

COMMITTEE OF THE WHOLE OCTOBER 7, 2002

**CITY OF VAUGHAN COMMENTS
PRIME MINISTER'S CAUCUS TASK FORCE ON URBAN ISSUES
INTERIM REPORT, APRIL 2002**

Recommendation

The Commissioner of Planning recommends that:

1. This report BE RECEIVED;
2. The Prime Minister's Caucus Task Force on Urban Issues BE ADVISED that the City of Vaughan:
 - a) Supports the direction taken by the Task Force in its Interim Report and welcomes the new opportunities that may result from a long-term federal interest in urban affairs;
 - b) Supports the concept of partnerships among the three levels of government in order to solve the complex problems facing Canada's Urban Areas;
 - c) Supports the introduction of national strategies and programs, particularly in the areas of Affordable Housing, Transportation and Infrastructure;
 - d) Supports the development of strategies and programs that are based on reliable long-term commitments by the federal and provincial partners, particularly in the area of funding;
 - e) Is of the opinion that representation from the municipalities, as full partners with the federal and provincial governments in the design and implementation of any national strategies and programs, is critical;
 - f) That the delivery of such programs be assigned to the level of government best equipped to provide the service in an efficient and cost-effective manner and that the necessary funding be made available to that level of government; and
 - g) Supports the Recommendations to the Prime Minister's Caucus Task Force on Urban Issues by the Region of York, which were approved by the Council of the Regional Municipality of York on September 19, 2002 (See Attachment No. 2)
3. The Task Force be encouraged, in its final report, to focus on models for the implementation of national strategies and programs, in order to shorten the time-frame for further debate and to expedite their start-up; and such models may include the U.S. Transportation Equity Act of 1998;
4. Given the level of need and the time it takes to develop and implement such programs, the Task Force and all levels of government be reminded that time is of the essence;
5. This report be forwarded to the following persons and organizations:
 - The Prime Minister's Task Force on Urban Issues, (Chair, Judy Sgro MP):
 - The Right Honourable Prime Minister and Members of the Federal Cabinet;
 - The Honourable Premier of Ontario and Members of the Provincial Cabinet;
 - MPs and MPPs representing the City Vaughan;
 - The Regional Municipality of York;

- The Area Municipalities – Regional Municipality of York; and
- The Regions of Peel and Durham

Purpose

This report has two purposes. The first is to update members of Council on the status of the work of the Prime Minister's Task Force on Urban Issues and to provide an overview of the Task Force's interim report, entitled "Canada's Urban Strategy: A Vision for the 21st Century" dated April 2002. The second purpose is to provide the Task Force with comments from the perspective of the City of Vaughan.

Background - Analysis and Options

Origin

On May 9, 2001 Prime Minister Chretien announced the creation of the Prime Minister's Caucus Task Force on Urban Issues. The Task Force is chaired by Judy Sgro MP, the Member of Parliament for York West and is composed of thirteen members of the Liberal caucus from the House of Commons and Senate. In addition to Chair Sgro, there are two other representatives from the Greater Toronto Area on the Task Force. They are Alan Tonks (York South, Weston) and Byron Wilfert (Oak Ridges).

The Challenge

Canada is now a highly urbanized country with 80% of the population living in urban areas. The major urban regions are now the overwhelming drivers of our national and provincial economies. For example: The economy of the Montreal Urban Community accounts for 49% of Quebec's Gross Domestic Product (GDP), while the Greater Toronto Area is responsible for 44% of Ontario's GDP and Vancouver is responsible 53% of British Columbia's GDP. The future prosperity of the country will depend on the ability of Canada's urban regions to innovate and compete globally.

The Task Force characterizes the challenge in the following manner. "There is mounting evidence that our cities are ailing due to deteriorating infrastructure, declining air and water quality, traffic gridlock, homelessness, growing income polarization and marginalization and budget crises. With few ways to generate revenue other than through property taxes, urban regions are finding it increasingly difficult to provide basic services and make repairs to infrastructure."

Inevitably, ailing cities will "upload" the negative social, political and economic consequences of their declines onto both the provincial and federal levels of government, if current problems are left unresolved.

The Mandate

The Task Force, being made up of members of the governing party, was created to provide the Prime Minister with policy advice as to how the government could better focus its efforts in cities. The Task Force is to explore how the federal government, within its area of jurisdiction, can work more collaboratively to strengthen the quality of life within Canada's large urban centres. Areas of concentration include:

- Opportunities for increasing economic competitiveness;
- Environmental issues such as air, water quality and land use;
- Strengthening cultural assets;
- Urban transit;

- Settlement and integration services for immigrants;
- Needs of populations at risk (e.g. the homeless, disabled, immigrants and aboriginals)
- Crime related issues;
- The need for long term sustainable funding of programs and services;
- The need for new municipal fiscal powers to deal with increased service delivery;
- The need for greater co-operation among governments and among governments, the private sector, voluntary and not-for-profit sectors;
- The need for more investment in urban transit, housing and infrastructure; and
- The need for immigration policy that will contribute to the shaping of our cities, employment and future.

The Task Force has an ambitious and wide-ranging mandate that proposes to address many of the issues now challenging the health and sustainability of our urban areas.

Public Consultation

In August, 2001 the Task Force commenced its public consultation process. Meetings were held in Edmonton, Vancouver, Calgary, Winnipeg, Toronto, Ottawa, Montreal and Halifax. The Task Force met with 700 participants. The Task Force identified a number of key themes, which emerged through the consultations. These included:

- The need for the Federal Government to show leadership on urban issues;
- The need for investment in urban centres as they are the countries' economic engine;
- The need for the Federal Government to be more strategic in program and service delivery.

The Interim Report

On May 1, 2002 the Task Force presented its interim report, entitled "Canada's Urban Strategy: A Vision for the 21st Century", to the National Liberal Caucus. The interim report contained a total of fifty-two recommendations (See consolidated list forming Attachment No. 1) covering a variety of administrative, economic, social and environmental issues. The interim report concludes the first phase of the Task Force's mandate. It is intended that the interim report form the basis for further dialogue, which can be reflected in the final report. The final report is scheduled for release in December of 2002.

Recommendations of the Interim Report

a) Overview of the Recommendations

The recommendations deal with a number of different issue areas. They are set out below:

RECOMMENDATIONS

ISSUE AREA

A New Approach

1-2

Development of an Urban Strategy for Canada

Economic Challenges and Opportunities

3-4

Economic Growth and Development

5-7

Innovation and Research

8

Sustainable Infrastructure

9-10

Integrated Multi-Modal Transportation

Social Challenges and Opportunities

11-13	<i>Canada: A Land of Opportunity</i>
14-15	<i>Adequate Shelter for All</i>
16-21	<i>Urban Aboriginal People</i>
22-31	<i>Canada: A Country Built on Immigration</i>
32-33	<i>Safe Communities – Healthy Neighbourhoods</i>
34-35	<i>Preserving our Heritage and Culture</i>
36-38	<i>Building Communities</i>

Environmental Challenges and Opportunities

39-41	<i>Safe Water</i>
42-46	<i>Clean Air</i>
47-49	<i>Healthy, Well Planned Communities</i>
50-52	<i>Brownfields and Contaminated Sites</i>

The recommendations cover a diversity of topic areas. This is a clear reflection of the range of challenges and needs facing cities and urban regions across the country. As such, some of the recommendations are more relevant to some jurisdictions than others.

There are three observations that can be drawn from the recommendations. They are:

- The problems that were identified in the interim report are, for the most-part already well documented, and the solutions well known;
- Most of the recommendations involve the expenditure of funds by the federal and other levels of government; and
- Most of the actions will require the co-operation of a number of levels of government.

The solutions proposed are not new. What is important is that that the governing party in the federal parliament is now willing to consider a policy agenda that would increase the role of the federal government in solving urban problems. This is explicit recognition that, in 21st Century Canada, the urban issues confronting the larger cities are national, provincial and local concerns and need to be treated comprehensively by governments acting in concert, rather than in isolation.

b) The Key Recommendations

In order to implement many of the recommendations of the Task Force it will be necessary to put the appropriate administrative systems in place. Typically, in the Canadian Federation this has involved developing solutions, within the framework of constitutional responsibilities, which allow co-operative partnerships between the various levels of government.

The first two recommendations provide the underlying framework for the creation of the urban strategy. These recommendations are perhaps the most critical elements of the interim report in that they will guide the federal government in its program development and spending priorities. The recommendations state that:

The Task Force recommends that the Government of Canada:

1. Develop an Urban Strategy for Canada which includes:

- An integrated approach to policy and program development to deliver a cohesive, effective urban strategy;
 - Examining the effect and impact of federal policies and programs on urban regions;
 - A strong urban partnership developed in collaboration with all orders of government, the community, the private sector, and citizens through bilateral, trilateral and multi-lateral agreements and initiatives;
 - Priority initiatives that include:
 - A National Affordable Housing Program
 - A National Infrastructure Program
 - A National Transportation Program
 - An advisory body to provide on-going consultation and advice on urban policy to the Government of Canada; and
 - Fostering research on best practices, providing intelligence on trends and conditions, and communicating the Government of Canada's activities related to urban issues.
2. Initiate further dialogue and debate on the mechanisms required to design and implement an urban strategy.

The concept of a national urban strategy is a positive and supportable measure. It would be a shift away from *ad hoc* spending programs and it would allow for all levels of government to maintain orderly fiscal and investment strategies. The idea of developing national programs for housing, infrastructure and transportation is consistent with this approach.

Recommendation No. 1 also identifies the need to develop partnerships to implement the strategy. It will be very important for the representatives of the urban areas to be at the table when any national programs are discussed. It can be expected that the municipalities will be funding partners and will need to be represented on this basis alone. In addition, the expertise in the governance of urban areas rests mainly with the municipalities and secondarily with the provinces and the federal government. Without input from the municipalities, functioning as full partners, any National Urban Strategy would be of questionable validity.

Recommendation No. 2 focuses on the need for further debate over the implementation measures. Unfortunately, we are rapidly approaching the point where protracted debate, in lieu of action, carries increasing risk. The Final Report should focus on administrative and funding models that could be used in delivering the recommendations. They should specifically target the three main policy thrusts, being the National Affordable Housing, Infrastructure and Transportation Programs. This could focus and expedite any subsequent deliberations. An example of a funding program identified in the interim report for consideration is the United States' Transportation Equity Act of 1998.

c) Other Notable Recommendations

The scope of the recommendations is sweeping and reflects the diversity of problems facing municipalities across Canada. Issues pertaining to health and well being of Native Canadians and immigrants are the subject of a number of recommendations. The problems of clean air, clean water and the remediation of brownfield areas also are addressed.

While these recommendations are important, a number of recommendations are of special interest to municipalities facing the growth pressures confronting the City of Vaughan and York Region. Given our rate of growth, it is critical that our infrastructure investments keep pace and our communities remain safe. Therefore, the following recommendations are noted.

Sustainable Infrastructure (Recommendation No. 8)

The Task Force recommends that the Federal Government establish a long-term National Infrastructure Program that will build on current programs to provide stable and reliable funding for 15 years.

Integrated Multi-modal Transportation (Recommendations No. 9 and 10)

In areas specifically related to transportation, the Task Force recommended that a National Transportation Program be established that would provide long-term and sustainable funding for public transportation systems; and invest in both integrated multi-modal transportation systems and in high-speed rail service to connect major cities. It also recommends that unused rail corridors be preserved and made available at salvage value or no cost for public transit or recreational trails.

National Affordable Housing Program (Recommendation No. 14)

The Task Force recommends that a National Affordable Housing Program be developed. It is proposed that the mandate of Canada Mortgage and Housing be widened to allow it to develop the program in collaboration with all orders of government and housing providers. The Task Force also recommends a number of related measures including: Building on existing housing programs; examining the impact of the federal tax system on the supply of rental housing; providing surplus federal land for housing; and providing grants against the cost of CMHC mortgage insurance, among others.

Safe Communities – Healthy Neighbourhoods (Recommendations 32 and 33)

The Task Force is recommending that the Government of Canada continue to provide resources and co-operate with all levels of government to ensure that police and emergency services have sufficient resources. In addition, it is recommending continuing support for, “innovative community-driven initiatives through our crime prevention program.” In the latter instance, the Task Force cites as an example, the “National Crime Prevention Program”, which has an annual budget of \$68 million.

Conclusion

The success or failure of Canada’s urban areas will ultimately determine the level of security and prosperity that we will enjoy as a nation. Therefore, it is in the interest of all Canadians and all levels of government that our urban areas function in an optimal fashion, as they are in competition with urban centres from around the world for investment, employment and skilled people.

Legally, our constitution makes municipalities a responsibility of the provinces. However, it is increasingly clear that there is a role for the Federal Government in the stewardship of our urban areas. The Federal Government has a clear interest in the success of cities and it can bring to the table resources that are not available to the provinces and municipalities.

It is encouraging to see the governing party actively examining policy initiatives to support Canada’s urban areas. The Prime Minister’s Caucus Task Force on Urban Issues has produced a document that contains a number of useful recommendations. Most of the problems and solutions proposed have been broached before. What is important to cities is that they are being put forward from a federal perspective, in the form of a National Urban Strategy.

The critical issue in any national shared jurisdiction program, is how the participating parties will be brought together. Cash-strapped municipalities will undoubtedly be receptive partners. The Provinces will have to be brought on-side but may be wary about any perceived intrusions into

their jurisdictions. Developing co-operation amongst the levels of government will be the first step in developing a truly effective urban strategy. The identification of implementation measures, which reconcile the objectives of the three levels of government should be a priority for the final report.

Overall it is recommended that the work of the Prime Minister's Caucus Task Force on Urban Issues, as set out in its interim report, be supported. Time is of the essence and protracted debate should be avoided. The Task Force should be encouraged to investigate realistic and practical implementation models in its final report and make recommendations as to how national programs might be structured. Hopefully, this will quicken the pace of debate and form the basis for the early implementation of national strategies and programs.

Should Council concur, the recommendations provided above should be adopted.

Attachments

1. Consolidated Recommendations
2. Regional Municipality of York, Recommendations of Regional Council, September 19, 2002

Report prepared by:

Roy McQuillin, Manager of Corporate Policy, ext. 8211

Respectfully submitted,

MICHAEL DeANGELIS
Commissioner of Planning

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ATTACHMENT NO. 1

RECOMMENDATIONS

PRIME MINISTER'S CAUCUS TASK FORCE ON URBAN ISSUES, INTERIM REPORT, APRIL 2002 "CANADA'S URBAN STRATEGY: A VISION FOR THE 21ST CENTURY

A NEW APPROACH

Development of an Urban Strategy for Canada

The Task Force recommends that the Government of Canada:

1. Develop An Urban Strategy for Canada which includes:
 - An integrated approach to policy and program development in order to deliver a cohesive, effective urban strategy;
 - Examining the effect and impact of federal policies and programs on urban regions (i.e. urban lens);
 - A strong urban partnership developed in collaboration with all orders of government, the community, the private sector, and citizens through bilateral, trilateral and multilateral agreements and initiatives;
 - Priority initiatives that include:
 - A National Affordable Housing Program
 - A National Infrastructure Program
 - A National Transportation Program
 - An advisory body to provide on-going consultation and advice on urban policy to the Government of Canada; and
 - Fostering research on best practices, providing intelligence on trends and conditions, and communicating the Government of Canada's activities related to urban issues.
2. Initiate further dialogue and debate on the mechanisms required to design and implement an Urban Strategy.

ECONOMIC CHALLENGES AND OPPORTUNITIES

Economic Growth and Development

3. Continue to collaborate with other orders of government and support development of regional economic growth strategies that establish priority action plans.
4. Continue to work with the Provinces towards the harmonization of inter-provincial professional qualifications and trade certification.

Innovation and Research

5. Build on the success of the Sustainable Cities Initiative and continue to brand and support Canadian urban centers as sources of innovation and sustainability.
6. Build on existing partnerships with universities and the public/private sectors to support and facilitate research and development, and innovation.
7. Continue to invest in e-government programs.

Sustainable Infrastructure

8. Establish a long-term National Infrastructure Program that will build on current programs to provide stable, reliable funding (i.e. 15 years).

Integrated, Multi-Modal Transportation

9. Establish A National Transportation Program that would:
 - Provide long-term sustainable funding for public transportation systems;
 - Invest strategically in integrated multi-modal transportation systems; and
 - Invest in high-speed rail service to connect major centers.
10. Ensure that unused railway rights-of-way and corridors are preserved and made available at net salvage value or at no cost for future transit or be developed into recreational trails.

SOCIAL CHALLENGES AND OPPORTUNITIES

Canada: A Land of Opportunity

11. Review the federal income support systems to ensure they are meeting the needs of Canada's most vulnerable population.
12. Continue to work with all orders of government and childcare agencies to ensure that all children have access to quality childcare and early education, and reaffirm our commitment to eliminating child poverty.
13. Implement a National Drug Strategy that will involve all orders of government, community agencies and the voluntary sector.

Adequate Shelter for All

14. Establish A National Affordable Housing Program that could include:

- Strengthening the mandate of Canada Mortgage and Housing Corporation to develop A National Affordable Housing Program in collaboration with all orders of government, and housing providers;
 - Building on existing federal housing programs;
 - Changes to CMHC mortgage underwriting criteria to allow a more customized and flexible system;
 - Providing additional resources and flexibility in the RRAP program to rehabilitate existing properties;
 - Examining the federal tax environment related to rental housing and creating appropriate incentives;
 - Establishing grants against the cost of CMHC mortgage insurance;
 - Providing targeted mortgage insurance for brownfield redevelopment in areas where there is a shortage of affordable housing;
 - Facilitating agreements with municipalities to transfer small tracts of surplus land, owned by the Canada Lands Company, to community groups; and
 - Offering grants to community housing groups to support the restoration and conversion of heritage properties for affordable housing.
15. Extend the Supporting Communities Partnership Initiative (SCPI) beyond three years in order to meet its objectives to eliminate homelessness.

Urban Aboriginal People

16. Review the policy and planning process for funding of programs for urban Aboriginal people, and develop a more collaborative and coordinated approach with other orders of government to strategically fund and better deliver services and programs to Aboriginal people in urban areas.
17. Partner with other orders of government and community Aboriginal groups to find ways to lower poverty levels, provide employment opportunities and expand the stock of affordable housing for urban Aboriginal population, especially among youth.
18. Work with our urban partners to increase the number of pilot projects in selected urban centres as currently included in the Urban Aboriginal Strategy.
19. Encourage cooperation between Urban Reserves and surrounding urban regions.

20. Examine current policies and develop ways to target the special needs of the Urban Aboriginal population, including Metis and non-Status Indians.
21. Strengthen educational supports, in cooperation with First Nations, Metis and non-status Indians at post secondary levels to better meet the needs of Aboriginal peoples in urban centers.

Canada: A Country Built on Immigration

22. Develop a cohesive approach that involves the coordination between orders of government, and non-governmental organizations that offer settlement services, language training and cultural resources to better meet the needs of the immigrant population.
23. Review with provincial and municipal governments the formula for funding settlement, integrated programs and services in urban centres.
24. Consult and work with urban regions on immigration policies/programs.
25. Increase the resources to non-government organizations and community groups to provide additional support services for families, particularly language classes for women and their children.
26. Inform prospective immigrants and new arrivals about conditions and services in Canada BEFORE they leave their country of origin, and include a well-developed and up-to-date "Welcome to Canada" package listing the various services available to newcomers.
27. Streamline the immigration and Refugee Board process in order to ensure that all claims are processed with maximum efficiency and as expeditiously as possible.
28. Provide access to appropriate upgrading/training programs for newcomers, as well as assessment of credentials and access to trades and professions.
29. Encourage Human Resources Development Canada to enter into more sectoral agreements to facilitate the quick and efficient entry of temporary foreign workers to fill national and regional labour shortages.
30. Convene a bi-annual Conference on Immigration with all orders of government. This will assist provinces and urban regions with declining populations to benefit from national expertise and resources to attract newcomers.
31. Continue negotiations with provincial governments that have not yet signed the bilateral agreement on immigration policies.

Safe Communities – Healthy Neighbourhoods

32. Continue to provide resources and cooperate with all orders of government and communities to ensure that police and emergency services have sufficient resources to adequately protect Canadians.
33. Continue to support innovative community-driven initiatives through our crime prevention program.

Preserving our Heritage and Culture

34. Continue to strengthen our investment in the arts and cultural sector in our urban communities.
35. Provide grants to support the restoration and conversion of heritage properties and develop mechanisms to encourage redevelopment and restoration for both commercial and residential uses.

Building Communities

36. Consider mechanisms to encourage more investments and donations to Community Foundations, philanthropic and charitable organizations, and community groups.
37. Facilitate the sharing of best practices among the voluntary sector and charitable organizations.
38. Continue to acknowledge and recognize the important contribution of the volunteer sector to building a nation of strong communities.

ENVIRONMENTAL CHALLENGES AND OPPORTUNITIES

Safe Water

39. Ensure that any infrastructure program includes the opportunity to focus efforts on municipal water infrastructure by providing:
 - Traditional tripartite contributions for communities which do not have the revenue-generating capacity to support full-cost pricing; and
 - Revolving funds offering low- and no-interest loans for larger urban communities that can, over time, move to full-cost pricing.
40. Continue to consult with all orders of government and encourage existing federal guidelines to be used as a standard for drinking water quality.
41. Support the redevelopment and cleaning of ports and harbours.

Clean Air

42. Consider creating A National Building Retrofit Strategy to encourage and facilitate energy efficiency. This could involve:
 - Providing tax credits to homeowners and business that undertake energy efficiency retrofits; and
 - Supporting a national community-based home retrofit advisory service network.
43. Set higher fuel economy standards for new vehicles and support innovation, research and development leading to more sustainable urban transportation systems.
44. Encourage Government of Canada employees to reduce vehicle use by loading government buildings and services along existing public transit service and make bus pass purchasers easy through programs like ECOASS.
45. Support the development of new renewable fuel and GHG reduction technologies.
46. Support minimum efficiency standards for new power generation facilities.

Healthy, Well Planned Communities

47. Encourage innovation in ecological design by creating incentives for the private sector and municipalities to incorporate ecologically sound and smart growth principles, and to acknowledge successful private-public partnerships on smart growth.
48. Adopt and showcase sound urban design practices by incorporating ecologically sustainable landscape practices on government lands, and incorporate smart growth principles by building and locating government services in urban cores and along transit corridors.
49. Support the acquisition of critical urban green space by assisting community partnerships such as land trusts and conservation organizations and provide incentives to allow land donations for conservation purposes.

Brownfields and Contaminated Sites

50. Work with our partners in government to create an integrated risk assessment and liability management framework that harmonizes federal and provincial regulations.
51. Consider targeted mortgage insurance and appropriate tax incentives for brownfield inventories redevelopment.
52. Continue to provide support for completion of brownfields inventories, risk assessments and community consultations.

Clause No 13 embodied in Report No. 6 of the Finance and Administration Committee was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting on September 19, 2002.

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**THE PRIME MINISTER'S CAUCUS TASK FORCE ON URBAN ISSUES
INTERIM REPORT: CANADA'S URBAN STRATEGY**

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report, August 26, 2002, from the Chief Administrative Officer with the direction that the report be forwarded to the Chair of the Caucus Task Force now rather than following the Regional Council meeting on September 19th, 2002:

1. RECOMMENDATIONS

It is recommended that:

1. Council endorse the general direction of the Prime Minister's Caucus Task Force on Urban Issues Interim Report.
 2. Council direct staff to discuss potential partnership activities with the Federal and other levels of government in any future pilot programs.
 3. Council forward the following recommendations to the Federal Task Force:
 - a) Continue to recognize the important and growing role of Canada's urban regions as essential elements for the country's future prosperity.
 - b) Work in partnership with municipalities and other levels of government to ensure Canada's urban regions remain globally competitive.
 - c) Recognize the current costs of protecting and enhancing the quality of life in Canada's urban areas will be significantly less than the future costs of reversing a cycle of social and economic decline.
 - d) Recognize that Canada's urban areas require additional financial resources beyond the property tax base to address significant servicing and infrastructure costs.
 - e) Add Green Infrastructure and Healthy Communities as important quality of life elements that require significant investment.
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- f) In consultation with municipal and provincial authorities ensure service delivery responsibilities are;
 - i) Placed under the level of government most capable of generating the required supporting revenue within the limits of its geographic and economic boundaries, or
 - ii) Placed under the most appropriate level with the required financial resources provided.
 - g) Begin the process to redefine the tax structure to give municipalities a greater degree of fiscal and financial independence. Include a time frame for completion.
 - h) Receive for information copies of York Region's growth management strategies including the Transportation Master Plan, Housing Supply Strategy, Greening Strategy, Highway 7 Transitway Terms of Reference, Yonge Street Transitway Terms of Reference, Human Services Strategy, and Rapid Transit Public Private Partnership.
 - i) Actively consult with municipalities regarding potential pilot programs
 - j) Acknowledge the need to make immediate investments into Canada's urban areas to maintain our economic and social global competitiveness.
 - k) Acknowledge that these investments are interlinked with a healthy economy and a growing GDP.
 - l) Begin the process to redefine the Federal Government's financial role in urban areas with a timeframe for implementation.
4. This report and documentation regarding York Region's recent growth management and human services strategies be forwarded to Federal MP Judy Sgro, Chair of the Task Force.
5. This report be circulated to local municipalities and local area MPPs and MPs.

2. PURPOSE

This report summarizes the contents contained within the recently released interim report of the Prime Minister's Caucus Task Force on Urban Issues entitled "Canada's Urban Strategy; A Vision for the 21st Century". This report also highlights key areas of interest to the Region and suggests that reliable, long-term investment strategies be developed by senior levels of government for such areas as transit, affordable housing and human service initiatives.

Many of the Task Force's recommendations complement York Region's current growth management work and other strategic initiatives such as compact community development, transit, and affordable housing. York Region is ideally placed to provide input and support to the Task Force and is willing to undertake partnership roles in any future pilot programs. A copy of the Task Force report is attached (*Attachment 1*).

3. BACKGROUND

The April 2002 interim Task Force report is the result of active consultations with over 700 municipal leaders, academics, citizens and urban affairs experts from across Canada. Announced by the Prime Minister on May 9th, 2001, the Caucus Task Force on Urban Issues is chaired by Toronto area MP Judy Sgro (MP York West), and includes local MP Bryon Wilfert (MP Oak Ridges). The Task Force was directed to consider certain issues of importance to Canada's urban municipalities such as:

- Key opportunities for increasing economic competitiveness in Canada's urban areas.
- Environmental issues such as air quality, water quality, and land use.
- Approaches to strengthening cultural assets.
- Urban transit.
- Effective approaches to settlement and integration services for newcomers to Canada, bearing in mind existing agreements with provinces.
- The specific needs and circumstances of at risk populations such as urban Aboriginal people, recent immigrants, persons with disabilities and the homeless.
- Crime-related issues facing large urban centres including substance abuse and sustainable prevention responses.

Members of the Task Force visited eight urban regions – Halifax, Montreal, The National Capital Region, Toronto, Winnipeg, Calgary, Edmonton, and Vancouver. Consultation with participants revealed a picture of urban Canada struggling with significant growth and an ageing infrastructure. The Task Force also found that growing demands for services and programs are becoming increasingly difficult for municipal governments to manage on their limited property tax base. The report recognizes urban municipalities are now home to almost 80% of the nation's citizens, are the primary destinations for the majority of Canada's immigrants, and serve as Canada's main source of economic prosperity.

The Task Force's report contains 52 recommendations regarding the development of Canada's Urban Strategy. These recommendations form the basis of a strategic framework for a collective and consultative approach between the Federal Government and Canada's urban municipalities. Traditionally the Federal Government has limited its involvement in municipal activities to providing one-time infrastructure capital and servicing grants. Although a need still exists for this type of participation, expanding municipal needs and responsibilities now require long-term reliable sources of revenue.

3.1.1 On-going Consultative Process

The rapid growth of Canada's urban areas requires all Federal policies and programs directed at these regions be viewed through an "urban lens". The Task Force recommends the creation of an advisory body to include representatives from key national organizations, the academic community, and the business sector to provide on-going consultation and advice on urban policy to the Government of Canada.

3.1.2 Four Pillars of Canada's Urban Strategy

The Task Force's report states that Canada's Urban Strategy should be based upon the following four pillars:

1. Commitment to a New Approach for Urban Regions

A new approach that includes stable funding for urban infrastructure programs and funding for projects that clearly exceed the fiscal capabilities of municipal governments. Priority initiatives should include:

- A National Affordable Housing Program.
- A National Infrastructure Program.
- A National Transportation Program.

2. Co-ordination and Cohesiveness

The Task Force recommends the Federal Government work towards ensuring current and future Federal programs and expenditures are co-ordinated and focused to achieve maximum benefit for urban regions, and maximum value for Canadian taxpayers.

3. Collaboration and Consultation

The establishment of a mechanism to ensure urban regions are consulted on amendments to existing and proposed new legislation is recommended.

4. Capacity building and Communication

The Task Force's report states that the Federal Government needs to increase its capacity to better understand urban issues, trends and conditions. Establishing effective flows of information between Canada's urban regions and Federal Government is crucial in this endeavour.

4. ANALYSIS AND OPTIONS

The Task Force's report is a high-level strategic discussion paper highlighting potential policies and actions the Federal Government could take to support Canada's urban municipalities. The Task Force report is an important initial step towards raising national awareness of the challenges and issues facing Canadian municipalities and the development of a Federal Government role in addressing those challenges.

The Task Force's report contains 52 recommendations ranging from the establishment of National Transportation, Housing and Infrastructure initiatives to investing in e-government programs. Regional staff have conducted a full review of the Task Force's report and

recognize that all 52 recommendations are important in establishing an urban strategy that addresses the growing needs of Canada's urban regions. Following the review of the Task Force's report, regional staff identified 6 key policy areas that are crucial towards York Region's ability to continue providing effective public transit, affordable housing, environmental protection, safe drinking water, solid waste disposal, and human services. The 6 policy areas are as follows:

- 1) **Invest in Canada's Future by Investing in our Urban Regions.**
- 2) **Promoting a High Quality of Life in our Urban Regions.**
- 3) **Municipalities Face Significant Growth Related Costs.**
- 4) **Immediate and Reliable Long-term Investment Strategies.**
- 5) **York Region as a Partner in any Future Pilot Projects.**
- 6) **Take Action Immediately.**

Detailed discussion and specific recommendations on each of these areas is provided below.

4.1 Invest in Canada's Future by Investing in our Urban Regions

Ensuring Canadians continue to enjoy a high quality of life means ensuring our country's urban areas remain socially and economically strong. In the 21st century, cities along with countries, states or provinces, compete on a global scale for business, and capital investments. Urban regions and cities have now become the most important economic engines for both the national and global economy. Canada's future prosperity has become inextricably linked to the abilities of Canada's urban municipalities to globally compete with other urban regions. Quality of life investments from both the public and private sector are required to ensure Canada's cities and urban regions remain economically and socially competitive. In short Canada's future prosperity relies upon investments in its urban areas.

4.1.1 Recommendations

York Region recommends the Federal Government;

1. **Continue to recognize the important and growing role of Canada's urban regions as essential elements for the country's future prosperity.**
2. **Work in partnership with municipalities and other levels of government to ensure Canada's urban regions remain globally competitive.**

4.2 Promoting a High Quality of Life in our Urban Regions

Promoting a high quality of life is crucial for an urban area's ability to attract business, and capital investment. Some factors that contribute to the perception of a high quality of life include, clean streets, better parks and urban forests, affordable housing, good infrastructure, and transit, all linked with strong social support systems, and safe, well planned communities. Immediate and sustained investments are needed to enhance the quality of life in our urban areas and prevent a long-term cycle of economic and social decline. As

examples in the United States have effectively illustrated, reversing long-term urban decline requires enormous investments of financial, social and political resources.

4.2.1 Recommendation

York Region recommends the Federal Government;

1. **Recognize the current costs of protecting and enhancing the quality of life in Canada's urban areas will be significantly less than the future costs of reversing a cycle of social and economic decline.**

4.3 Municipalities Face Significant Growth Related Costs

Rapid population growth and service downloading from senior levels of government have contributed to increased responsibilities and municipal budgets. York Region has continued to provide excellent cost-effective services to its residents without resorting to increasing debt loads or service cutbacks, however increasing population growth and service demands will place increasing stress upon the Region's financial resources. Without significant investment from the private and public sector, York Region and other Canadian municipalities face overwhelming challenges in maintaining the high quality of life that has historically given Canadian municipalities an economic and social edge over our American counterparts.

Anticipated costs of some of the Region's investment areas needed to accommodate future growth are listed below:

- 1) Transit: in York Region the cost of building and maintaining an effective transit system has been estimated from **\$2.4 to \$4.2 billion** over the next 30 years.
- 2) Regional road maintenance, construction and operation: **\$2.3 billion** over 30 years.
- 3) Housing: the cost to adequately house those currently on the York Region's waiting list and build an additional 100 new affordable units per year has been estimated at approximately **\$1 billion** over 25 years.
- 4) Community Health and Human Services: Total estimated figure for both municipal and non-municipal services in York Region is estimated to range between **\$77 and \$121 billion** over the next 25 years.
- 5) Water and Wastewater Services: The costs of maintaining clean drinking water and the treatment wastewater is estimated to be **\$2.0 billion** over 30 years.

The Task Force Report does mention the need to provide support for the above listed areas. Other areas considered important to the Region's overall health that are not fully covered in the interim report include:

- 1) Green Infrastructure: Establishing linkages between existing greenspaces, securing additional greenspaces, enhancing and protecting the natural environment and greening strategies.
- 2) Healthy Communities: A co-ordinated approach is required to alleviate pressure on existing social and health resources. Providing support for programs such as Day Care,

Home Care and other services, will ensure our communities continue to meet the health, social, economic and community needs of residents throughout all phases of their lives.

The areas listed above present opportunities for the Federal Government to provide direct investment. Other areas for potential investment include the Federal government's 1/3 share into GO Transit's 10-year \$1.0 billion capital investment plan. Opportunities for Federal government investment also exist through the Ontario government's Golden Horseshoe Transit Investment Partnerships (GTIP).

4.3.1 Recommendations

York Region recommends the Federal Government;

- 1. Recognize that Canada's urban areas require additional financial resources beyond the property tax base to address significant servicing and infrastructure costs.**
- 2. Add Green Infrastructure and Healthy Communities as important quality of life elements that require significant investment.**

4.4 Immediate and Reliable Long-term Investment Strategies

Reliable long-term investment is key to the maintenance and enhancement of Canada's urban areas. Currently, municipalities in Canada are heavily reliant upon the property tax to support key investment areas. This reliance cannot continue as property tax provides an insufficient base to support municipal service responsibilities for the current and future needs of residents and businesses.

Federal urban investment funds are currently available through Green Infrastructure Funds, the Urban Transportation Showcase Program, HRDC programs, and the recently announced Federal Housing Program. However, most of these funding programs are project specific and generally have a limited lifespan. Effectively addressing the significant growth related challenges requires that direct and reliable funding sources are available for long-term planning and infrastructure initiatives.

Additional Federal and provincial actions are required that will give Canadian municipalities a greater degree of fiscal and financial independence. In the spring of 2002, the TD Bank reinforced this theme, advocating a tax-point transfer from both senior levels of government to the municipal level. Legislative changes are also required to give municipalities greater flexibility in pursuing their own alternative investment strategies such as Tax Increment Financing (TIF) and Public Private Partnerships (PPP).

Additionally, services and funding responsibilities need to be placed at the appropriate government level to ensure that broader social programs are not funded from property taxes. All levels of government need to ensure service delivery responsibilities are placed under the jurisdiction most capable of generating the supporting revenue required within the limits of its geographical and economic boundaries.

4.4.1 Recommendation

York Region recommends the Federal Government;

1. In consultation with municipal and provincial authorities ensure service delivery responsibilities are;
 - a) Placed under the level of government most capable of generating the required supporting revenue within the limits of its geographic and economic boundaries, or
 - b) Placed under the most appropriate level with the required financial resources provided.
2. Begin the process to redefine the tax structure to give municipalities a greater degree of fiscal and financial independence. Include a time frame for completion.

4.5 York Region as a Partner in any Future Pilot Projects

The Task Force's report complements current York Region growth management initiatives such as compact community building, affordable housing, and transit. York Region has been a leader in the Greater Toronto Area implementing growth management initiatives through innovative strategies such as:

- Transportation Master Plan
- Housing Supply Strategy
- Greening Strategy
- Highway 7 Transitway Plan
- Yonge Street Transitway
- Rapid Transit Public Private Partnership
- Human Services Strategy

Documentation on the above listed strategies will be provided to the Task Force for information.

With this experience and willingness to innovate, York Region can assist the Federal and provincial governments to develop new urban investment initiatives and act as a willing partner in potential pilot programs. Successful partnership initiatives between York Region and the Federal Government have included establishing transit signal prioritization and developing intelligent transportation systems.

4.5.1 Recommendations

York Region recommends the Federal Government;

1. Receive for information copies of York Region's growth management strategies including the Transportation Master Plan, Housing Supply Strategy, Greening Strategy, Highway 7 Transitway Terms of Reference, Yonge Street Transitway Terms of Reference, Human Services Strategy, and Rapid Transit Public Private Partnership.

2. Actively consult with municipalities regarding potential pilot programs.

4.6 Take Action Immediately

Immediate involvement and investment by the Federal Government in Canada's urban regions will prevent a decline in Canada's long-term economic health and quality of life. Europe and the United States have recognized the importance of the urban environment to their long-term prosperity and global competitiveness, and have established long-term public and private investment commitments for transit, affordable housing, infrastructure, health and human services, and green initiatives. To maintain our country's competitiveness, Canada must make immediate long-term urban investment commitments of its own.

The quality of life in Canada's urban regions is intimately linked to the long-term health of the provincial and Canadian economies. Investing in urban growth management and smart growth initiatives will generate positive effects on the overall national Gross Domestic Product (GDP) as business and capital investments are made to take advantage of a clean environment, safe communities, good transportation systems and strong social support systems.

4.6.1 Recommendations

York Region recommends the Federal Government;

1. Acknowledge the need to make immediate investments into Canada's urban areas to maintain our economic and social global competitiveness.
2. Acknowledge that these investments are interlinked with a healthy economy and a growing GDP.
3. Begin the process to redefine the Federal Government's financial role in urban areas with a timeframe for implementation.

5. FINANCIAL IMPLICATIONS

It is anticipated that implementation of the Task Force's recommendations by the Federal Government could result in a beneficial investment environment for regional growth management initiatives such as affordable housing, transit, and greening strategies.

6. LOCAL MUNICIPAL IMPACT

It is anticipated that implementation of the Task Force's recommendations would produce beneficial results in the local municipalities. Consideration of local issues, conditions and concerns is key towards ensuring proposed investment programs achieve their maximum potential. Regional staff shall actively consult with the area municipalities on any potential pilot programs that may be initiated from the Task Force's work.

7. **CONCLUSION**

The Federal Government has taken an important and welcome step towards ensuring Canada's urban municipalities continue in their role as the country's economic engines and the source of Canada's cultural, economic, and social prosperity. The proposed urban strategy is based on four pillars, and recommends the Federal Government implement national infrastructure, national affordable housing, and national transportation programs with long-term, sustainable funding provided.

It is recommended that the Region endorse the general direction of the Task Force report. It is further recommended that Council indicate York Region's willingness to participate in potential pilot programs in a partnership role as many of the proposed recommendations within the Task Force's report complement on-going Regional initiatives. Regional staff have identified 6 policy areas and 12 recommendations to be forwarded to the Task Force, along with supporting documentation regarding York Region's recent growth management initiatives and strategies. It is also recommended that this report be circulated to local municipalities, local MPPs and MPs.

Investing in Canada's urban regions is needed to prevent economic and social decline, and to maintain and enhance Canada's long-term global economic and social competitiveness. Sustainable long-term investment in transit, housing, human and health services and green infrastructure is required. In addition to the establishment of direct and reliable Federal and provincial investment, Canadian municipalities require greater levels of financial independence to pursue alternative investment sources.

The Task Force's report is a welcome advancement in the emerging Federal – municipal relationship. The Federal Government will be key towards creating an environment of sustainable long-term investment. The time is right for Canada's urban renewal and York Region looks forward to working with the Government of Canada and other partners in this initiative.

This report has been reviewed by the Senior Management Group.

(A copy of the attachments referred to in the foregoing is included with this report and is also on file in the Office of the Regional Clerk.)