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City-Building, Intensification and COVID-19

Urban Project Roundtables
SUMMARY REPORT | August 2021

Presented by FCM

About the Urban Project

The Urban Project is a national platform convened by the Federation of Canadian Municipalities (FCM) for city leadership to meet and strengthen relationships with government, civil society, and the private sector to address pressing urban challenges and identify common solutions.

Launched in 2018, the Urban Project examines urban issues through the lens of cross-cutting themes of city finance, governance, intergovernmental relations, and municipal autonomy. The events bring decision makers together to actively co-create solutions to urgent urban problems at a pan-Canadian level.

Methodology

This summary report details findings from a series of research and engagements on city-building, intensification and COVID-19, including a detailed framing report and series of expert and Mayors' roundtables exploring the impacts on equity and inclusion, climate change and the future of work.

Acknowledgments

FCM is grateful for the support and contributions of its partners and the many sector experts who contributed directly to the research and helped facilitate the roundtable discussions, particularly Shauna Brail, Zahra Ebrahim, Sunil Johal, Cara LaRoche, John Lorinc, Ren Thomas, the Delphi Group and the Institute on Municipal Finance and Governance at the University of Toronto.

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This event was made possible by our generous partners:

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1 INTRODUCTION

The global COVID-19 pandemic has touched the lives of every Canadian, from the inhabitants of the densest of big cities to those living in the most remote northern communities. Over the past year, we've seen how a highly infectious and often deadly novel coronavirus can up-end so many facets of daily life, reveal (or at least re-emphasize) long-standing social disparities, and scramble well-established practices of governments, businesses and civil society organizations.

The vaccines now being distributed across Canada and around the world will eventually bring a return to normalcy, but it will be a different sort of normal, one informed by stark new insights about health and social inequity; altered work and travel practices; heightened reliance on digital communications technology; and a shift in public perceptions about the role of governments in periods of crisis.

Because 80% of Canadians live in municipalities, and 60% live in a handful of large cities, the post-pandemic future, for many people, will also play out against an urban backdrop. Contrary to the predictions of some pundits, cities will not die or empty out, but they may end up functioning differently as a result of the crisis, with shifts in the ways in which Canadians work, shop, travel, age and recreate.

The pandemic has also challenged policy-makers, and city-dwellers more generally, to find better, more equitable and ultimately safer ways of organizing urban life. The crisis has exposed unaddressed systemic risks for elders living in seniors' homes; the public health consequences of the housing crisis for front-line workers living in crowded or unsuitable housing; and, our most vulnerable residents who are homeless, or are at risk of experiencing homelessness.

The pandemic further revealed the inadequacy of mental health supports, uneven access to digital networks, and the degree to which our built form is predicated on work-oriented transportation infrastructure that turned out to be quite vulnerable to disruption.

At the same time, for all its tragedy and economic hardship, the pandemic shone a welcome light on some positives, among them technological innovations deployed by entrepreneurs responding to pandemic constraints; social resilience and organic networks of mutual support within neighbourhoods; and novel ways of thinking about public space that point towards a lower-carbon future.



Discussion framing report excerpts: City-building, Intensification and COVID-19

To provide a common understanding of the challenges facing cities and establish a starting point for the roundtable discussions, the Urban Project worked with cities, stakeholders and the research community in November 2020 to prepare a detailed framing report focused on three distinct themes: equity and inclusion, climate change and urban resiliency, and the future of work.

“While there are some early, positive signs suggesting that Canadian cities are managing during extraordinarily uncertain times, it has also been well-established that coronavirus exacerbates pre-existing urban challenges and creates some anew. Both globally and in Canada, the public health crisis has amplified an ongoing equity crisis, a climate crisis and an urban crisis.”

On equity and inclusion

Building affordable housing and public transit infrastructure in Canada has always been a complex undertaking. Multiple levels of government must coordinate with the non-profit and private sectors to maximize funding and development opportunities while ensuring affordability and equity in accessing new housing supply.

While preventing displacement remains a serious concern as cities attempt to build dense, mixed-use transit corridors, two urgent housing issues were pivotal during initial pandemic emergency lockdown orders: increased homelessness and the urgent need to protect renters from eviction. To provide permanent housing options, cities looked to repurpose then-empty hotels and deployed modular housing with the support of new federal funding delivered through the National Housing Strategy. Announced in October 2020 as a pandemic-response measure, the Rapid Housing Initiative devoted \$1B in funding to build at least 4,700 new affordable units across the country, with a focus on major centres with high rates of severe core housing need. The federal government also pledged emergency funding for shelters and sexual assault centres, including a significant top-up to the federal Reaching Home program to assist shelters in buying beds and maintain social distancing.

The federal government’s 2021 budget, released after the Urban Project roundtable discussions, proposed an additional \$1.5 billion for the Rapid Housing Initiative in 2021-2022, with at least 25 per cent allocated to women-focused housing projects constructed within 12 months of receiving funding. Another \$567 million was proposed over two years (starting in 2022-23) for the Reaching Home program.

For public transit authorities, the constant struggle to operate through farebox revenue came to a crisis point in 2020, when transit ridership plunged at the outset of the pandemic. During this time, investments in cycling and transit infrastructure took off as cities sought to allow social distancing on sidewalks and bike routes.

On climate change and urban resiliency

While municipal strategies vary from region to region, as well as from province to province, municipal climate plans across Canada are working towards net zero and adaptation focused on five key areas: green buildings, low carbon transportation, green infrastructure, waste management and low carbon energy.



Green infrastructure in particular is increasingly recognized as a priority for investment as natural assets provide sustainable solutions to mitigating flooding and other impacts from severe weather.¹ A silver lining of the pandemic is the opportunity to respond to emerging challenges and disruptions with solutions that accelerate GHG reduction strategies and local climate action.

Emerging Challenges	Emerging Opportunities
Reduced transit service and capacity to promote social distancing and safety of bus operators	Increased investment in alternative, low carbon modes of transportation (e.g., bike lanes, pedestrian infrastructure).
More demand for deliveries and less in-person business	Investment by surviving businesses on automated solutions, localized production, electric scooters and vehicles for delivery, and digital platforms that drive GHG reductions.
Fewer people commuting to city centres with more people working remotely from home	Development and intelligent design of mixed-use zoning for buildings / retrofitting of buildings to reduce physical proximity in tandem with green building retrofits.
Need for more access to open green and outdoor spaces to allow for responsible social distancing and mental health breaks	Channel COVID-19 related economic recovery spending into the expansion of green infrastructure that provides more green spaces while also supporting biodiversity, carbon sequestration, and stormwater management. ²

On the future of work

Pre-pandemic, the shift to more remote work was already a growing workforce trend. According to Statistics Canada, nearly 40% of Canadian jobs can plausibly be done from home³, while a report released before the pandemic by global staffing firm Robert Half found 43% of Canadian firms already offered the option to work remotely.⁴

The sudden spike in the number of people working from home is impacting how cities operate. The most immediate challenge cities are facing is related to primary revenues generated from real estate, parking, and transit⁵ ⁶, but cities are also preparing for the possibility of a partial exodus of city dwellers who no longer need to live close to work and seek a more affordable cost of living elsewhere. While the degree or longevity of this shift may not be as dramatic or quick as once thought, smaller communities still face the possibility of a population increase and demand on local services and infrastructure, namely reliable ICT networks and bandwidth that will present local officials with challenges to meet demand.

¹ See: https://greeninfrastructureontario.org/app/uploads/2020/07/Economic-Impact-Assessment-of-GI-Sector-in-Ontario_UPDATED_july20-20.pdf

² See: <https://www.resilience.org/stories/2020-08-20/how-the-twin-disasters-of-climate-change-and-covid-19-could-transform-our-cities/>

³ See: <https://www150.statcan.gc.ca/n1/pub/45-28-0001/2020001/article/00026-eng.htm#n1-refa>

⁴ See: <https://www.benefitscanada.com/news/43-of-canadians-offered-remote-working-options-survey-141881>

⁵ See: <https://thoughtleadership.rbc.com/canadian-city-finances-ailing-from-covid-19/>

⁶ See: <https://www.brookings.edu/blog/the-avenue/2020/03/31/when-will-your-city-feel-the-fiscal-impact-of-covid-19/>



2 OVERVIEW

The Urban Project, a national platform convened by the Federation of Canadian Municipalities, held a series of virtual meetings in November and December 2020 on the theme “City-Building, Intensification and COVID-19: Long-term implications for inclusive and resilient cities”.

The meetings began in November 2020 with a series of three expert roundtables focusing on critical themes: addressing social inequality in cities; setting post pandemic cities on a net-zero path; and planning for a future of increasingly flexible work arrangements.

The participants considered a wide range of policy implications – including intensification, affordable housing, regional governance, the future of transit, climate mitigation at the urban level, municipal revenue sources, and intergovernmental arrangements – in the context of the post-pandemic city.

In December 2020, the mayors of several of Canada’s largest cities convened virtually in a conversation that included representatives of the federal government, scholars, civil society organization officials, Canadian and international planners, and more. The discussion sought to build on the foundation established during the expert roundtable sessions, with the goal of further distilling the principles that should guide post-pandemic city-building.

Moderated by [University of Toronto economic geographer and urban planner Shauna Brail](#), the Mayors’ roundtable discussion was focused around three fundamental questions:

1. What does post-pandemic decentralization mean for urban regions?
2. How do cities meaningfully improve social inclusion?
3. How should cities adapt in anticipation of future crises and shocks?

The session featured a wide-ranging conversation about urban development trends and ideas, such as the gradual emergence of region-to-region transit networks in decentralized city-regions; concepts like “15-minute cities”; and the utility of so-called “public life studies” conducted to determine the relationship between pedestrian activity and traffic. Echoing discussions in cities outside Canada, several participants pointed to the elevated importance of shared streets, the availability of more timely data to guide planning decisions and the utility of “rapid prototyping” as a means of testing new policy or planning ideas.



3 KEY THEMES

Among those who participated in the expert roundtables and in the mayors' session, there was a strikingly high degree of consensus about the issues. The core question facing Canada's cities, as well as the other orders of government, was what comes next? What are the policy tools, processes and resources required to address calls to build more inclusive, equitable, resilient and sustainable cities?

Over the course of the roundtables, experts returned to a number of key themes, and many offered the view that the scale of the challenges should mirror the scale of the solutions. Since the pandemic began, many big cities around the world have moved ahead with transformative changes to planning, public space, transportation and other social and technology services -- all reforms that respond directly to the impact of a major crisis on metropolitan regions and the need to bolster urban resilience in anticipation of future pandemics, climate change-related disasters and other as-yet unforeseen crises.

From pre-event engagements to expert roundtables, and finally the Mayors' roundtable, discussions coalesced around a few key themes:

1. The shift from urban centres is not as dramatic as initially predicted, but still significant
2. Resilient public transit and widely available affordable housing remain the key conditions for equitable and sustainable intensification
3. Expand the definition of "good density" to include missing middle housing, and improve access to parks and public spaces
4. Lessons from COVID should be made permanent
5. Re-imagine intergovernmental frameworks to empower our cities and metro regions

The shift from urban centres is not as dramatic as initially predicted, but still significant

While many Canadians sought refuge outside urban centres early in the pandemic, the outward flow was not as significant as some initial reports predicted; however, expectations for the in-person workforce have indeed changed, and civic leaders will increasingly need to coordinate planning to ensure equitable and sufficient access to transit, affordable housing and local amenities across Canada's metro regions and not just in the downtown core.

According to [Statistics Canada's population estimates for subprovincial areas](#), the overall growth of urban regions slowed between July 2019 and July 2020 (dropping from +1.7% to +1.3%), but still outpaced the growth of other regions of the country (+0.6%). The vast majority of growth in CMAs was attributed to international migration, while many who left cities relocated to surrounding communities, particularly around Toronto and Montreal.⁷

An assessment by the Canada Mortgage and Housing Corporation (CMHC), released in March 2021, supported suggestions from many participants at the Urban Project roundtables that demand for homes

⁷ Statistics Canada. (2021, January 14). The Daily: Population growth in Canada's large urban regions slows, but still outpaces that of other regions. <https://www150.statcan.gc.ca/n1/daily-quotidien/210114/dq210114a-eng.htm?HPA=1>



in cities would remain strong. The quarterly CMHC Housing Market Assessment indicated an increase in the number of Census Metropolitan Areas (CMAs) exhibiting moderate and high vulnerability since the December 2020 report, defined by observations of overheating, price acceleration and overvaluation as a result of strong housing market activity. This latest report moved the Ottawa, Toronto and Halifax housing markets from moderate to high degrees of vulnerability, joining Hamilton and Moncton.⁸

A working paper from the National Bureau of Economic Research suggests a “Donut Effect” in US cities, representing a shift in real estate demand from central business districts to lower density suburban regions within the same metro region. The paper also notes there is limited evidence to suggest large-scale movement from larger cities to smaller communities, due to hybrid work environments that may still require regular commutes to the physical office.⁹ That said, both Canada’s major metro regions and smaller urban centres have seen significant and rapid price escalation in housing markets in recent months.

Downtown centres in six major Canadian cities

The City of Montreal, along with five other major city centres, commissioned a [study by PricewaterhouseCoopers to assess the impact of the pandemic on downtowns](#), and recommend actions to address challenges in the short-, medium- and long-term. Among other measures, these actions focused on efforts to reinvent downtowns; build on resilience; accelerate the implementation of the smart city; strengthen the role of higher education institutions; offer more budget autonomy; provide support for sustainable sectors; and, encourage visitors to return downtown via public transit and active transportation.¹⁰

The City of Montreal and the government of Quebec, along with key business and local stakeholders, subsequently [announced a plan to invest \\$25 million](#) into its downtown, including to promote restaurants, merchants and festivals.

FedDev Ontario recently partnered with the City of Toronto to invest \$19 million in the recovery and revitalization of Toronto’s neighbourhoods.¹¹

⁸ Canada Mortgage and Housing Corporation. (2021, March 25). CMHC Releases Q1 2021 Housing Market Assessment. News release. <https://www.cmhc-schl.gc.ca/en/media-newsroom/news-releases/2021/cmhc-releases-q1-2021-housing-market-assessment>

⁹ National Bureau of Economic Research. (2021, May). The Donut Effect of COVID-19 on Cities. Working paper. https://www.nber.org/system/files/working_papers/w28876/w28876.pdf

¹⁰ Ville de Montreal. (2021, March). The impact of the pandemic on the downtown areas of Canada’s six major cities. Report. <https://downtown.org/wp-content/uploads/2021/04/PWC-Urban-report-Montreal-downtown.pdf>

¹¹ Government of Canada. (2021, July 13). Government of Canada partners with City of Toronto to revitalize and rebuild main streets and neighbourhoods in Toronto. News release. <https://www.canada.ca/en/economic-development-southern-ontario/news/2021/07/government-of-canada-partners-with-city-of-toronto-to-revitalize-and-rebuild-main-streets-and-neighbourhoods-in-toronto.html>



While housing demand remains strong outside the largest cities, recent surveys indicate a shift in attitudes among office workers about a return to the office as public health restrictions are loosened.

A February 2021 [survey of downtown workers conducted by the Toronto Region Board of Trade](#) indicated that nearly two-thirds of respondents said they feel safe going to their workplace. This is a significant shift from the 15 per cent of respondents who indicated comfort with a return to the office in September 2020.

A June 2021 [survey by Angus Reid with International Workplace Group](#) found roughly two-thirds of respondents want to work in a hybrid model, but when it comes to commuting to a physical office, prefer to live within a 30-minute commute. In another June 2021 study, [Leger and the Association for Canadian Studies](#) found that 40 per cent of Canadians would prefer a mix of a few days each week at home and a few days at their workplace, 20 per cent want to return to the office or worksite full-time, and 19 per cent prefer to work from home full-time, with the remainder going in when necessary.

While it remains unclear whether fluctuating demand for high-density downtown office space is a blip or a lasting trend, cities are taking action to support their downtowns and central business districts.

Cities and metro regions may have to re-think policies and services in response to enduring trends in travel, retail and land use. Urban Project participants suggested that cities seeing a permanent loss of office tenants may consider more flexible zoning/land-use rules for commercial districts to provide more flexibility for landlords to lease to non-traditional types of tenants, like daycare centres or other community organizations. The permanent conversion of vacant commercial buildings to residential use may also be an option for re-purposing vacant space and addressing the need for affordable housing supply.

Office building conversions

To address an elevated vacancy rate in its downtown, the City of Calgary approved a downtown redevelopment plan that includes \$45 million in financial incentives for office conversion, office replacement and new residential development.¹²

The federal government's 2021 budget commits \$300 million in 2021-2022 and 2022-2023 from the Rental Construction Financing Initiative to convert unused commercial space into approximately 800 units of affordable market rental housing.¹³

¹² City of Calgary. (2021, April 26). Council approves investment required to address Calgary downtown vibrancy. Release. <https://newsroom.calgary.ca/council-approves-investment-required-to-address-calgary-downtown-vibrancy/>

¹³ Government of Canada. (2021, April 20). Budget 2021 Housing. Backgrounder. <https://www.canada.ca/en/department-finance/news/2021/04/budget-2021-housing.html>



Resilient public transit and widely available affordable housing remain the key conditions for equitable and sustainable intensification

Long before the pandemic, municipal governments and planners sought to better integrate land use and transportation planning through intensification strategies as well as policies meant to mitigate sprawl. Participants agreed that these efforts must continue as we confront the impacts of the pandemic, and that mixed use, higher-density and pedestrian-friendly communities remain the best approach to fostering lower-carbon cities.

Sustainable mobility

Central to any intensification strategy is a robust and financially resilient system to support sustainable mobility, with public transit at its core.

Roundtable participants noted that the pandemic has not only inflicted huge ridership/revenue losses on transit agencies, but may reshape urban mobility and home-buying patterns due to increased work-for-home arrangements and near-term fluctuations in downtown commercial office footprints.

Participants posed key questions: Will pandemic-related transit ridership decline lead to increased car use and emissions? How do municipalities put transit agencies on a financially sustainable path? And what permanent measures can municipalities put in place to facilitate a full range of sustainability mobility options, like cycling network, bike-sharing and EV infrastructure, and improved pedestrian realms?

Most participants felt strongly that investments in higher-order transit must continue, even if ridership levels have dropped for the time being, and that governments should continue with transit expansion, catch up with infrastructure backlog, invest in low-carbon bus fleets, and proceed with operational improvements like fare integration across regions. In spring 2021, the federal government announced Canada's first-ever permanent transit fund to support transit expansions, while also investing significantly in low-to-zero-emission transit and active transportation.

With Canadian transit systems unusually dependent on farebox revenue compared to international peers, and with transit ridership unlikely to recover to pre-pandemic levels for several years, the transit operating funding model for public transit is highly vulnerable and due for a review. Participants suggested that a sustainable funding model may need to encompass a broader range of factors that is less dependent on ridership, recognizing public transit's contributions to equity, inclusion, climate, and affordability objectives.

Other participants pointed out that cities will need to respond to decentralization trends by ensuring a more complete suite of travel options, including enhanced active transportation infrastructure and local transit service, in the spaces between traditional hubs and business districts. The shift to remote work and an outflow of residents to suburban and exurban communities also presents opportunities for municipalities or regions to consider trials of micro-transit to improve connectivity in areas without a higher order transit backbone.



Affordable housing and homelessness

Participants agreed that improving access to affordable housing should be a rallying cry for all orders of government, and that intensification is only sustainable with a focus on affordability across the housing continuum. Progress in tackling the housing crisis has interconnected benefits: greater affordability and reduced core housing need for low- and moderate-income Canadians; the opportunity to build denser, mixed-income, transit-friendly neighbourhoods; and a means of advancing climate and carbon reduction goals through sustainable building technology, locational efficiency and pedestrian-scale urban design.

The discussion also focused on ending homelessness, and the potential to scale up on rapid measures to provide permanent, supportive housing for individuals experiencing, or at risk of experiencing, homelessness. Innovative programs like the federal Rapid Housing Initiative have been successful in supporting cities and their partners in the community housing sector to create new housing options for vulnerable residents, and can be scaled up to provide sufficient housing to end chronic homelessness. Mayors attending the roundtable suggested that ending homelessness should be front and centre in intergovernmental conversations about Canada's pandemic recovery, and that long-term and predictable support from higher orders of government for operating costs and wraparound supports will be central to the sustained success of programs to expand supportive housing.

Expand the definition of “good density” to include missing middle housing, and improve access to parks and public spaces.

Public concern over density triggered by the pandemic highlights the importance of finding alternative development forms besides “tall or sprawl”. The case for a “missing-middle” approach to intensification can offer alternatives to single-family home ownership and deliver densities that can support expanded transit options and bring new business to main street retail.

Participants cited the need to revisit the framing of what constitutes “good density” while remaining committed to transit-oriented development and land use policies that accelerate community-level emissions reductions. This reframing may entail policies aimed at promoting gentle-density/missing-middle planning strategies in lower density areas that have become more sought-after during the pandemic, while continuing high-density intensification in the core and along transit corridors.

Similarly, governments will need to collaborate more closely to ensure that inequity in the housing system isn't replicated or exacerbated with the next generation of transit-oriented development. As the FCM framing study pointed out, “Preventing displacement is a serious concern as cities attempt to build dense, mixed-use transit corridors. Many Canadian cities with high-order transit incentivize development in the transit corridors, but are in need of new tools and approaches to protect against related rent increases and prevent the loss of low- and moderate-income households.”

Lastly, land use planners, the participants noted, should develop ways of working collaboratively with parks, recreation and transportation departments to create inclusive access to main streets, parks and public spaces -- which together have become a critical source of social, physical, and mental health resilience during the pandemic. This will mean an increased emphasis on access to nature and parks in areas that are currently underserved, and expanded investments in this kind of infrastructure from all orders of government.



The 15-minute city, a concept that has featured heavily in city-planning discussions since the onset of the pandemic, builds on the notion that neighbourhoods can be planned to ensure all needs are met within a 15-minute walk, bike or transit commute. Cities around the world have taken tangible steps to readjust planning priorities and invest in critical infrastructure with this objective in mind, and organizations like C40 continue to collect and share examples and resources, including their Implementation Guide on “[How to build back better with a 15-minute city.](#)”

Lessons from COVID should be made permanent

Municipalities have had to innovate on the fly during the pandemic, and can reflect on lessons in priority-setting from their experiences of the past year. The pandemic sharpened the focus of residents and policy-makers alike, resulting, in many instances, in accelerated action in areas like transportation and mobility.

In many cases, these changes offer lessons in how to move forward expeditiously with plans, projects, zoning changes and permissions. Pilot projects to expand active transportation, parks, and improvements to the public realm for patios and pedestrian access, stand out as innovations that can improve the long-term vitality and sustainability of our cities. These lessons can be applied to recovery and post-pandemic planning and deployed in response to future challenges and crises.

[ActiveTO](#)¹⁴, [CafeTO](#)¹⁵ and [CurbTO](#)¹⁶

To help reduce the spread of the virus, the City of Toronto developed and implemented complementary measures to support essential trips with expanded active transportation networks, enable expanded outdoor dining areas for local bars and restaurants, and allow new temporary parking pick-up zones to support small businesses.

According to a March 2021 [City Council staff report](#), cycling and pedestrian share volumes rose as a result of ActiveTO, while vehicular traffic impacts were minimized. More than 9 in 10 participants in public intercept surveys supported continued street closures during and after COVID-19, and nearly three-quarters of people using weekend closures lived nearby (within 5 km).

¹⁴ City of Toronto (2021, 28 May). COVID-19: ActiveTO. Website. <https://www.toronto.ca/home/covid-19/covid-19-protect-yourself-others/covid-19-reduce-virus-spread/covid-19-activeto/>

¹⁵ City of Toronto (2021, July 8). COVID-19: CaféTO. Website. <https://www.toronto.ca/home/covid-19/covid-19-protect-yourself-others/covid-19-reduce-virus-spread/covid-19-cafeto/>

¹⁶ City of Toronto (2021, April 28). COVID-19: CurbTO. Website. <https://www.toronto.ca/home/covid-19/covid-19-protect-yourself-others/covid-19-reduce-virus-spread/covid-19-curbto/>



COVID-19 created a broad consensus around the need to apply a strong equity and public health lens to housing and homelessness, mental health, access to affordable broadband and the distribution and rollout of vaccines. This momentum and focus on equitable social outcomes must continue as we move into the recovery phase of the pandemic.

The crisis has also underscored the importance of engaging diverse communities in decision-making. The pandemic has generated compelling examples, such as the emergence of grassroots support networks working with individuals experiencing homelessness, including those living in encampments. Roundtable participants cited the importance of expanding resources to grassroots initiatives as well as creating a means of experimenting with new place-based approaches to policymaking. Advancing reconciliation and resilience within urban Indigenous communities must be a priority for all orders of government.

Rapid approval and development of affordable and supportive housing through modular design provides another example of a solutions-based approach that is being leveraged at scale. Municipalities can draw on successful modular deployments in cities like Vancouver, Edmonton and Toronto, and through provincial agencies like B.C. Housing. The new federal Rapid Housing Initiative is providing additional capital dollars to fund the expansion of modular housing alongside other forms of rapid housing.

Finally, access to reliable and affordable broadband will become an even more important consideration for equitable and inclusive city-building, given its increasing importance for access to education, social services and the disproportionate benefits available to those most able to take advantage of flexible or remote work arrangements.

Responsive and resilient urban governance

Participants expressed a strong interest in maintaining and developing more innovation-minded approaches to leadership and public services. These include a stronger emphasis on prototyping and pilot projects; a willingness to depart from long-established processes as a means of advancing policy goals; and a style of leadership that embraces, rather than rejects, risk.

Such shifts in approach may require expanded partnerships or new forms of revenue to ensure that the government with the least elastic tax base isn't taking on the greatest amount of financial risk. Local governments should also seek to document the program and policy innovations they rolled out during the pandemic, including outcomes and learnings, as a means of fortifying institutional memory, another form of resilience.

Municipalities also play an important role in the community as an employer, and have had to adjust to work-from-home restrictions while continuing to provide critical frontline services for residents. Municipalities have rapidly adopted new technologies and strategies to equip employees with essential tools, and continued modernization will ensure departments are better prepared for and more resilient to the impacts of future crises.



Better access to richer local data to guide planning

The pandemic has demonstrated the critical importance of reliable, timely and fine-grain data to better understand both short-term impacts of the pandemic as well as long-term implications for policymaking and program development. As Canadian cities build back, municipal, provincial and federal officials will require more granular data on the evolving state of urban regions, looking at metrics like net population changes, work-from-home statistics, changes in travel patterns, and urban GHG levels, as well as more granular data on the prevalence of COVID-19 in low-income, racialized and/or Indigenous communities/neighbourhoods.

Key data sources

[Statistics Canada and disaggregated data: Responding to data needs during COVID-19](#)

[Statistics Canada: Gender, diversity and inclusion statistics](#)

Re-imagine intergovernmental frameworks to empower our cities and metro regions

The pandemic served as a strong reminder for policymakers that our biggest challenges – from improving affordable housing and tackling climate change to addressing social inequalities and the mental health crisis exacerbated by the pandemic – require new and deeper forms of partnerships between all orders of government. This must be matched at the local level by close collaboration with civil society and grassroots groups, and holistic planning and innovation across city departments.

Strengthening intergovernmental relationships

One of the most encouraging responses to the pandemic was the willingness of governments and political bodies at all levels to collaborate in order to protect Canadians. Governments at all orders were able to innovate, working across functional silos by taking risks and departing from business-as-usual approaches in order to adapt to crisis conditions.

Roundtable participants felt strongly that new channels of communication between the three orders created during the pandemic should be protected, expanded and institutionalized in the post-pandemic period. Formal tables and fora for inter-governmental collaboration are a common feature of federal and provincial/territorial relations. While there have been, in the past, issue-specific instances of multi-level governance through urban development agreements in Winnipeg, Vancouver and Toronto, Canadian intergovernmental arrangements continue to lack formal mechanisms for including cities and the local government sector in decision-making.

The establishment of permanent platforms for tri-level or regional collaboration and communication represent an opportunity to proactively bolster urban resilience in anticipation of future crises from pandemics to climate-related disasters or other emergencies.



Local government finance models are due for a review

The pandemic exposed the fragility of Canada's local government financing model as the unanticipated costs of pandemic response and the loss of user fees, such as transit fares and recreation fees, combining to create large operating deficits. No other function of municipal government was as hard hit financially as public transit. Transit shortfalls are forecasted to continue into 2022 and likely beyond.

While municipal budget reductions and federal and provincial emergency operating supports combined to address immediate shortfalls, participants agreed now is the time to revisit long-established funding models to increase the fiscal resilience of our cities and metro regions. Alongside transit's over dependence on farebox revenue, the accelerated transition to a digital economy poses a stark challenge to property tax-based municipal budgets, and growing local demands to address social inequality strain a property tax-dependent system that was never intended to social services.

While the pathway to city-building is clear – expanding transit backbones, improving local transit service, rapidly scaling up affordable housing options, providing supportive housing to end homelessness, and aggressively pursuing climate action – empowering cities to fully realize their potential in the years and decades ahead will require continued federal and provincial partnerships, and a serious commitment to look at the revenue tools and finance model for Canada's cities.



4 NEXT STEPS

Over the course of the pandemic, cities have managed an unprecedented number of inter-related challenges, including operating funding shortfalls, rapidly evolving economic and business conditions, and a growing housing affordability and homelessness crisis, forcing a renewed look at the inequalities in communities and in existing municipal, provincial and federal policies and programs.

As cities plan for a recovery and re-emergence, it's clear that the lessons learned during the pandemic will provide a critical foundation for resilient and inclusive growth, but only if supported by new and bold frameworks that empower cities to respond to future crises with the necessary governance powers and funding models in place.

This pandemic has demonstrated that land use planning that integrates transit and transportation solutions with equitable access to safe and affordable housing is essential for sustainable city-building, and will continue to be for future crises, including a growing climate emergency.

The federal government's recent commitments to and investments in transit, affordable housing and the public realm, along with demonstrated successes in intergovernmental communication and collaboration during the pandemic, are critical to advance long-standing priorities for urban Canada and improve the resiliency of all communities.

A coordinated approach on transit-oriented development, land use planning that prioritizes community and cultural uses and benefits, and investments in sustainable building design and clean energy systems, such as micro-grids, district energy and EV infrastructure provide a once-in-a-generation opportunity to improve the resiliency of all communities, while working to address social inequity, support carbon reduction and create the conditions for an ambitious modal shift that supports a Vision Zero future.

