the cost over the three-year term of the experiment, and the Atkinson Foundation. The very positive experience of First Duty projects indicates that they should be expanded throughout the city.

Of course, coordination must go beyond children of kindergarten years. It must reach down to the very young, with Early Childhood programs such as those long recommended by Dr. Fraser Mustard and his colleagues. It must reach upward in age to include broad child care programs (including mental health) available to all children, and to school programs and city, agency, and volunteer-run recreation and social programs. It must include the spaces where those programs can be held, such as school properties where high user fees imposed by provincial regulations have recently proved to be such a disincentive. It must include child welfare programs (now administered by Children's Aid Societies), programs to divert youth from the criminal justice system, and support for women in abusive relationships and their protection from violent male partners. It must include general income support.

At first blush, it seems as though this kind of coordination and integration would be almost impossible to achieve and that the breadth of programs would probably require very substantial expenditures. However, coordination at the local level may be much more easily accomplished than imagined since it makes great sense and holds out such significant opportunities, as the First Duty experiment shows.

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Reasonable political will could ensure that local coordination is achieved in stages. Pooling funding for existing programs may create a considerable pot of money to draw on without requiring, at the outset, an infusion of new funds.

Coordination of programs to ensure good outcomes for children holds much promise, but it is not enough. In the medium term, new funding and programs are also required. City residents need the same kind of broadly based child care offered throughout the province of Quebec, where it's available at the cost of \$5 a day (about to rise to \$7 a day), with subsidies supplied for very-low-income families as required.

The city must offer and support a significant range of after-school recreation programs, at no charge, for children and youth. These programs, which have very positive social outcomes, were offered in the former city of Toronto, before amalgamation in 1998 but have been substantially reduced since then, and in many cases a fee has been imposed. (At the same time, some kids' programs have been offered without charge in Scarborough, Etobicoke, and North York.) Children in all parts of the city deserve a wide range of free after-school activities, including good libraries.

Welfare payments must be significantly enhanced to provide more solid support for families. Training programs must be extended and improved. The range of programs and supports needed to help people become self-reliant – surely that's the goal – are well documented in "Transitions," the 1988 report of the Social Assistance Review Committee. Programs include opportunity planning (that is, helping welfare recipients settle on the opportunities best available to them), assis-

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tance for those recipients newly employed, child care availability and the treatment of child care expenses as work-related exemptions, continued assistance during the early months of employment, training programs (including literacy), and a comprehensive dental program. Specific problems are noted in the report for the aboriginal community.

Most certainly there will be other useful programs that the city can sponsor to improve the lives of women and children. As a start, it would seem appropriate to transfer to the city complete control over welfare programs and child care, both the financial resources and the legislative framework, because the city currently administers these programs. The city will be able to achieve much more for households on welfare and for children if it has the money at hand and the ability to make supportive (rather than punitive) policies.

The initiatives outlined here will require some study to undertake and to cost out. Not nearly enough is known about the amounts now spent by governments on social programs, or indeed what the range of programs is. The gross amount spent on social welfare for women, children, and youth in Toronto is likely surprisingly large, even if social inequality has been exacerbated in recent years. Perhaps the gross amounts in themselves will go a long way to meeting the costs of a coordinated group of programs intent on reducing inequalities in the city. Perhaps they will need significant enhancement. We don't know.

As for the new programs required, there are many excellent studies to draw on, including the provincial study "Transitions," already noted.

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These issues should be considered by an advisory committee established by the city. The committee would plan how the coordination and delivery of services for income support and for women, children, and youth can best occur, what revenues are now available, which new programs are required, and get estimates of costs. The committee should report within a few months of being established. It should not attempt a detailed blueprint of how everything should be done (that would take years) but instead should quickly outline strategies to move forward in the next twelve months.

It is well known that social programs cannot be reasonably funded from a property tax base. To be relatively sustainable, they require the kinds of monies generated through progressive taxes that reflect a growing economy, such as income, corporate, and sales tax. Obviously, the funding requirements must be part of the larger financial reforms the city needs, although in some cases it will be asking for nothing more than a transfer from the provincial and federal governments of monies used for their programs currently directed at women, children, and youth in Toronto.

Giving the city responsibility for this galaxy of issues will provide a very good opportunity to successfully tackle the extensive inequalities that exist. The city will be able to create better ways of ensuring success, and in the end those investments will result in a healthier society that incurs fewer social costs. The city is large enough and mature enough to bear these responsibilities provided that it receives the necessary financial support – at a minimum, in the short term, nothing more than senior governments now spend, but in the mid-

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term, increased revenues flowing from city control of appropriate tax levers.

To those who would argue that city control would destroy provincial or national standards, the answer can only be that those standards are so dismally low today that their destruction would be no loss. Perhaps useful standards can be established at the provincial and federal levels as cities assume responsibilities, and perhaps those governments can ensure that such standards are met (and surpassed) outside cities. Maybe cities can establish mechanisms of transferability so families can move from one place to another without experiencing a drop-off in necessary services. These are issues to be addressed in the future. What is being proposed here is transferring responsibility for creating social equality from two unengaged levels of government to the city, the level of government with a demonstrated interest in addressing the problems and the capacity to understand and meet the challenges presented.

In conclusion, a reasonable course of action would be for the city to first request from the provincial government full administrative control of welfare and child care programs, including all current financial contributions from the provincial and federal governments, such contributions to be guaranteed for a five-year period, increasing annually according to the cost of living index. The city should then request from the province full legislative control of welfare and child care and the necessary legislation to achieve this objective.

Next, the city should request from the provincial and federal governments tax levers in the areas of income, corpo-

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rate, and sales taxes to generate funds to support welfare and child care and other programs necessary to reduce social inequality.

At the same time as it requests administrative control of welfare and child care, the city should immediately establish a broadly based committee to plan how the coordination and integration of services for women, children, and youth may best occur, including existing and projected costs. The committee should be requested to provide a blueprint for action rather than a detailed plan of implementation, and it should be asked to report within six months.

These are the beginning steps needed by the city to start tackling social inequality.

THE LOCAL SCENE:

Bill Phipps in Calgary

A beautiful book co-published by the Mendel Art Gallery and Fifth House in 1993, *The Urban Prairie*, raises some fascinating questions about the "city state" and its relevance to urban Canada. For a long time, people who care about the vibrancy and sustainability of our cities have been raising questions about power and governance.

The current situation our cities face is untenable, and the issues addressed in this book apply to the city of Calgary. Especially in areas of education, health care, and housing, Calgary and Alberta argue about funding, power, and governance. It is puzzling in that the current premier is a former mayor of Calgary. Increasingly, it is becoming clear that Canada needs a viable and different order of government at the big city level. I wonder if we might learn from the ongoing exploration of serious approaches to self-government for First Nations?

Regarding Calgary, I mention only two concerns, although education and health care are equally important as these. The first is housing, or lack thereof. Homelessness is a growing blight in one of the richest cities in North America. Since the shelters are full, Calgary, like many cities, has a huge volunteer effort called "In from the Cold" housed in more than fifty religious congregations. In 1999, the total number of beds filled was 9,200. In 2002, it was

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15,163. In 2003-2004, it will be over 20,000. Close to half of those needing shelter have jobs at the obscenely low minimum wage of \$5.90 an hour. Many others are children, who sleep in a different church basement every night. The need for affordable social housing is clear. Despite the good work initiated by the business community through the Calgary Homeless Foundation, there is no substitute for power and funding at the city level to address the gross immorality of homelessness in such a wealthy jurisdiction.

The second issue is urban sprawl. Refusing to learn from other cities, Calgary and the government of Alberta seem content to pave our way to Montana to the south and the Rockies to the west. Although high-priced condominiums are increasing downtown density, the single-family sprawl is ugly, pervasive, and unsustainable. We need serious urban/rural land-use planning. This can happen only with a vision of viable urban development negotiated between the city and the province.

I agree that we must begin with specific proposals on an identified concern. But begin we must! We can no longer govern our cities according to nineteenth century instruments. We need to harness our imaginations to create the legal, financial, and governing mechanisms so that our cities may flourish with responsibility and accountability located where it really matters.

Rev. Bill Phipps is minister of Scarboro United Church in Calgary, and former Moderator of the United Church of Canada.

THREE PUBLIC EDUCATION

In their impact on children, education and social welfare programs are closely linked. In fact, it is often hard to say where the impact of one set of programs ends and others began.

Until a few years ago Toronto, like other Ontario municipalities, was generally in control of the public and the separate (Roman Catholic) education systems offered in the city. The costs of these systems, both at the primary and secondary levels in Toronto, were met entirely by local property taxpayers. Effective boards of school trustees ran each system, with staff reporting to the boards, and there was a general sense of accountability for what happened in schools. The role of the province was to set general objectives and standards. Local boards ensured that those standards were met and that services required by people in Toronto were provided. Given the city's size and complexity, the Toronto Board of Education ran many programs that made sense only in a large city – English as a second language, heritage languages, arts and music, for example – and offered alternative schools within the public system at both primary and secondary levels.

Since 1997, that all has been changed. The Harris provincial government legislated an end to any sense of local accountability. In the public system, the six local school boards and the Metro board were amalgamated into a single

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one, the Toronto District School Board, reducing the number of trustees from more than a hundred to twenty-two. Trustee compensation was slashed to a maximum of \$5,000 a year, which means that few people can afford to spend the time needed to be effective school trustees, resulting in an overall loss of local governance and accountability.

School financing was turned topsy-turvy. The provincial government seized a large chunk of the funds raised locally from property taxes, so the schools in Toronto were no longer financed from monies controlled locally. The province established policies that forced major cuts in spending in Toronto, particularly by imposing heating and maintenance standards derived from schools built in the past five years to structures in Toronto that have existed for many decades, some for more than a hundred years. A number of schools were closed, and many of the older buildings fell into a state of poor repair because inadequate funds were allocated to upkeep. Provincial law now says that when school sites become surplus, they immediately fall into provincial ownership, even though they were bought and paid for with local funds and often contained improvements supported through local fundraising. Many programs were cut, particularly ones geared to the complexities of Toronto's population. In a further attack on Toronto, in 2002 the provincial government threw the public school board into trusteeship, stripping it of its ability to make decisions about money and staff, and installed its own administrator at substantial public cost.

Many people in Toronto feel that the public education system was badly damaged under Conservative stewardship.

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It is important that local boards regain control over public and separate education. This means re-establishing local financial control as well as the kinds of programs that previously existed in Toronto and ensuring adequate money to deliver needed programs. It will be a mammoth task, but it must be undertaken. It can be accomplished only if the local boards of education have legal responsibility for all educational needs and the resources to pay for the education system, leaving general policies and standards to be set by the provincial government, as was the case until 1997. The province's own appointed adviser, the Rozanski Commission, recommended funding changes to achieve this result.

School facilities, resources, and programs should be coordinated with other programs directed at children and youth. Some coordination has survived – in nutrition programs, for example – but much more is needed, such as programs for youth counsellors and for music and other arts programs, which must be restored. The steep user fees imposed by the province for community organizations running programs in school facilities has led to the withdrawal of many community programs and shows that the way schools and their resources are managed has major impact beyond what is formally considered education. Coordination makes sense if one is trying to operate in the best interests of children.

Education programs for adults must also be restored. Adult evening programs in Toronto had a registration of 400,000 in 1996, but because of provincial cuts under the Conservatives, in a mere six years registration has been reduced to a tenth of that number. English as a second lan-

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guage and heritage language programs must again be widely available in Toronto for kids and adults. Programs in schools must be integrated with settlement and recreation programs run by other agencies; they are of great interest to city residents.

Some will argue that simply returning to the pre-1997 arrangements will not be enough. Many have noted that governance by boards of school trustees is weak, particularly since voter turnout for school board elections is so low – in the order of 20 to 25 per cent of registered voters. Indeed, it would be wise to strengthen governance structures, perhaps by improving opportunities for community input in each school and school district. As well, the city and the school boards should work more closely together, given that they both offer programs to children and adults. But the first step must be to re-establish local school boards as the key governing structures and provide them with the reliable financing they need.

A larger question is whether the responsibility for post-secondary educational institutions – community colleges and universities – should fall to the city. Currently, the provincial government is largely responsible for these institutions, and in Ontario seems uninterested in their well-being. Ontario now ranks last among provinces in Canada for support of universities, and faculties are responding to the funding crunch by raising tuition fees. The University of Toronto Law School has now set the annual tuition fee to rise over the next five years to \$22,000, an obvious way to ensure that apart from those few who are fortunate enough to win scholarships, legal

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training will be available only to a wealthy elite.

City residents and their leaders are much more aware than provincial leaders – many representing smaller centres and rural areas – that the health and vibrancy of the city economy depends on a highly educated populace, and that requires many excellent opportunities for learning. Ensuring that post-secondary institutions flourish will be much higher on the city's agenda than on the province's.

However, this is an issue that has received little public notice or debate. Some might argue that universities are regional in nature and should not be constrained by the politics of the city. Others might assert that federal support should also be part of the mix. Before any changes are made to jurisdictional arrangements for post-secondary education, extensive discussion is in order.

In conclusion, local control of primary and secondary education must be re-established. The financial impact of this objective must be determined and adequate funds found to support it. Once this is accomplished, school board governance should be re-examined with a view to making it as effective and efficient as possible.

FOUR IMMIGRANT SETTLEMENT

Also closely related to the questions of public education and the plight of women and children is the issue of immigrant settlement. More than half the immigrants to Canada end up in the Toronto area, and almost half of all Toronto residents are foreign-born. Newcomers are an extraordinary asset to the city: during the past decade, about 40 per cent of immigrants had university training.

But all is not roses. Many recent immigrants – perhaps as many as half – live in poverty. Many who are skilled find their talents go for naught because credentialism – in the form of a hard-to-obtain stamp of approval from certain institutions or associations – bars them from professional positions. Many eager to be proficient in English find limited learning opportunities.

The problem is not the large number of immigrants arriving annually in the Toronto region: the problem is inadequate resources available to support them. The federal government provides funding for immigrant settlement, but as a percentage of expenditures across the country it is far below the percentage of immigrants arriving here: less than 40 per cent of funding countrywide comes to Toronto, even though in excess of 50 per cent of immigrants settle here. What's more, programs are too limited. As The Maytree Foundation, a Toronto-based foundation focusing on immigrant services, notes, "There are some excellent initiatives under way to

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address these barriers, including bridging programs funded by the Ontario government. However, many are ad hoc, time-limited projects and serve only a limited number of people in a limited number of occupations and locations.”

The critical issue in successful settlement is helping new immigrants find access to employment. The systemic barriers to be removed are the non-recognition of educational degrees, the lack of Canadian work experience, language training, and access to information about job opportunities.

The Toronto Region Immigrant Employment Council (TRIEC) was founded in Toronto in 2003 at the initiative of community leaders. Its board consists of members with a range of interests – private and public sector employers, educational institutions, regulatory bodies, and governments. Its primary goal is better integration of immigrants into the local labour market. The council is funded by The Maytree Foundation and the federal government. This is a reasonable start. But it is clear that Toronto needs more tools and more financial resources than the federal and provincial governments are willing to provide if immigrants are to be integrated quickly and well into Toronto society and able to participate in the opportunities the city presents. Exactly how this is done, the breadth of the programs, and the funding required should be recommended by TRIEC so the needs of new city residents may be better met.

Successful immigrant settlement is an example of a service need that Toronto leaders are finally managing to bring into local control. Currently, TRIEC survives on the goodwill of federal financial decisions, and that situation is unsustain-

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able, as the fate of cost-shared programs in the past attests. The larger problem is that neither the provincial nor the federal government like to find themselves funding long-term programs that operate in Toronto only, though they might agree to a short experiment. The city knows that before the federal and provincial leaders pull the plug on support, it must generate the appropriate power and money if reasonable immigrant services are to be available. The legislative and financial tools must be in local, not national, hands.

Another issue to be addressed is the city's relationship to rates of immigration. Currently the federal government sets policy and establishes mechanisms of control like the Immigration and Refugee Board. Although it would be unwise to devolve the issue of immigration to the local level, the city obviously should have a seat at the table when the federal government is determining policy.

In conclusion, the city needs legislative powers and financial tools to respond to the needs of immigrants living in the city and to ensure that services to them are integrated with locally available education, recreational, and social programs. Additionally, the federal government should consider the city as a partner during discussions about immigration policy.

FIVE HEALTH

Health policy and expenditure are matters of major importance to all levels of government, including municipal. The city's direct involvement is currently limited – it administers a progressive public health program and several health programs for the disadvantaged. The provincial and federal levels provide significant funding for doctors, health care providers, health centres, and hospitals, all of which seem at this time to be outside the city's realm of influence. The extent of the financing required to support the health system seems related to the way the system is structured, and governments complain of the large sums devoured by health needs. The provincial and federal governments have experienced considerable difficulty making the reforms needed to improve health outcomes and contain expenditures. When changes are made, they are often at the expense of city residents – such as the random closure of hospitals (as occurred in Toronto in the late 1990s) or the imposition of user fees for some procedures (an ongoing process). Both changes have had a negative impact on health outcomes.

In 2002 the federal Romanow Commission concluded that primary health care is the basic building block of the health system. Citing an agreement of a First Ministers' meeting, the commission stated that "improvements to primary care are crucial to the renewal of health services." Specifically, the Commission suggested:

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Primary health care is about fundamental change across the entire health care system. It is about transforming the way the health care system works today – taking away the almost overwhelming focus on hospitals and medical treatments, breaking down the barriers that too frequently exist between health care providers, and putting the focus on consistent efforts to prevent illness and injury, and improve health. In fact, no other initiative holds as much potential for improving health and sustaining our health care system. By making primary health care the central point of our health care system, we can:

- Take immediate action to prevent illness and injury, and improve the health of all Canadians;
- Reduce costly and inefficient repetition of tests and overlaps in care provided by different sectors and different providers;
- Replace unnecessary use of hospital, emergency, and costly medical treatments with comprehensive primary health care available to Canadians 24 hours a day, 7 days a week;
- Break down the barriers between health care providers, facilities, and different sectors of the health care system and concentrate on the common goal of improving health and health care for Canadians.

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It is impossible to put a dollar figure on these benefits, but there is every reason to believe that primary health care would not only save Canadians money in terms of their future investment in the health care system but also improve health and save lives. In short, primary health care is essential to transforming Canada's health care system.

The key to that change, the commission continued, is strengthening local decision making. When decision making is decentralized to community-based organizations, services are better adapted to the needs and characteristics of the population served, and communities can be more easily mobilized around health objectives that directly affect them. The benefits of the community approach are significant, including interdisciplinary collaboration, designing services to meet local needs, and ensuring services that are rooted in prevention and education.

It would seem that the continual battle between the provincial and federal governments over health issues is mostly about money, not about improvements to primary health care. Since neither government is mandated to function at the community and neighbourhood level, neither is generally capable of responding to the Romanow challenge. A new approach is needed.

Programs run on a community level are often very effective. Local organizations can respond well to their surrounding communities. They can be transparent in their activities. They can deliver the programs most needed locally. They can

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be cost-effective. This has proved the case for community health centres in Toronto, which provide excellent health outcomes for their members while containing costs.

Community health centres have very specific characteristics. They are not-for-profit, with a volunteer board of directors. They serve the population within a defined area, offering prevention, health promotion, education, and primary health care. They coordinate their activities with other community organizations and use a variety of health professionals.

There are about sixty-five community health centres in Ontario. They are funded by the provincial government, but funding is generally inadequate. Most centres are fully booked and cannot take new members (a waiting list for membership exists in most of them). As well, they cannot expand services and often don't have the funds to be open as many hours a week as they wish. Demands from communities to open new centres are significant – the number could double overnight – but the province provides very limited funding for new ones, even though it is plain that they make the most efficient use of health dollars.

If the city was in charge of the way that health dollars are spent, there would be many more community health centres. The needed shift that should occur to the community health centre approach will not happen if the provincial and federal governments continue to control the health dossier. It probably won't happen until the city has secured responsibility for the delivery of primary health services and control of a large portion of the health care budget. This is the first big change needed to maintain good health care: the city must have the

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responsibility for primary health care and the monies now used to support it. This will allow the Romanow proposals about primary health care to be met.

Would the city wish to assume this responsibility? It would be large, but attractive if the institutions involved were self-governing and the city health officials played coordinating and monitoring roles. The city now plays such a role in regard to non-profit affordable housing organizations which manage their own projects, and it works reasonably well. It could certainly be done with health clinics.

The starting point would be to establish more community health centres and ensure that their operations were closely coordinated with local hospitals. To do this, the city would need access to funds to establish clinics and keep them operating, and enough control over local hospitals to ensure reasonable coordination with health centres. In all likelihood, the city would be willing to experiment with these structures and roles in several neighbourhoods to develop a template and to show residents how effective primary health care can be.

Romanow also believes that home care is the “next essential service” that requires funding and support. There seems no alternative but to support home care on a neighbourhood or community basis. Community health clinics could be the locus for exceptional support for home care, working directly with Community Care Access Centres, which are local in nature but provincially controlled. Home care, too, should be part of the city’s mandate.

The city has also been disadvantaged by provincial policies that closed hospitals. In 1997, a Harris government com-

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mission recommended the closure of a dozen hospitals in Toronto, although in the end the orders in some cases were rescinded as unreasonable. But the closings meant that valuable community resources – such as the health services offered by the Wellesley Hospital to the Tamil population in St. Jamestown – were lost. It makes sense for the city to play a significant role in the operation of community hospitals, including coordination with health centres, as already noted, but also supervision of management and expenditure, coordination of services between hospitals (particularly in areas of specialization), and disbursement of capital funds. The city would then be able to integrate health centres with hospitals and home care in order to provide comprehensive care.

Toronto is also home to many specialized services, including those in hospitals serving residents outside Toronto, from the province, Canada, and indeed the world. It would not seem appropriate for the city to claim any direct role in these particular services at this time. Instead, the city's role in respect to primary health care should be fully explored before the city takes on additional responsibilities.

Transferring a large chunk of the health dollars and responsibilities to the city level will help ensure that the more efficient and less expensive community health care model becomes firmly established and may assist everyone in the city to have fair access to a family doctor – currently just a pipe dream for many. Appropriate authority and responsibility would have to be accompanied by adequate funding. If these transfers were to occur, the city would begin to control health care expenditures in a more reasonable way than the provin-

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cial and federal governments seem able to do at the moment, and better coordination could improve the health outcomes for city residents.

It is important that these issues be addressed with some urgency. A committee of representatives from the city, community health centres, and the health care sectors should be formed to discuss how changes might be undertaken, giving the city larger responsibilities, more authority and the necessary financial support. A beginning point, for instance, would be for the city to agree to lead a campaign to double the number of community health centres in the next five years and devise a plan to ensure that they serve the majority of city residents.

The committee should be asked to report within six months of being struck. Any of its recommendations should be made with the assumption that senior levels of government will continue to set broad general health policies as laid out in the Canada Health Act, but delivery and the mechanisms for funding will occur under the auspices of the city. In conclusion, the city should express its interest in answering the Romanow call for change in primary health care by appointing a committee of appropriate health care representatives to recommend a plan that will increase the number of community health centres and implement coordination with local hospitals and health care providers.

THE LOCAL SCENE:

Cathy Crowe in Toronto

Truth, justice, care, food, clothing, protection, sanity..

In the lobby of Metro Hall, a municipal government building in Toronto, stands a metallic sculpture consisting of a series of ladders. On the ladders' rungs are inscribed dozens of words, including *truth, justice, care, food, clothing, protection, sanity*, all basic human values and needs that senior levels of government have denied responsibility for.

In general, communities have been seriously harmed by federal and provincial funding and program cuts that have ruined health care, child care, housing programs, social assistance programs, to name just a few essentials to a vibrant and healthy community. Meanwhile, as they are being torn away or rationed, the services that keep a community alive have become more apparent to local citizens: libraries, recreation programs, children's programs, public health programs for families at risk, housing, and drop-in centres.

Citizens now understand very well their local emergencies: closed beaches due to contaminated water, summer power blackouts, empty shelves in food banks, shelters with no space left, the return of old communicable diseases like TB and new ones like SARS.

Local communities and grassroots organizations can more readily negotiate their city hall for answers to these pressing needs than the more distant and resistant senior

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levels of government. A number of years ago Vancouver citizens argued that they faced a health emergency in the Downtown Eastside, and their efforts led to an influx of monies for housing and health programs. More recent local emergencies have shown the power of citizen engagement with city hall. In Toronto, the opening of armouries and other buildings for emergency shelters, the conversion of the most recent emergency shelter to transitional housing, the historic Tent City rent supplement program, even the public health policy changes in response to Ontario's disastrous handling of the SARS crisis, all resulted from local pressure and city hall engagement with activists.

Cities can and will excite public expectation. Maybe it's time to give cities the mandate and funding to show us what they can do.

Cathy Crowe is a street nurse in Toronto.

SIX HOUSING

Good housing is crucial to good health, education, and the pursuit of opportunities for work and recreation. As an issue, housing has received more attention than others over the years, and thus it is possible to be more precise about the changes that need to be made.

The single overriding expenditure for most households in Toronto is the monthly housing cost. This is a concern for perhaps 75 per cent of the households in the city; the other 25 per cent own their home outright, without mortgage payments to worry about, or are wealthy enough not to be concerned about housing expenses. For about 40 per cent of households, such expenses eat into a considerable portion of monthly income. Almost half of the tenants in the city spend more than half of their income on housing costs. The shortage of inexpensive housing is so severe that there are many homeless people, some of whom try to hold down jobs even though they have no place to live. A very broad continuum of households experience housing problems; mostly they are unable to meet the cost of housing that is available.

Securing a residence is often the first step in bringing order to a person's life. The experience of Tent City residents, a community of a hundred people living in tents and shacks on Toronto port land owned by Home Depot, made this clear. In 2002, Home Depot decided to clear the land of illegal residents, a move causing such concern that city staff immedi-

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ately sought some kind of replacement housing. A rent supplement program was quickly devised to permit the people to move into market-priced apartments, with governments paying the difference between what was affordable and a unit's cost. One year after Tent City residents had moved, a survey showed that 97 out of the 104 who took advantage of the arrangement continued to live in their new units. Their itinerant lives had resulted from lack of housing, and permanent housing gave them stability.

A wide variety of housing needs must be met. The homeless require permanent housing and personal support in the early years because living on the street and in shelters is so debilitating and harmful to health. Low-income families need housing that consumes a much smaller portion of their income. Young single people require housing that is stable and not too expensive. Senior citizens must have housing that helps to protect their meagre savings and provides comfort and support in declining years. Everyone needs housing that is well designed, that creates a sense of stability and allows good social interaction with others, including those with different incomes and family sizes, housing that is linked into an active city and an active street life. These are truths well recognized in any city by its leaders, whatever their political stripe.

Currently, the city has minimal tools to deal with housing issues. It does not have the power to seize available opportunities (such as redeveloping public housing), nor does it have the financial wherewithal to cover the subsidies needed. The city is hobbled by narrow programs dictated by senior gov-

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ernments limited to one kind of housing, such as the current federal and provincial programs directed to providing “transitional” housing to the homeless rather than permanent residences.

Many studies have been done on housing need and how it should be met, such as the report of the Mayor’s Homelessness Action Task Force (the Golden Report) in January 1999. Such reports are now gathering dust – we don’t need more. What is required instead is an imaginative strategy outlining the kinds of initiatives to be taken by the city and the powers it must have to undertake them.

Historically, Toronto has been at the forefront of providing affordable housing in Canada. In the late 1940s, a vote of Toronto citizens was the impetus for the first public housing project in Canada, Regent Park North. Once voters had agreed to the redevelopment, the other levels of government signed on to a public housing program that eventually encompassed the rest of the country. In the early 1970s, Toronto embarked on a large-scale non-profit housing program that again was immediately endorsed and expanded by the other levels of government and used extensively across the country. The important thing to recognize here is that it was the initiative of the city itself that galvanized residents and the two levels of government.

Once again, the city needs to embark on a major housing program that begins to address the substantial problems now so evident. The new program must have a number of different facets:

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Rent control

The city must secure the power to establish appropriate rent controls. Toronto. In 1974, Toronto asked the provincial government for legislative power to impose rent controls; instead, the government of William Davis decided to establish rent controls across the province.

Problems exist with this approach because the rental situation in Toronto may be significantly different from that in other cities, just as the political climate in Toronto may be different. Province-wide rent controls assume that all Ontario cities experience a shortage of rental accommodation, and that's not a fair assumption. It makes more sense for the city to be able to manage the legislative framework of rent controls than to leave it in the hands of a provincial government, where it may be affected by other concerns. If neighbouring municipalities do not have the same level of rent controls as the city, boundary issues may ensue, but they may be much less significant than first imagined, given the difference between the amount of rental accommodation in the city and in neighbouring suburbs. Such issues are best resolved by negotiation and inventive policies responsive to the rental situation in both municipalities.

New affordable housing

Simply controlling the rent of existing units will not solve housing problems, though that step will bring stability to some households and help promote a state of good repair for others. (The rent control system in Ontario took into account repair costs in calculating allowable increases and did not

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result in lower states of repair.) But at the end of the day, rent controls will not reduce rent for those paying beyond their means, nor will it provide accommodation for those without satisfactory housing. Thus, it is necessary to look for opportunities to build new housing.

Construction should be undertaken by the private sector, as in the past, but it should be planned by the city and whatever social agencies it can encourage to be involved. Probably the most efficient means to provide new affordable housing is by redeveloping some or all of the 110 public housing sites in Toronto (projects formerly owned by the Ontario Housing Corporation and built under the public housing program, starting with Regent Park in 1949 and concluding in the 1970s). As these sites are already in public ownership, there is no need to spend money buying land and holding it while development approvals are obtained.

Most public housing projects were built forty to fifty years ago and are in need of rehabilitation and/or replacement. Their current design leads to extraordinary social problems, and many of them are in very poor physical condition. Existing residential densities are low (in the case of the Lawrence Heights project, ten units per acre on a hundred-acre site) and can be redeveloped in a pleasing form at much higher densities. Redeveloping public housing sites will have the support of current residents and of neighbours who realize these projects must change.

On average, about 150 units of new affordable housing can be added to each public housing site when the existing units are replaced or renovated, as well as an equal number of

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units at market price. Thus, at least 30,000 new units – a mixture of affordable and market-value housing units – can be accommodated on existing public housing land in Toronto.

Redevelopment cannot occur without the injection of new public funds. Two kinds of subsidies are required: capital subsidies (which in the end reduce the operating costs) and operating subsidies, in the form of rent supplements. The merit of redeveloping public housing is that the number of new dollars required for such subsidies is minimized for several reasons.

First, redeveloping existing housing avoids future obligations to put often substandard buildings in a state of good repair and keep them well maintained. More simply, redevelopment invests money now to reduce future obligations.

Second, the annual operating costs of public housing are lowered, because redevelopment will usually see the introduction of public streets and replace a landlord's duty to provide garbage pickup, street lighting, road maintenance, and policing with the normal public provision of services, as in all other city neighbourhoods, through property taxes. As tenants discovered when they advocated redeveloping Regent Park North in 1996, this one change probably reduces operating costs of public housing by 20 per cent a year. Improved standards for heating and cooling, electrical and water use to make the buildings more environmentally friendly should provide another 5 per cent saving. A further saving occurs if ownership opportunities are provided for many public housing households, as the subsidies needed to support ownership are about 30 per cent less than for rent-gear-to-income rental

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accommodation. Accordingly, public housing redevelopment holds considerable attraction for senior governments whose operating expenditures will be 30 to 40 per cent less than continuing to pay the costs of existing public housing.

Assuming that the objective is to create 15,000 new affordable housing units within the next decade, existing public housing sites seem like the reasonable place to start in Toronto.

The private housing sector has proven skills building quality housing. With the expected downturn in the construction of market-value housing (particularly condominiums), companies will be eager to construct affordable housing in a way that integrates it with market-value housing on existing publicly owned land.

Capital subsidies required will be in the order of \$30,000 a unit, operating subsidies \$5,000 a year per unit, which means the capital contribution for the redevelopment of the 25,000 existing public housing units and the addition of 15,000 new units will be \$120 million a year over each of ten years (for a total of \$1.2 billion). This capital contribution is offset by obliterating the obligations to repair in future years. As well, \$7.5 million in operating funds will be required for the 1,500 new affordable units provided each year (\$7.5 million in year one, \$15 million in year two, etc.). The extra operating subsidies are modest in relation to existing subsidies.

These large sums are not now available to the city. The magnitude of current expenditure on housing must be kept in mind. Today, \$125 million a year is spent to operate Toronto's shelter system for the homeless. If this money can be largely

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redirected to new affordable housing, the total new cost to governments is well within reach.

But the city cannot fund this replacement and new housing itself. Agreements must be received from senior governments for these sums for at least a ten-year period. A firm commitment from the provincial and federal governments is needed to fund the build-out of new affordable units and the repair and replacement of existing public housing units.

Homelessness

It is unlikely that the city will be able to forgo providing some shelters for the homeless – before the homeless crisis began in the late 1980s, the city had one shelter – but steps should be taken to wind down most of the shelter system. The present \$125 million a year accommodates about seven thousand persons. Existing rules set by the provincial and federal governments must be substantially changed and the city given the power to solve rather than put Band-Aids on the homelessness problem. Some transitional funds may be required while shelters are converted to permanent housing, but they should not be significant.

Support for low-income families

Modest rent supplements must be available immediately to low-income households under terms that will give them reasonable protection from high housing costs. Assuming there are twenty thousand households requiring supplements of \$4,000 a year, a further \$80 million annually will be needed for this purpose.

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It does not make sense for the provincial or federal governments to enact legislation establishing these programs across a province or the country. They may be appropriate for Toronto but are probably not for other cities; each one needs the authority and the financing to determine its own programs.

The key to successful housing initiatives is for the city to make a compelling case about the solutions it has in mind and the need for it to control the legislative levers to allow it to be both firm and flexible as events require to address its housing crisis. The city has or can attract the expertise necessary to deal with the housing problems. It clearly has the ability to ensure that the solutions are appropriate for this city (just as other large cities can create solutions appropriate for themselves). Some assistance is required on the financial side, which can be addressed in terms of the specific allocations noted above, and more generally in terms of increased revenue sources for the city as described later in this book.

In conclusion, cities need the legislative tools to create rent controls, to develop new affordable housing, to redevelop public housing sites, and to control a rent supplement program. They also require the financial resources to make these programs function well.

THE LOCAL SCENE:

Grant Wanzel in Halifax

Fallacies do not cease to be fallacies because they become fashions. - G. K. Chesterton

As governments moved to the right, it became acceptable - fashionable, even - to go on and on about “one-size-fits-all” national programs. Whether or not we were aware of it, we were also saying goodbye to our noble dream of national standards and universal access to everything from health care to decent and affordable housing. Alas, every ideology is all-encompassing, so what goes for one aspect of policy-making goes for them all. Healthcare is of abiding interest in its own right as well as a way of looking at everything else and how it does or doesn't fit together. Housing is my window.

After thirty years as a housing activist, local, provincial and national, I've no doubt whatsoever that were it not for the Canada Mortgage and Housing Corporation and the National Housing Act, we in Nova Scotia would not have gained even the precious little to which we had a legitimate claim. Left to their own devices, our provincial government and its creatures, the municipalities, would have done no more than they had to. The federal presence made all the difference. Knowing that, we fought like hell through the 1980s and '90s to keep the feds in housing. Our allies in this rearguard action were the other Atlantic Provinces,

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Manitoba, and Saskatchewan. Meanwhile, our other friends, including those representing our major cities, were loudly applauding devolution. Only later, after more reactionary governments had replaced more progressive ones, after the cut-backs and the dumping, only then did the clamour mount to get the feds back in.

Nonetheless, I have a great deal of sympathy for the claims of our great cities to greater autonomy, one or two to the status of provinces, even. They do drive the country's economy, and within their respective provinces they do constitute an overwhelming presence. But such claims, were they made by a Saint John, Moncton, or even a Halifax, would be laughable. The issue here is critical mass and the human capacity that goes with it. Here I'm speaking of absolute mass not relative mass. While devolution and cut-backs have been a burden to us all, they devastated Nova Scotia and stripped it of its capacity to adequately address the needs of its own people. Our provincial Housing Department has all but disappeared. What was at one time a virtual powerhouse of innovation and action is a shadow of its former self, with neither minister nor ministry to call its own. For its part, the Halifax Regional Municipality is a willing but impoverished ally, with little to offer by way of tactical support or hard equity. The province's other municipalities have even more to gain but even less to give.

Devolution, privatization, rationalization, and targeting were former prime minister Brian Mulroney's mantra. We took those words to mean that the feds were being yanked

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out of the housing business. It did and they were. Only the impact was more far-reaching than even we had imagined. In terms of housing, wealth as well as power have been drastically redistributed. Study after study has shown that. The rich have gotten richer, the poor poorer. Urban-rural and regional disparities have broadened. At the same time and more significantly, the capacity, power and will to act have also been redistributed. The hinterland has been stripped bare, and real power has been consolidated. Yes, we have great cities. More power to them. Sadly for the rest of us, it will be a long way back.

“One-size-fits-all” means no one will ever be comfortable. But where relative abilities and capacities are at play, equal access and opportunity simply cannot lead to a single, narrowly defined, prescription. Equal access to decent and affordable housing doesn't mean we all have to live in the same house, or even the same kind of house! Surely our great minds have imagination enough for that? In this respect, to the extent that local municipalities and informal groups are able to identify and act on their housing needs, they should do so. And we should assist them in this. If only we didn't have rich and poor, willing and unwilling provinces. And if only we hadn't conceded our aspiration to national standards and equal access.

In the good old days, we could compare notes with our better-off brothers and sisters in British Columbia and Ontario over Canada Mortgage and Housing Corporation's local interpretations of its national programs. At the

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moment, we have only local interpretations of local programs and no recourse but take it or leave it. Recourse to higher authority and the higher principles on which it rests are essential. When municipal and provincial governments can't or won't meet the need for decent and affordable housing, we must have recourse to an over-arching authority. It must again become possible to call on the federal government to set the standards and redistribute the wealth. Of course, any new federal initiatives must be adaptable to local circumstances. Not only do housing needs vary widely from one community to the next, but the actual capacity (willpower, knowledge, skill and expertise) to deliver decent and affordable housing does as well. No two communities are the same. One size does not fit all. What works for one may not work for the next. Moreover, what goes for housing goes for everything else.

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SEVEN POLICE AND SECURITY

Expenditures on Toronto police services constitute by far the largest single item of the city's annual budget. Since there are almost no provincial subsidies or grants for policing, it is almost entirely paid for by property taxpayers. For this reason alone, policing services require a significant amount of local attention.

But there are other reasons why city council cannot avoid taking policing seriously. For the past decade, the Toronto Police Services Board has been dysfunctional and has provided almost no management or strategic direction for the police force, although some improvements have been made since the appointment of three new board members by the city in late 2003. The relationship between police management and the rank and file is abysmal and has resulted in extremely tough and arrogant leadership from the group representing police employees, the Toronto Police Association. Not much useful connection exists between the police and residents of the city, perhaps because few officers call Toronto home – many live elsewhere in Southern Ontario. Virtually no evaluation of current police services happens on an ongoing basis, and little energy is spent on research and development of new policing approaches. The police service has isolated itself from most other services delivered by the municipality and by social agencies. For all the reasons cited, Toronto does not get the policing it deserves, and for most front-line officers it is no great joy

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to be working for the Toronto force. The Toronto police should be the most progressive force in urban Canada, but it does not come close.

The first necessary change is a strengthening of the oversight function offered by the Police Services Board, established by provincial legislation. The city must gain legislative control over police oversight and create a board that serves it well.

Provincial legislation permits a seven-member Police Services Board. The province appoints three members for reasons that are historical in nature – the province once subsidized policing in Toronto, but it does no longer. The board should consist of a dozen or more members appointed locally, probably by city council, and they should be generally representative of the diversity of the city's demography and its social and ethnic makeup. This is hardly the case today.

The board should be required to submit a full line-by-line budget to city council on an annual basis, just as other municipal services do; usual practice has seen the board submit only a three- or four-page document outlining its financial requirements – \$688 million for 2004, for example, an increase of more than \$50 million from the previous year. The paucity of information means that no reasonable budget analysis can be done by councillors or members of the public. In 2004, after much pressure and public outcry, a more extensive budget was made available, but it contains few of the expenditure details provided by other city departments.

The relationship between the board and the chief needs to be changed. Section 31 of the current Police Services Act provides that “the Board may give orders and directions to the

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Chief of Police,” but “the Board shall not direct the Chief of Police with respect to operational decisions or with respect to the day-to-day operations of the Police services.” A reasonable interpretation of this section would be that the Police Services Board may not use the chief to wage personal vendettas of board members against certain individuals or businesses, a perfectly valid constraint. The unreasonable interpretation, used in Toronto, is that the board should give the chief almost no direction at all on any operational matters.

Here’s one example of the problems with this interpretation. According to anecdotal evidence of criminal lawyers (the police have refused to release data on the matter), at least one-third of all people arrested in Toronto are strip-searched, even though the Supreme Court of Canada ruled in 2001 that strip searches should occur in exceptional circumstances only. Even after much prodding, apparently deciding this is a matter best left to the chief, the board declined to amend its policies on strip searches to reduce their frequency. As well, the board has done almost nothing to intervene after very substantial allegations of racial profiling were made about the police force and after many groups tried to get the board to act. City council needs to ensure that there is more reasonable oversight by the board over policies and practices of the chief and the force.

A much improved complaints system must be put in place. The current one, dictated by provincial legislation, is that only a person who is directly involved in an incident may file a complaint (a witness may not), and the complaint is then investigated by the force itself. Not surprisingly, few complaints are ever found to have substance, even fewer result in any sanction

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against an officer, and in some cases the agreed-on sanctions are not even enforced against the officer. Many lawyers advise their clients against filing complaints. Even the city auditor, who reviewed the complaints system in 2002–2003 came away disillusioned.

Many people have made the point that unless the police force is well managed, with good operating policies, it won't matter what kind of complaints system exists, since there will be too many things to complain about. That is true. But assuming that more reasonable policies can be put in place, it is still important to have a complaints system that is seen to be fair by the public and police officers. It should be independent, transparent, and speedy. It should be community based so it is easy for anyone to file a complaint, and it should accept and process complaints from third parties. The investigation of complaints should be done by an independent body familiar with police organizations and culture. Early in an investigation, a decision should be made whether to ask the complainant to agree to informal resolution of the complaint or to proceed by more formal means. While the investigation takes place, the complainant should be kept informed of its progress. Adjudication of the complaint should be done by the chief in conjunction with an independent board, and mechanisms should be provided to make sure that discipline is appropriately enforced. Consideration should be given to some kind of appeal or review process. Anyone should be permitted to file a complaint. The city needs the legislative authority to establish a strong complaints system to serve the needs of its citizens.

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The police force is currently almost entirely male and white, which is not at all representative of Toronto residents. In the past few years, 80 per cent of the new hires have been male and white. Quite clearly, hiring practices must be changed so that of the new hires about half would be women and at least 30 per cent people of colour. In time, the whole force would represent the extraordinary diversity that Toronto is so proud of.

There are other issues. The city has not been served well by the notion that only the police are responsible for fighting crime and for security. Crime and security have much to do with the general functioning of society and the health of the community. The police play a role, but so do others. This is particularly clear in areas such as youth crime, on which the Toronto police force has been focusing of late. One recent comment on youth crime by Nicholas Bala, a law professor at Queen's University, sums up current progressive thought: "Existing studies clearly demonstrate the most effective long-term strategy for reducing levels of youth offending, and for producing adults who are law-abiding, and productive members of society, requires a long-term investment in social infrastructure and family support, with a particular emphasis on the early childhood and preadolescent stages of life. Community-based programs that involve families and schools can also play an important role in diverting youths away from criminal behaviour." To deal well with youth crime, it probably makes sense to devote more money to youth programs than to more police officers dealing with youth. Better relationships should be established between the police, social agencies, and city

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departments in order that resources be well used.

Regarding security as not just a police problem must become the norm. Police now say that each call for domestic intervention occupies an average of five hours. It would be more effective and produce better social outcomes if the police role was scaled back to deal simply with criminal charges and the role of social agencies increased to deal with family issues. As well, the existing practice of police playing a military role against those expressing political opinions in street demonstrations must change.

What do police actually do with their time? Police data published in 2003 indicate that the number of calls from the public for service is, on average, fewer than two hundred per officer a year. If we are to believe the data – published by the police, with the figures that apparently hold for all sixteen stations across the city – then for each working day, each officer must respond to just one call for service.

The number of persons arrested each year in Toronto is just under fifty thousand, which means each of the five thousand officers is responsible for about ten arrests a year, or one arrest every six weeks.

What else are officers doing with their time? Should police work be reviewed so it becomes more productive and better directed? Most probably.

More important, the purpose of the police service must be set out with some clarity. Various useful models are available, particularly one such as in David Bayley's book *Police for the Future*. Bayley proposes three general purposes for police:

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- a) To prevent crime, that is, to diagnose needs and to formulate plans much the same way as public health officials do in regard to health issues, harnessing all community resources to play a part. Bayley says this requires demilitarization since the police are not involved in a war, and warlike attempts to deal with crime fail miserably at great cost.
- b) Police must be ready to intervene authoritatively in situations of disorder or criminal activity.
- c) Police must represent symbolic justice, that is, they must act in ways that demonstrate to the public and to offenders that a regime of law exists.

Defining objectives clearly will lead to a restructuring of the police force in beneficial ways. The substantial changes required to permit the city to manage the police in the interests of residents will occur only when the city has broad legislative authority to shape the board and to permit it to direct and manage the force in ways that will best serve the people of the city. This will require provincial legislation.

The other major changes required concern the correctional system into which police action directs people. It is in an extraordinary mess, and evidently neither the provincial nor federal government has much interest in improving it

The first problem is bail. The provincial government established an innovative bail system as an experiment in Toronto, recognizing that some people, particularly those at the margins of society, without full-time employment, often

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suffering from addictions and mental disturbance, were unable to meet the terms of bail unless they received support. An office was established at Old City Hall to intervene when those charged with offences could not establish, for instance, a permanent residence (a prerequisite for being granted bail). The office would seek court agreement to release a person on bail providing he or she reported to the bail office on a weekly basis. People thus had their freedom pending trial, and substantial amounts of public funds were saved. The cost of administering this program is in the order of \$30 a person a week, whereas incarceration is closer to \$100 a person a day.

Nevertheless, the current bail program is underfunded and not able to accept new clients. Many more people than necessary are being imprisoned before trial, at great public expense. The city should be responsible for this program and should have the resources to fund it adequately. It's reasonable to expect that a city can operate a bail system for its own residents more efficiently and effectively than a level of government functioning at a considerable distance away.

The condition of Toronto's jails for short-term offenders is deplorable, with extreme overcrowding and rampant infectious disease. If such local facilities fell within municipal jurisdiction, there might be more will to devise programs to release prisoners under effective control rather than incarcerating them; ideally, jails could be returned to some rehabilitative role.

As the federal and provincial governments have shown limited and disappointing involvement in the issue of keeping youth out of jail, perhaps the city, having the most immediate concern to protect its own children, should be the body to

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design programs with that objective. Evidence is overwhelming that jail itself produces recidivism – repeat offences. As described by David Cayley in his book *The Expanding Prison: The Crisis in Crime and Punishment and the Search for Alternatives*, experiments show that it is much less costly and more effective to help youth stay out of jail by assigning them workers and providing financial support than it is to “punish” them by imprisonment.

These are major responsibilities for the city to take on – the Police Services Board and police force, the bail system, the short-term correctional system, and the criminal justice system for youth. Changes in these areas are essential to any serious effort to improve security in the city and ensure that residents have opportunities for fulfilling social lives.

In conclusion, the city should begin to vary its approach to crime and safety by gaining legislative control over the police board and police force, including the function and shape of both organizations. A study team should be established to report on how the city might control and fund the bail program and the short-term jails in the city. Reworking the local youth offender system is a more difficult reform but one that requires careful attention, perhaps best considered after the city has assumed responsibility for managing short-term jails.

THE LOCAL SCENE:

Paul Durber in Ottawa

Policing in Ottawa exhibits many of the same problems and issues found in Toronto – in principle if not degree. It is difficult to reform the way policing, from governance to offering redress, is conducted under current legislation that does not encourage active review of policy and discussion of police accountability.

Nominally, the Ottawa Police Services Board (OPSB) oversees policing. Members are appointed, some by election by city councillors, others by the provincial government. Both the chair and vice-chair are also councillors. For several years, the vice-chair actively questioned police initiatives and reports. He was not re-elected by city council in 2004.

Consideration of the Ottawa Police Services budget should be an opportunity for the board to question and control policy direction. In 2004, however, after next to no public consultations and contribution, the board approved an 11 per cent increase, this at a time of falling or stable crime rates, and despite strenuous process of committee hearings and reviews on the city budget, where all community services faced draconian cuts. In an almost-unheard-of step, city council sent the budget back to the board for reduction. In practice, little change to the substantive direction of the police service was achieved through this budgetary process.

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The board has shown little or no interest in strengthening civilian oversight of policing. A local citizens' body, the Ottawa Witness Group, has made a number of recommendations, from instituting independent audits of complaints processing, to examining policies on the use of Tasers and video surveillance. None of these has generated serious discussion at the board level.

Similarly, the board has failed to identify problems in the way complaints against the police are handled. While the Ottawa Police Services report annually on complaints, the board does not seriously question why many investigations take much longer than the legislated period. The record of complaints handling should give rise to such questions, when over 90 per cent of all complaints are dismissed. More important, the credibility of the police investigating themselves (provincially legislated) has been viewed critically by the public and the press, though not within the board itself.

Ottawa Police Services has shown some desire to improve community relations. They have initiated a dialogue with the local Islamic communities, and continue work with the aboriginal and gay and lesbian communities. On the other hand, the board has not seriously evaluated or even formally adopted the 2002 policy, *An Agenda for Excellence*, arising from abuse of demonstrators by police in November 2001. While a more conciliatory approach to policing demonstrations followed its release, relations with civil society groups have broken down after incidents of apparent targeting of protest leaders. The lack of engagement by the

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board with these and other groups has helped to perpetuate such problems.

Paul Durber is a member of the Ottawa Witness Group and helped organize the Citizens Panel on Policing and the Community (2002).

EIGHT
LAND USE:
PLANNING, DEVELOPMENT CONTROL,
AND TRANSPORTATION

Currently, the meat and potatoes of a normal city council meeting is land use. Much energy is expended on which development applications should be approved, what kinds of planning principles should be applied to individual sites or neighbourhoods, and what kinds of decisions should be made about transportation, including stop signs, street directions and width, sidewalks, bicycle lanes, and transit fares. For most people, these are decisions of great importance because of the direct effect on areas where they live or work. It might be expected that city council had the final say in such matters, but unfortunately, that's not the case.

Almost all city planning decisions are subject to appeal and review by the provincially appointed Ontario Municipal Board (OMB). Review by an independent body may seem appropriate to ensure fairness, but that city decisions should be subject to political review by provincial officials, as has been occurring in recent years, is unacceptable.

Much discussion occurs about how the OMB should be reformed, but it misses the point. If there is to be independent review of municipal planning decisions, the city should be able to establish its own panel, with its own terms of reference. That way, responsibility for bad decisions would be the councillors' own, and citizens could choose not to re-elect them.

Similarly, the city has very few tools to protect its built heritage. The Ontario Heritage Act permits the city to delay demolition of any historic building for 180 days, after which there is no defence against it. Such weak power has put the architectural heritage at substantial risk. The city needs much greater authority, including the ability to refuse to issue demolition or alteration permits for buildings designated of historical, architectural, or cultural importance. (In April 2004, a bill was introduced into the Legislature to give municipalities such powers, but it has not received second reading at the time of publication.)

Generally, the city also needs substantial power to control development, including that to secure detailed matters of design and amenity (usually known as site plan control). It seems reasonable for the city to exercise these powers within a framework of provincial planning policy and procedure, but once that provincial framework has been established, the city should have the unfettered ability to make planning decisions in conformity with it.

The transfer of power over land-use decisions to the city involves no expense to the province, and may even result in provincial cost savings because city decisions would no longer be reviewed by the OMB. The issue is not money – it's who is in control and whether the city has the responsibility and authority to make planning decisions.

The city's ability to affect transportation is also more circumscribed than generally supposed. Many traffic-related decisions, including the installation of stoplights, require provincial approvals – which should be transferred without condition to the city.

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But the more critical transportation decisions involve money. The provincial government generally shares the cost of new roads but not the maintenance of existing roads. The province has lately shared the cost of new subways (such as the Sheppard line), but it has not helped with operating costs. The federal government has outlined its Green Infrastructure program, but its role is unclear in transportation. Recently, government officials have suggested that a portion of revenue from the gas tax may be made available to the city for transportation purposes, but it is unclear what transportation agencies will be permitted to spend the funds or when they will be available. Mixed signals have caused considerable confusion. All these programs operate according to senior government priorities, and city priorities are secondary.

The key transportation issue for Toronto in the coming decade is how to reduce the amount of vehicular traffic, which has caused many difficulties: significant degradation of air quality; about a hundred traffic fatalities a year (many of those killed are pedestrians); much personal injury and property damage; and a great demand on land in the city, both for roads and for parking. Furthermore, car traffic interferes with transit operations.

How can Toronto reduce private automobile use and move to a system that encourages urban travel primarily by public transit, taxi, bicycle, and foot? One obvious place to start is by lowering transit fares and improving service. This will require an infusion of cash.

At the same time, to discourage car use, drivers must be charged the real costs of using their vehicles. Tolls on specific roads effectively pass on this cost. Road tolls elsewhere,

particularly in European cities, have reduced the amount of traffic while raising significant revenues for other services like public transit.

City council must decide to convert, demolish, and/or rehabilitate existing roads to decrease auto traffic. The rebuilding of St. George Street between Bloor and College is one fine example for a secondary arterial street. The Gardiner Expressway costs \$25 million annually to keep in good repair. Its demolition east of the Don River shows the benefits that could accrue if the remainder was removed. Once it's gone, any new roads in the vicinity should be designed to reduce car capacity. The introduction of bicycle lanes has been an invitation to some people to leave cars at home, and the busway on Bay Street – restricting one lane to buses, taxis, and bicycles during the day – has improved the speed and efficiency of public transit on the route and has also helped reduce traffic.

More such initiatives are needed. The Front Street Extension (joining it to the Gardiner Expressway) has been sponsored as a three-level government project, but it is hardly the city's first priority for expenditure. It should – and probably will – be cancelled, saving close to \$270 million. Avenue Road/University Avenue should be narrowed. Plans should be devised in the areas of the city north of Highway 401 to reduce road size and limit car use, to the advantage of transit.

The city should be wary of making significant capital investments in new rapid transit lines. The two most recent forays into serious capital commitments – the Sheppard subway and the Scarborough Rapid Transit line – have both been very unwise investments. Sadly, both were dictated by the

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provincial government, which seems to have an unhealthy attraction to spending capital dollars rather than ensuring that operating funds are available. (The same limitation is seen in the cultural field, where arts organizations are swimming in money to build new facilities when they don't have the operating funds to run existing programs.)

Around the city are low-density single-use areas that depend on the private car for virtually all travel, which creates another set of problems. Car trips originating from the suburbs put heavy demands on Toronto roads, but solutions are not easy to come by in the short term. Rather than being the city's concern, this one belongs to the municipalities of Peel, York, Durham, and Halton who authorized the construction of sprawling suburbs. Of course, the city should assist with a solution, as it will benefit if private-vehicle pressure is reduced.

In conclusion, the city should seek to be free of provincial control in planning and development decisions and should obtain the authority to establish its own review panel. It should have the power to protect designated heritage buildings from demolition and/or alteration unless it agrees with the changes. The city should have legislative power over roads and transit and freedom from cost-sharing arrangements that tie its hands. It should have the power to levy charges, including tolls, on automobiles, to share in the gas tax (as promised by other governments) and use revenues as it sees fit; and current transit and road allocations of the provincial and federal governments should be provided to the city to use as it deems appropriate, without condition.

NINE FINANCES

The first financial matter that must be addressed is repairing the broken property tax system.

Early in the nineteenth century, municipalities were allocated property tax as their main revenue source. At that time, senior governments did not levy sales, corporate, or income taxes, so property tax was a very significant source of revenue. As traditions changed and governments realized there was vast potential revenue from other forms of taxation, property tax declined in importance. Today it raises less than 10 per cent of the total tax take by Canadian governments.

But almost from the beginning the property tax system has been full of problems and anomalies. When the Town of York became the City of Toronto in 1834, Mayor William Lyon Mackenzie found that the property assessment assigned by the rulers of Upper Canada did not fairly reflect the comparative values of properties. Large properties owned by Family Compact members were under-assessed compared with the smaller land holdings of those who were not part of the establishment. Unfairness has plagued the property tax system since.

In the mid-1990s, the provincial government determined that it would “reform” the property tax system in Ontario. One step was to begin assessing properties according to their market value as established by general rules of thumb and drive-by assessors. The new process caused considerable con-

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sternation and resulted in remarkable shifts in property tax burdens: taxes paid by owners of downtown residential properties increased an average 40 per cent, whereas low-density suburban ones in Scarborough, North York, and Etobicoke registered a decrease in the property tax paid. Many believe this was an intended consequence of the “reforms.”

Other changes were made. The province seized a large chunk of property taxes to cover the costs of the education system it had decided to assume, and it required the municipality to collect this tax and forward it to provincial coffers. The city thus lost full jurisdiction over property tax as a source of revenue flowing entirely to it. The province also imposed arbitrary rules such as restricting the ability of city council to increase the property tax rate on any properties other than the single-family residential class, denying the city the ability to increase taxes on commercial properties, rental apartment buildings, or industrial property. New provincial rules were devised so that commercial properties in Toronto pay 40 per cent more taxes toward provincial education than do those in, for example, Mississauga. (Besides its obvious inequity, this move restores the threat to the vitality of the downtown core by encouraging businesses to relocate to the suburbs, and intensifies pressure for suburban development and sprawl.)

The relatively simple property tax system has thus been turned into a hodgepodge of rules that make it almost impossible to fully understand. Property reassessments occur on a bi-annual basis, and many home owners are surprised to experience huge annual tax increases. Some senior citizens learn that the value of their house is increasing at such a rate that they can no longer afford to pay the property tax.

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Many have quarrelled with the way properties are assessed. It has been suggested that using market value is inappropriate since it does not provide stability and can result in people owning a valuable property that they cannot afford to live in. Another problem with the market value approach is that any improvement made to a house will result in a higher market value and therefore higher property taxes. It seems absurd to penalize people for improving their homes. (Some owners try to trick assessors by improving the inside but allowing the outside to become very shabby – another unintended consequence, perhaps.) An alternative to market value is assessing properties and buildings on the basis of their size, such as the number of square metres. In this way, renovation would not attract higher taxes unless it expanded the size of the structure.

But assessing on the basis of market value does not ensure that a property is assessed according to the services it consumes. Wide suburban houses on wide lots often have market values significantly less than sixteen-foot-wide homes in the downtown, yet the cost of delivering street services like garbage collection, street lighting, street cleaning, and road repair are all higher for bigger properties than for smaller, if for no other reason than that municipal vehicles must travel two or three times as far to accomplish the same tasks. To deal with this problem, some have suggested that a large portion of the tax should be set according to the size of the property and only a small portion levied against the structure. Winnipeg's New Deal program announced in 2003 advocated such an arrangement.

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Many other changes have been suggested, including changing the various classifications of property to which different mill rates (that is, tax rates) could apply; allowing council to use its own discretion in taxing different classes of property at different rates; and making some allowance in the property tax system to help those with lower incomes – but the province appears to have little will to create a property tax system that serves city interests.

Logically, the city should have control over property taxes so it can structure the system to meet its needs. The city should have the ability to determine the basis on which properties will be assessed, the classifications of properties, the tax rates applying to various properties, and so forth. As well, a decision needs to be made whether property tax will be used solely by the municipal government or whether the province will be allowed to continue to draw on it.

Studies in the past few years on the financial situation of cities have concluded that of all the tax revenue generated in the country, less than 10 per cent is available to cities; the remainder is controlled by provincial and federal governments. Property tax, the only tax revenue available to most cities, is not nearly as sensitive to an economy based on growth as are the sales, income, and corporate taxes available to the more senior governments.

Other studies show that cities provide the provincial and federal governments with a very large tax surplus – that is, the difference between the value of taxes collected by the provincial and federal governments and the value of the services provided by those governments. In the case of Toronto, that

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surplus was about \$2,000 a person a year in 1998, and today it is probably in the order of \$4,000 (which means the tax surplus generated from Toronto to the benefit of those other governments is in the range of \$10 billion a year). Studies of other large cities show similar relative tax surpluses to senior governments. Yet at the same time there are extensive financial demands on cities that they are unable to meet. Some studies show that more than \$50 billion is needed to put municipal infrastructure in a state of good repair. Other studies show that municipal governments, particularly in Ontario, are now in a deficit position, even though provincial legislation requires cities to balance budgets annually.

One way of addressing these problems might be for the federal and provincial governments to undertake cost-sharing programs with municipalities to fund infrastructure, housing, transit, etc. Unfortunately, most cost-shared programs have terms that are set not to satisfy the needs of municipal governments but to meet the political priorities of more senior governments. Municipal problems are rarely resolved by cost-shared programs, and money is often spent on things municipalities do not consider priorities. In many cases, municipal participation is limited by an inability to produce the required funds to secure a position in the program.

Another approach (also tried in the past) is for senior governments to make funds available for capital projects, asking municipal governments to cover operating expenses. The result is insidious: a monument syndrome is created, with big things getting built but not run properly because operating funds are unavailable.

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A better starting point for a new financial arrangement would be to give the funds now being spent by senior governments for their programs in cities to cities themselves to administer directly. This book makes the point that many services now delivered in whole or in part by senior governments would be delivered better by the city itself. This is a sensible alternative to the current arrangement, where taxes are collected from Toronto residents and businesses by senior governments and then a portion of that revenue is returned on a program basis to the city.

However, it is clear that just making these monies available to Toronto will not be enough. New revenue is also required to fund the many unmet program needs. Where will the funds come from?

In Alberta, the provincial government now transfers a portion of gas taxes to municipalities to help them fund transportation services. The amounts are not inconsiderable; in the case of Calgary, the extra revenue received is in the order of \$80 million a year. Revenue from a hotel tax could be used to fund advertising for tourism, although for various reasons provincial governments seem reluctant to allow hotels to impose this tax on themselves. Although the two sources would produce welcome revenue, the amount of funds they represent is small and far outstripped by local demands.

What is needed instead is an arrangement that transfers money without condition from senior governments to municipalities, or alternatively an arrangement that increases the taxing authorities of cities. Each city has individual priorities,

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and the objective should be to give cities the money needed for programs they want, not ones the senior governments determine. One municipality's priority might be to put money into operating subsidies for public transit, another's to kick-start a housing program, another's to subsidize cultural programs. The question is how to determine some reasonable formula for funds that should be transferred unconditionally to cities.

How much of the tax surplus should be returned to cities? Since cities are the economic engines in the economy, it is logical to assume that some of the wealth they create should be shared with and be available to other parts of the country as well as for senior government functions. Determining the portion of the share that should remain in cities is a matter of negotiation, but midpoint is one place to start: half the surplus should remain with senior governments and the other half should be returned to municipalities to spend at their discretion. Whatever arrangement is made should be secured by an agreement with senior governments lasting at least ten years. It should state that the amount of money that flows over the lifetime of the agreement is stable, regardless of any tax cuts made by those governments. Monies to be transferred could be calculated either in gross dollar figures or per capita. If Toronto received half of the tax surplus generated in 2003 by provincial and federal governments, it would in all likelihood have available extra revenue in the order of \$5 billion a year.

The second approach is to give cities more taxing powers.

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Perhaps the easiest step in what would surely be considered a controversial transfer of powers is to allow cities to move into any tax room vacated by a more senior level of government. If the provincial government decides to reduce provincial sales tax from 7 to 6 per cent, the city should be allowed, if it wishes, to leave the tax at 7 per cent and receive the 1 per cent difference. The same opportunity to decide or decline to move into vacated tax room should apply to income taxes, corporation taxes, and all others. The city would thereby have a ready source of income and it would not be competing with senior governments for funds.

In conclusion, to begin to improve their strained finances, cities must be given control over shaping and managing the property tax system. Concurrently, monies now paying for federal and provincial programs should be transferred to the city as management of the programs is transferred. That should be followed by negotiations concerning the share of the tax surplus to be made available to the city, and by agreements allowing the city to move into any tax room vacated by senior governments, and/or giving cities tax tools to raise revenues on their own. Financial savings will result from local management, and services will be set to meet local priorities.

THE LOCAL SCENE:

Peter Trent in Westmount, Montreal

The Eunuchs of Canadian Politics

Canadians, when their minds turn to such matters, think there are three levels of government in Canada. There are, in reality, only two. The municipal “level of government” is a wholly owned subsidiary of its respective provincial government. Most voters are unaware that our city councils are populated with the eunuchs of Canadian politics. Only when cities get wiped out - whenever the province feels like “consolidating” - does it dawn on Canadians that their province “owns” their cities and therefore can make them disappear at will.

Yet cities have as least as much legitimacy as provinces. While our provinces are arbitrary divisions drawn by nineteenth-century surveyors, cities are organic, evolving, spatially relevant entities that reflect their residents’ needs more faithfully than provinces can ever do. Most city councils are also free of the shackles of the party system. But they get no respect. What the media call “bickering” at city hall is referred to as “debate” in the legislative assemblies.

What has passed for municipal policy in Canada for the past half-century has amounted to nothing more than a naive belief that wholesale amalgamation will solve our urban ills. Rather, amalgamation has simply swept our cities’ problems under a bigger rug. It’s much easier to merge municipalities than it is to give them the power they need. Canadian cities were created in the first place to be in thrall to their provin-

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cial masters. When 80 per cent of Canada's population was rural and cities were little more than comfortable trading posts, that possibly made sense. Today, in spite of the fact that the vast majority of citizens live in cities, our political structures have changed very little since 1867. Canada suffers from the tyranny of the rural.

It's nothing short of scandalous to treat the most important demographic structures that have emerged in this century like a bunch of immature children. Provinces even have trouble keeping their hands off their cities' main source of revenue, property taxes, all the while refusing to give them access to any other source. In the early 1940s, the city of Montreal availed itself of a rich banquet of taxes. Even though property taxes represented one-half of revenues, Montreal managed to tax water, amusements, utilities, telephones, radios (at \$2 a year), cars (\$5 a year), and even insurance premiums. A municipal income tax was also in force. Today, Montreal is pitifully and exclusively dependent on property taxes, which have no relationship to an owner's consumption of services and only a tenuous relationship to his or her ability to pay. They are a holdover from the days when only rich people owned property.

Provinces jealously guard their power over cities. We have to pry loose our cities and let them flourish. This starts with letting the average citizen know just how much their cities are under the thumb of the province.

Peter Trent was mayor of Westmount until it was swallowed up by the new City of Montreal in forced amalgamation, and is a leader in the demerger movement in Quebec.

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Like other municipalities, Toronto has never had much independent power. It has been bound by the Municipal Act, a law that has hardly changed in concept since the mid-nineteenth century and has devolved little authority to municipalities. (A new Municipal Act passed in 2002 has made almost no difference.) Yet even those limited powers have been stripped away following the election of the Harris government in 1995 and its imposition of the megacity in 1998. Toronto used to have the authority to establish the boundaries of its own wards and to determine the nature of the committees reporting to city council, but that was taken away by the province; now the number of councillors and the number and shape of wards are determined by an Order-in-Council passed by the provincial cabinet without public consultation or notice.

The heart of the problem lies in the influence of a strange court decision from 1896, when a judge decided that Section 92(8) of the British North America Act – then Canada’s key constitutional document – gave provincial legislatures the right to “create a legal body for the management of municipal affairs.” The city of Toronto has existed since 1834 and predates the creation of the province of Ontario, yet since the 1896 decision it has been assumed by judges in many subsequent court decisions that Toronto and other municipalities are mere “creatures of the province” and thus a province

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can do with them what it likes. This conclusion has been used with vengeance by provincial politicians of all political stripes who have poached on the success of Toronto (and other large cities) to hobble local decision making. It was seen at its most vicious in the forced amalgamation of Toronto. In the ensuing legal challenge, citizens again found themselves up against the “creature of the province” argument. In rejecting the challenge to the legislation, Mr. Justice Stephen Borins of the Ontario Supreme Court stated:

... there are four principles which apply to the constitutional status of municipal governments:

- (i) municipal institutions lack constitutional status;
- (ii) municipal institutions are creatures of the legislature and exist only if provincial legislation so provides;
- (iii) municipal institutions have no independent autonomy and their powers are subject to abolition or repeal by provincial legislation; and
- (iv) municipal institutions may exercise only those powers which are conferred on them by statute.

For the sake of efficiency and good government, these principles must be replaced by ones that provide the city with reasonable autonomy. The city needs to be in control of the way it functions as a government without provincial interference.

For instance, the city should be able to set its own governing structure. If it decides it wants to have a two-tier sys-

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tem comparable to the former Metro government, that should be its legislative prerogative. If it wishes to have an executive committee composed of certain members of council, that should be its legislative prerogative. If it decides that community councils are a bad way to make decisions, it should be able to replace them with something better.

The city should be able to decide on the shape and number of wards, a power available to many other municipalities in Ontario but not Toronto. (It is probably useful if the shape and number of wards is reviewed and approved by an independent body, perhaps established by the city, in the same way that the electoral ridings and their boundaries are recommended by independent commissions at the provincial and federal levels.)

The city should be able to establish its own election financing rules. Currently, rules are set by the provincial government in the Municipal Elections Act, which applies equally to all municipalities in Ontario, large and small. The statute does not seem designed to foster fairness or reasonable control of expenditures. For instance, a complaint about an infringement of expenditure rules may be filed only six months after the election – that is, well after the infringement might have led to a politician being entrenched by dubious means. As a further hurdle, the complaint is not considered by an independent body but by city council. If the council decides to do nothing (which was the case with several complaints filed following the 2000 municipal election in Toronto), nothing further can be done under the legislation. The police can be asked to investigate, but in recent Toronto

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cases they refused to do so. Why the investigation of election overspending should be left to a decision by members of council who have just survived an election is unclear.

The election finance rules in the Municipal Elections Act say that only certain expenditures are controlled: those for such matters as election celebration parties are not controlled. The result is that most candidates spend more on the election celebration than they do on the election itself, and the suspicion arises that many of election expenses are sloughed off as part of the celebration.

The city should have the ability to create its own election financing package. For instance, it should probably bring in a law indicating that only those eligible to vote are permitted to make donations, and that corporations, unions, and non-citizens cannot. (This is now the law in Manitoba and Quebec.) A maximum amount of expenditures should be set, without the cumbersome and controversial exemptions now permitted. It seems reasonable to believe that Toronto City Council and the citizens are best able to devise appropriate municipal financing laws and regulations for municipal elections.

The city should have the clear authority to interact in all kinds of formal and informal ways with other governments. It should have the power to enter into contracts with those governments without asking approval from the province. At the same time, the city should be protected from other levels of government unilaterally downloading responsibilities onto them without the city's consent. This seems like a principle based on equity, but it has not been honoured by the Ontario government, which in recent years imposed on Toronto many

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obligations with substantial costs attached to them.

Quite simply, the city needs to have a status that is independent from, and may not be imposed on by, other governments. It is not good enough that the city be given new powers, only to find that they are taken away by other levels of government. Powers should be established between the city and senior governments by means of a charter agreement that cannot be breached unilaterally. Various mechanisms not requiring a constitutional amendment (something that seems very difficult to achieve) are available, providing there is political will.

As this book argues, powers accorded to the city in the charter should give it the widest scope of action possible and should include the ability to tax and raise revenue. Care should also be taken to design a charter that does not become a limitation on the city, creating pressure for constant amendment. Terms might be included to indicate that certain powers can be exercised only after arrangements have been reached about the administration and responsibility of programs transferred by agreement to the city.

Responsibilities accruing to the city will be assumed over time, and according to public and political priorities. Toronto might find, for example, that it first wishes to embark on a serious affordable housing initiative for which it requires legal and financial resources. It might then move on to create a much larger child care infrastructure, and from there assume control of the welfare system. If the model is pursued by other cities, priorities will likely vary, and each locale will learn from what others accomplish. The charter framework must

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permit evolving expansion in city authority.

In reality, responsibility in one or two areas may be undertaken in advance of a charter arrangement. It's unlikely the provincial government will willingly cede power. Such power shifts are usually preceded by a significant struggle - to date the struggle has been sedate - and it will be messy, but it holds out hope for better governance, more efficient use of public money, and improved public services. The city will need to use innovative strategies which seek public support for public benefits in this struggle.

The same kind of charter agreement must be made at the federal level, hopefully with the province as the city's ally. In addition, for the optimum outcome, leaders of several cities might devise methods to pursue individual demands in a loosely coordinated fashion.

Once cities like Toronto gain the powers and responsibilities advocated here, the shape of Canadian governance may well change. Maybe Toronto, Montreal, and Vancouver will become city-states in their respective provinces, effectively increasing the number of province-like bodies from ten to thirteen (plus three territories). Some provinces may join together, and other city-states (Calgary-Edmonton, for example) emerge. Or perhaps provinces may be seen as anachronisms and themselves dissolve.

The important task now is to begin determining which policies and programs are best delivered by the city and identifying revenue sources that give the city autonomy in the delivery of its programs. As this kind of initiative picks up momentum, the appropriate forms of relationships between

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the city, the province, and the federal government will become clearer, and imaginative minds can determine which ones hold out the greatest opportunities.

In conclusion, the city needs to propose what it immediately requires for more autonomy, certainly including governance structures, elections, freedom from provincial oversight, and the authority to interact with other governments. It then must advance a broadly based charter plan that outlines the authority and responsibility to permit it to govern well for its citizens and construct a strategy to lead to the charter's adoption.

ELEVEN

STRENGTHENING LOCAL DECISION MAKING

Is local government, as currently structured, capable of bearing these extra burdens of greater social and financial responsibility? Can local government actually make the decisions required in all the larger policy areas cited?

Many will say that local government looks like a pretty small operation. Serious government in Canada usually means an august Legislature, the House of Commons or the Senate. Lodged in (generally) magnificent structures that have a sense of history about them, these bodies are redolent of pomp and circumstance, weighty proceedings. Since most of the issues discussed in this book are now controlled by provincial governments using a parliamentary system of democracy, many assume only that kind of body – elected members forming a government, an official opposition, a cabinet meeting in secret to consider important matters, and a phalanx of civil servants reporting to them – can manage properly. But most of the provinces have much smaller populations than Toronto. Only three – British Columbia, Alberta, and Quebec – have larger populations than the city. Municipal government is generally as well managed and innovative as provincial, even though its system is not parliamentary democracy.

Local government has many advantages and attributes not available to the parliamentary model. For instance:

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Transparency in decision making

Municipal legislation throughout Canada dictates that, with few exceptions, all debate and decision-making must occur in public. This means the people get to see what individual politicians actually have to say about a matter. For councillors, there is nowhere to hide. They cannot retreat behind the closed door of a cabinet room or rely on public relations officials to smooth their words for the media. The hallmark of local democracy is that there is significant transparency in decision making.

Staff reports and advice

At the provincial and federal levels, the civil service reports to and is responsible to the government of the day. Since cabinet meetings are closed, most staff reports are not public documents. At city hall, on the other hand, not only are decisions made in public but almost all staff reports are also public. In most big cities, staff reports are posted on the Internet and are available to anyone who wants to look at them; members of the public can be as well informed as councillors about the issues.

Staffing

The staff who work for large city administrations like Toronto's are some of the finest civil servants in the country. In most cases they are hired because of their professionalism and ability to imaginatively resolve the kinds of problems that cities are confronted with. They do not report to particular ministers but instead to department heads, who in turn are

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required to interact with all councillors, whatever their political stripe, and with members of the public. They serve both councillors and the public with their informed opinion and their openness in giving advice.

Accessibility

One reason city hall is so accessible is that it is located where the voters live. The provincial and federal seats of government are often in other cities, and travelling there takes time and money that many citizens cannot afford. Accessibility resides in city government's locale and structure: it invites people to participate in decision making. Municipal legislation requires that well-publicized public meetings be held before decisions are taken on land-use planning matters. Most municipal councils have established committee systems, encouraging members of the public to attend and make their views known. Some municipalities allow members of the public to address council directly, while others require that they speak only at the committee stage.

Accessibility makes for a very lively political scene, where debate is engaged and where many people feel they can make a difference by their participation. Views expressed by citizens often influence the way debate at council occurs. Councillors are unable to avoid the political agenda of the public.

Non-partisan structure

Most municipal councils in Canada are non-partisan – they operate without formal political parties. One reason is that most councils have fewer than twenty-five members, so a

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party structure is not needed to create a speakers' list. Individual members of council may have party affiliations, and some may stress affiliation during an election, but most councillors operate as independents and vote according to their personal opinion on particular issues. There are no party whips requiring councillors to toe the party line, so on most municipal councils there is a shifting majority, depending on the issue at hand. Not only does this mean local differences can be better recognized but also that opinions (and resulting votes) can be changed if effective arguments are made to justify taking a different position.

These beneficial features of local government are not available to the federal and provincial parliamentary democracy systems. No changes that diminish such positive characteristics should be made. Nevertheless, certain concerns must be addressed if city responsibilities are substantially increased.

One possible objection to assuming more responsibilities is the extra workload imposed on city councillors. As noted, almost all municipal councils have fewer than twenty-five members, and individual workload is often onerous because almost no powers are delegated to staff. Matters of the smallest detail are often approved by council, which makes it seem as though councillors are trapped in a host of trivial decisions and that they rarely talk about issues of substance. However, procedures could quickly be worked out to assign certain decisions of detail and implementation to staff within a policy framework that included the values of transparency and accountability, thereby freeing up the time for councillors to

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deal with more substantial issues.

A second concern is trying to order the work of the council to drive the important issues to the top of the agenda so they will be debated – the dream of all decision-making bodies. A structure could be devised to divert much of the administrative work of council to an executive committee responsible to council and with decision-making powers in certain areas. Such an executive committee would not have special and autonomous powers related to policy.

Some have suggested that the mayor should be given powers independent of council, as in many American cities. In Canada the “weak mayor” system is the norm, the mayor having no legislative power apart from a single vote on council. In American cities, the mayor can appoint senior staff, veto council decisions, and has other authority. In Canada, a mayor’s actions can create personal stature with the public, which is a kind of independent power, but as countless mayors have discovered, stature can also be in free fall. Good mayors provide leadership for the public and for council, and achieve authority by working well with council. Given the shifting majorities of a council without a formal government or opposition, this seems appropriate and should not be changed.

A more substantial change might be the re-creation of two-tier municipal government, as existed in Toronto prior to forced amalgamation in 1998. In a two-tier system, local decisions were the purview of the lower tier of government, and regional decisions of the upper tier. Most two-tier systems share councillors in some proportion, though in Toronto for

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some years there was a directly elected upper tier. Two-tier structures could be created within Toronto and/or with Toronto and surrounding jurisdictions.

One advantage of the two-tier approach is that it helps to divide the workload. Another and perhaps more important advantage is that it ensures a legitimate place for both local and regional viewpoints. In a city both perspectives are essential, particularly in cases where they conflict and a choice must be made as to which will prevail. Some have said that two-tier government is messy because it is so argumentative, but surely that is also its benefit— it puts into the public arena the choices that must be made, and often those choices are not simple.

Another change that should be considered as a method of strengthening local government is at the staff level. Many cities, like Toronto, organize staff through a chief administrative office, through which almost all staff recommendations flow. The CAO massages staff advice to resolve difference of opinion so that council is presented with a single unified position.

This way of organizing staff resources often means that important dissenting advice is not heard by council. In the CAO system, staff are required first and foremost to be team players. It would be much more helpful for council and the public if the heads of departments reported directly to council so that councillors could be aware of any differences in professional advice. This was the arrangement in the former city of Toronto until the early 1990s, when an unfortunate reorganization took place. To provide some direction, senior staff worked out among themselves which one would prepare

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a report on an issue to council, including recommendations supported by the staff person given the lead. Other staff reports were attached so councillors and the public were aware of the range of opinion. A return to this arrangement would not need a CAO, but perhaps that position could become a coordinating one at the senior staff level.

Governance might also be improved by the creation of quasi-judicial bodies appointed by council to review certain council decisions. Suggested elsewhere in this book is such a panel to review some land-use planning decisions, and a panel to deal with election financing and ward boundaries. Council might find that such panels assist in good decision making and enhance credibility. A panel might review questions around the property tax system, for example.

Undoubtedly proposals will arise within an empowered city council to improve governance beyond these few suggestions. If council has the power to reshape its governing structures, as recommended, appropriate adjustments can be made.

In conclusion, city council already possesses an excellent system of decision making in terms of transparency, staffing, and accessibility. There is always room for improvement to make governing structures more democratic and effective, but no large-scale changes need be contemplated as city council assumes more authority and responsibility.

TWELVE THE CHALLENGE FOR CITIES

The challenge for municipal politicians is to begin looking at the city in a new way. Rather than continually portraying the city as the beleaguered level of government without adequate funds to carry out existing programs, local politicians should realize that this level is the most capable of delivering most or many programs that the federal and provincial governments have had responsibility for in the past but have either failed to deliver or refused to fund at adequate levels for city residents.

The position that many city politicians have taken to date is that of a beggar or, more sympathetically, supplicant, in the hope that the powerful forces at senior levels will respond kindly to pleas for help. But it's a truism that those who hold power and authority are loath to give up any of it. Or, as Marshall McLuhan is reputed to have said, "Decentralization can't be done centrally."

Much talk has occurred in recent years about the need for cities to have more general powers, and there is no disputing the validity of that assertion. But the provincial governments will not give them up with no fuss. In recent years, new Municipal Acts have been passed in Ontario, Alberta, British Columbia, and other provinces, and without exception the new legislation has hardly moved the yardsticks at all: municipalities have gained few powers, and many critics think the Ontario legislation is a step backward. Provincial politicians have no interest in making cities stronger and provincial

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governments weaker.

Similarly, attempts to access significant sums of money by city politicians have not met with success. As one of his first acts as prime minister, Paul Martin decided to honour his earlier commitment to a New Deal for Cities, and it is interesting what he chose to do: return to municipalities the Goods and Services Tax levied on them for the services they provide. It is a bit shocking to realize the federal government raked in about \$800 million a year by charging GST on municipal services, but indeed that has been the case, and it is good that Mr. Martin decided to back off that tax. But he did not agree to provide new sources of revenue – such as a share of the gasoline tax – which has been left for further negotiations, given that he sees the matter to be complicated. Yet these weak decisions were not caused by financial strain at the federal level – they were made just eight weeks before the end of the federal fiscal year of March 31 when Mr. Martin's government expected to declare a surplus of something in the order of \$4 billion. Worse, he has since abandoned his New Deal for Cities in favour of something much more diffuse, a New Deal for Communities.

Cities must adopt a new strategy. They must define very clearly the programs they know they are capable of delivering and that have popular support, and then to set to work delivering them. The key is doing enough groundwork at the city level so the public understands the need for the programs and supports the city politicians in their push to get the authority and finances for them.

It is interesting that a city like Toronto can devise initia-

tives that begin to change the political landscape. Affordable housing is one example already mentioned. Another is in the sustainability area. Sustainability should be in the purview of the federal and provincial governments, though so far their commitment seems limited. The Toronto Atmospheric Fund (TAF), an organization established by Toronto with revenue from the sale of a large chunk of land in the early 1990s, began a program to help companies retrofit their buildings. It works on the assumption that if buildings are better insulated, less energy will be needed to heat or cool them, and the companies will save on utility bills. TAF's program provides a bridge so companies can make the capital expenditures for insulation retrofits and recover that money over a period of five or six years from the savings in the utility bills. It's a simple scheme without a lot of cost, but it achieves extraordinary results. It is another example of how well the city can do when it decides to take action. Important initiatives, like the retrofit program and the housing programs of the 1940s and 1970s, must be made attractive enough that politicians from other levels of government understand and want to be part of the endeavours.

This book advocates that Toronto – and other cities – begin to develop and implement specific programs because just talking generally about the need for money and power is not a strategy. Cities must ask for particular pieces of legislation that allow them to carry out programs they identify as in their mandate, and they must be precise about the monies needed. Not everything advocated in this book can be done at once – city hall will have to set its priorities.

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But as city government becomes clear about the powers it should have to improve the quality of life for citizens, and as it takes steps to implement its pursuit of increased authority and effectiveness, momentum will inevitably develop. The challenge is for tough and sustained initiatives, but it is not without considerable hope.

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