

A National Urban Policy for Canada? The Implicit Federal Agenda

Neil Bradford

IN BRIEF

Canadian cities are recognized for their quality of life, but this has been achieved without an explicit national urban policy – in part because municipalities are under provincial jurisdiction. Yet since the 2015 election, the federal government has launched several programs that play out in Canada's biggest cities. The largest, the Trudeau government's 12-year Investing in Canada infrastructure plan, has a budget of \$180 billion. Canada is, in effect, conducting national urban policy by other means. This significant, if implicit, urban agenda could be strengthened by expanding the mandate of the regional development agencies to include city-regions, and by establishing a Canadian cities innovation fund and a national urban policy observatory.

EN BREF

Les villes canadiennes sont reconnues pour leur qualité de vie, mais elles ont développé cet atout en l'absence d'une véritable politique nationale d'urbanisme, notamment parce que les municipalités relèvent de la compétence des provinces. Dès son arrivée au pouvoir en 2015, le gouvernement fédéral a toutefois lancé plusieurs programmes qui concernent les grandes villes du pays. Le plus important d'entre eux, le plan d'infrastructure Investir dans le Canada, est doté d'un budget de 180 milliards de dollars sur une période de 12 ans. On peut ainsi considérer qu'Ottawa mène une politique d'urbanisme par d'autres moyens. Ses initiatives à la fois substantielles mais implicites pourraient aussi être renforcées en intégrant les villes-régions au mandat des organismes de développement régional, en créant un fonds d'innovation pour les villes canadiennes et en mettant sur pied un observatoire national des politiques d'urbanisme.

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INTRODUCTION

Cities are back on Canada's public policy agenda.¹ Following a decade of urban indifference from the Conservative governments led by Stephen Harper, the 2015 federal election brought a new appreciation of the potential of federal-municipal partnerships in tackling a host of national economic, social and environmental challenges. Once in office, the Liberals under Justin Trudeau announced a \$180-billion "Investing in Canada" plan – a multi-faceted program that places physical, social and digital infrastructures in a framework that takes into account "the unique local needs of urban, rural, remote and indigenous communities while also addressing national priorities."² With approximately 70 percent of Canadians living in cities with more than 100,000 residents, the ambitious federal agenda will inevitably roll out most significantly in Canada's diverse city-regions.

The Trudeau government's policy activism on issues central to cities' well-being reminds us that Canada has always been something of a conundrum for urban analysts. On the one hand, by most comparative international measures, Canadian cities are recognized for their amenities and good quality of life, and many have become settlement magnets for immigrants.³ On the other hand, such success has been achieved in the absence of any coherent or sustained national urban policy. Indeed, Canadian city-watchers have consistently lamented the absence of municipal voices at intergovernmental policy tables. Not surprisingly, the 2017 UN-Habitat-OECD survey of 35 countries listed Canada as one of only five jurisdictions "where the urban policy landscape does not show any evidence of a National Urban Policy adoption."⁴ Such exceptional cases, it was observed, "call for careful analysis in future work."

This paper contributes to such analysis by casting the Canadian urban conundrum of "weak policies and good cities" in a new light.⁵ Drawing on European urban research, I elaborate on the concept of "implicit national urban policy" to argue that the Canadian way includes a diffuse array of policies and programs that are not primarily geographically targeted, but nevertheless have their most significant impacts in the cities where the

¹ I would like to thank Zack Taylor and Jen Nelles for their constructive feedback on the ideas in this paper, Leslie Seidle for editorial advice and Mohy-Dean Tabarra for research assistance.

² Infrastructure Canada, *Investing in Canada Plan: Canada's Long-term Infrastructure Plan* (Ottawa: Infrastructure Canada, 2018), <http://www.infrastructure.gc.ca/plan/about-invest-apropos-eng.html?pedisable=true>.

³ R. Joseph, "Three Canadian Cities among Most Livable in the World in Annual Global Ranking," *Global News*, August 16, 2017, <https://globalnews.ca/news/3675959/canadian-cities-most-livable-world/>.

⁴ UN-Habitat-OECD, *The State of National Urban Policy in OECD Countries: A Special Report Prepared for the United States Conference on Housing and Sustainable Urban Development (Habitat III)* (Paris: OECD Directorate for Public Governance and Territorial Development, 2017), <http://www.oecd.org/cfe/regional-policy/the-state-of-national-urban-policy-in-OECD-countries.pdf>.

⁵ Consistent with the international discussion of "national urban policy," the focus of this paper is on the federal government's policy role in cities as shaped by the ongoing, necessary interactions with provincial/territorial and municipal governments. For more extended Canadian urban policy discussions that cover both federal urban activity and the provincial/territorial-municipal policy relationship, see K. Graham, "No Joke! Local Government and Intergovernmental Relations in Canada," in *Local Government in a Global World: Australia and Canada in Comparative Perspective*, ed. E. Brunet-Jailly and J.F. Martin (Toronto: University of Toronto Press, 2010); Z. Taylor and N. Bradford, "Urban Governance in Canada," in *Canadian Cities in Transition* (6th edition), ed. P. Filion et al. (Toronto: Oxford University Press, forthcoming).

great majority of people live and work.⁶ Implicit urban policy matches the institutional and political realities of decentralized, diverse federations, and I interpret the Trudeau government's "local turn" as a concerted expression of this approach. To be effective, such implicit policy-making requires creative experimentation with multi-level governance to align national goals with local priorities and leverage collaborative opportunities.

I begin by reviewing the factors and forces that are bringing cities to the public policy forefront. Observing that the implicit form of national urban policy is weakly conceptualized and not based on a coherent strategy, the next two sections present key features of the Canadian approach and analyze the current federal infrastructure agenda and related urban-oriented interventions. I conclude with several recommendations that are intended to establish the approach more explicitly within the intergovernmental system and strengthen urban policy-making in Canada.

CITIES ON THE AGENDA

There is a growing awareness that today's major public policy challenges converge most profoundly in cities. Economic, social and environmental issues – once seen as the exclusive domain of upper-level governments – increasingly find localized expression, requiring customized interventions that blend central resources with community knowledge and networks. Urban policy research now converges around four basic propositions about cities:⁷

- *Economic engines:* Cities are the drivers of national and regional economies as well as key nodes in globalizing networks of capital, people and ideas. Knowledge-driven production is powered by innovation, and the "cognitive-creative economy" privileges cities that attract talent that can circulate ideas and commercialize discoveries. Even as technologies make it easy to share information and data instantly over vast distances, the density and diversity of big cities continue to add economic value.
- *Unequal geographies:* Today's knowledge economy carries two worrying imbalances. First, wealth and income inequality in the largest cities leads to the concentration of a growing proportion of poor people in the poorest neighbourhoods. Second, there is a widening economic-geographical gap between the handful of superstar cities and the others. Many mid-sized and smaller regional cities struggle to retain population and manage the consequences of disruptive technologies.
- *Place qualities:* It is well-known that "place" – the social qualities, urban design and natural setting of localized communities – conditions human development. Studies of "neighbourhood effects" reveal how environmental factors

⁶ L. Van Den Berg, L.E. Braun, and J. Van Der Meer, *National Responses to Urban Challenges in Europe* (Aldershot: Ashgate, 2007); A. Harding and B. Nevin, *Cities and Public Policy: A Review Paper* (London: Foresight and Government Office for Science, 2016).

⁷ For an overview of the factors and forces driving the new urban agenda, see R. Florida, *The New Urban Crisis* (New York: Basic Books, 2017).

influence individual life chances as much as personal attributes or family circumstances do. Urban social and physical infrastructures can either enable or constrain progress by clustering innovation or entrenching exclusion.

- *Policy complexity*: The clustering of economic opportunities, the spatial concentration of “mobility traps” and the salience of place qualities propel cities to the public policy forefront. Economic innovation, environmental sustainability and social inclusion are “issues of national consequence” that demand “locally appropriate solutions.”⁸ Spatially sensitive frameworks that take account of jurisdictional allocations aim for complementarity of purpose through joint effort.

Tracking these four urbanizing dynamics across countries, UN-Habitat, the OECD and the Cities Alliance have joined intellectual forces to advocate a New National Urban Policy Program.⁹ The centrepiece is a call for all countries to implement a national urban policy over the next two decades, which they term an “essential instrument” in achieving national and global goals. Such a national urban policy would enable countries to support cities with “a coherent set of decisions derived through a deliberate government-led process of coordinating and rallying various actors for a common vision and goal that will promote more transformative, productive, inclusive and resilient urban development for the long term.”¹⁰

A recent OECD cross-national survey found that almost all its member countries are presently building their urban policy capacity by creating dedicated agencies to define a shared vision, coordinate governmental resources and implement national programs in partnership with local authorities and networks. Leading examples (from both unitary and federal states) include France, Belgium, Australia and the United Kingdom. Canada is among the handful of countries without any evident national urban policy.

Of course, generations of Canadian urbanists have studied the obstacles to an integrated approach.¹¹ The Constitution puts municipal government solely within provincial jurisdiction.¹² Provincial governments carefully guard their authority in this regard and have often been wary of both federal-municipal partnerships and federal urban policies. This has directed attention away from the intersection of problems and the interdependence of policy responses in urban spaces. The constitutional and political deterrents are reinforced by Westminster-style institutional structures that favour hierarchical decision-making by federal and provincial governments. Consequently,

⁸ External Advisory Committee on Cities and Communities, *From Restless Communities to Resilient Places, final report* (Ottawa: Infrastructure Canada, 2006), https://munkschool.utoronto.ca/imfg/uploads/357/imfgperspectives_no14_naturbanpolicy_friendly_sept_13.pdf.

⁹ UN-Habitat-OECD, *State of National Urban Policy*; A. Friendly, *National Urban Policy: A Roadmap for Canadian Cities* (Toronto: IMFG Perspectives No. 14, 2016).

¹⁰ UN-Habitat-OECD, *State of National Urban Policy*.

¹¹ N.H. Lithwick, *Urban Canada: Problems and Prospects* (Ottawa: Central Mortgage and Housing Corporation, 1970); G. Eidelman and Z. Taylor, “Canadian Urban Politics: Another ‘Black Hole’?” *Journal of Urban Affairs* 32 (2010): 305-20; OECD, *Territorial Review: Canada* (Paris: Organisation for Economic Co-operation and Development, 2002).

¹² As the commentator Douglas Saunders has expressed it: “Our cities, as political and constitutional and democratic entities, do not exist” (in “Big Cities, Small Powers,” *Globe and Mail*, September 15, 2018). See also A. Smith and Z. Spicer, “The Local Autonomy of Canada’s Largest Cities,” *Urban Affairs Review* 54, no. 5 (2018): 931-61.

mayors of the country's large cities find themselves at the intergovernmental "kids' table" wearing "short pants."¹³

Yet, this is not the whole story. Urban policy in Canada is evolving, especially as awareness spreads of cities as spaces that determine national prosperity and individual well-being. Over the past 20 years, the federal and several provincial governments have implemented various "new deals" devolving legal responsibilities, enhancing municipal revenue tools and testing multi-level policy partnerships. Although partisan and intergovernmental divides stalled much of the experimentation, notable innovations took hold in green municipal infrastructure and homelessness projects in large cities.¹⁴ Even UN-Habitat qualified its criticism of Canadian urban policy efforts, noting that "sectoral and sub-national policies relevant to urban development do exist."¹⁵ For its part, the Trudeau government has been an active participant in international negotiations on the new urban agenda, observing that the principles "closely align" with federal "strategies to address housing, poverty, employment, climate change and infrastructure."¹⁶

TOWARD IMPLICIT NATIONAL URBAN POLICY

It is precisely the evolving mix of pan-Canadian sectoral policies and selected local collaborations that defines the way in which national urban policy "happens" in Canada.¹⁷ Unlike the coherent visions, legislative frameworks and integrated approaches celebrated by UN-Habitat and the OECD, urban policy-making in Canada has always been a largely disjointed and implicit national undertaking.

Instead of explicit urban development strategies, Canadian government support for cities has emerged largely as the by-product of many "aspatial" policies and sectoral programs for the economy, environment and society. As European experts on national urban policy summarize the situation, the implicit approach occurs as "higher layers of government" implement policies "that are not specifically designed for cities but could have a major impact on them."¹⁸ When urban policy remains implicit, upper-level governments need, in the words of a senior official involved with the Paul Martin government's New Deal for Cities and Communities, "to figure out the interaction between sectoral and spatial interventions."¹⁹

¹³ M. Gee, "Canada's Big-City Mayors Need – and Deserve – Financial Clout," *Globe and Mail*, February 10, 2016.

¹⁴ N. Bradford, *Whither the Federal Urban Agenda: A New Deal in Transition*, Research Report, No. F65 (Ottawa: Canadian Policy Research Networks, 2007).

¹⁵ UN Habitat-OECD, *State of National Urban Policy*.

¹⁶ Jean-Yves Duclos, Minister of Families, Children and Social Development, statement, United Nations Habitat III Summit, Gatineau, October 21, 2016, <https://www.canada.ca/en/employment-social-development/news/2016/10/statement-honourable-jean-yves-duclos-minister-families-children-social-development-successful-conclusion-habitat-summit.html>.

¹⁷ External Advisory Committee on Cities and Communities, *From Restless Communities to Resilient Places*.

¹⁸ Van Den Berg, Braun, and Van Der Meer, *National Responses*.

¹⁹ A. Juneau, "Notes for an Address to the Canada-UK Colloquia; Cities and National Success," Cardiff, Wales, November 25, 2005.

Recent multi-level governance research conducted through the OECD offers a more nuanced consideration of implicit urban policy as an intentional approach in highly decentralized federations with many differentiated cities. As an OECD report puts it:

*Although a wide range of national policies can have a profound effect on urban development, most national governments have rarely reviewed this impact systematically. This is changing, however, and a growing number of governments are expanding their vision of urban policy and seeking to improve the co-ordination of different strands of policy that have significant urban impact.*²⁰

Drawing on recent studies of multi-level governance across OECD countries, I develop three models of intergovernmental interaction that aim to improve the fit between public policies and local conditions and community capacities.²¹ The models frame national urban policy as a shared responsibility of federal, provincial/state and municipal governments. They therefore emphasize multi-faceted collective action rather than top-down interventions. From this common baseline, each model further differentiates specific collaborative logics – goals, mechanisms and accountabilities – based on the nature of the policy challenge at hand. Taken together, I propose that these multi-level governance models represent the toolkit used by Canadian federal governments to pursue implicit national urban policy. The models are:

- *Federal-provincial/territorial agreements with municipal involvement:* Involves significant financial transfers negotiated between federal and provincial/territorial governments for major investments in public infrastructure. At the implementation stage, federal and provincial governments obtain municipal input on specific investments.
- *Direct federal-municipal/community programming:* Involves pan-Canadian federal programs whereby eligible municipal and/or community partners receive financial and/or technical assistance for locally identified projects that address national goals and meet federal criteria.
- *Federal-provincial-municipal policy adaptation:* Involves the three orders of government, often including community partners, working together to tackle “wicked problems” in selected urban areas exhibiting multiple signs of distress. Through seed financing, the governments establish joint action-planning tables and other mechanisms in order to adapt programs and services to local conditions.

²⁰ OECD, *Regions and Cities: Where Policies and People Meet* (Paris: OECD, 2014).

²¹ N. Bradford, *Canadian Regional Development Policy: Flexible Governance and Adaptive Implementation*, (Paris: OECD, 2017), https://www.oecd.org/cfe/regional-policy/Bradford_Canadian-Regional-Development-Policy.pdf.

CANADA'S IMPLICIT URBAN POLICY: MODES OF MULTI-LEVEL GOVERNANCE

The Trudeau government's agenda is clearly an expression of implicit urban policy. Having positioned its approach as simultaneously "addressing local needs and national priorities," the federal government is rolling out numerous policies and programs in cities – using one or other of the three multi-level governance models.²² This section reviews leading examples within each category.

Federal-provincial/territorial agreements with municipal involvement

A driving force in all of Canada's "new deal" debates has been the country's "infrastructure gap," which is estimated to be in the range of \$120 billion.²³ The Trudeau government's \$180-billion, 12-year Investing in Canada plan adopts a broad definition of infrastructure consistent with its vision of "socially inclusive economic growth." Stretching traditional infrastructure definitions beyond the physical to encompass social and digital dimensions, the federal budgets from 2016 to 2018 have featured a host of urban priorities, including transportation and transit, housing and homelessness, technology and networks, and immigrant settlement.

So far, more than 10,000 infrastructure projects have been approved through the Investing in Canada plan under the direction of 13 federal departments working alongside Infrastructure Canada. The projects range from small repairs to libraries and recreational facilities to large-scale developments such as the almost \$1.1-billion investment in Calgary Green Light Rail Transit and the \$333-million investment in the Finch West Light Rail Transit Project in Toronto. For implementation, the federal government is negotiating "integrated bilateral agreements" (IBAs) with provinces and territories. The IBAs will delegate authority to municipalities to tailor investments at the point of delivery.

From an urban policy perspective, four aspects of the approach are notable:

- increased federal financial contribution to cost-shared municipal projects;
- a requirement that infrastructure investments balance provincial/territorial and municipal priorities;
- a focus on outcomes – defined by the federal government through eight goals that emphasize sustainability in land use and access to services; and
- federal investment in the data collection and asset management capacity of municipalities.

These aspects come together in the Smart Cities Challenge, which will allocate \$300 million over 10 years to a pan-Canadian competition for municipalities and Indigenous

²² Infrastructure Canada, *Investing in Canada Plan*.

²³ The discussion of the policy fields that follows draws on Infrastructure Canada, *Investing in Canada Plan*; and Z. Taylor and N. Bradford, "The New Localism: Canadian Urban Governance in the 21st Century," in *Canadian Cities in Transition* (5th edition), ed. P. Filion et al. (Toronto: Oxford University Press, 2015). The discussion of the federal agenda is presented in a broader comparative analysis of provincial-municipal urban governance in Taylor and Bradford, "Urban Governance in Canada."

communities to apply data and technology for infrastructure innovations such as providing real-time information on homeless shelters and environmental sensors to monitor areas at risk of potential flooding. In June 2018, 20 Smart City finalists were selected; the winners will be announced in spring 2019.²⁴

Other sector-specific federal initiatives will be structured along the lines of the infrastructure IBAs. For example, the 2017 National Housing Strategy (NHS) is a 10-year, \$40-billion plan to support the 1.7 million Canadians struggling to find suitable housing – the vast majority in cities.²⁵ Specific federal targets have been set – for example, 530,000 people to be removed from “housing need” (i.e., living in inadequate or unaffordable housing or homeless). Bilateral agreements will be negotiated with provinces, territories and Indigenous communities, followed by local partnerships with municipalities and the private and nonprofit housing sectors to build affordable housing, repair and retrofit existing stock and expand access to the rental market.

The National Housing Co-Investment Fund is the major federal-provincial/territorial investment vehicle for the NHS. It allows municipalities to be flexible in advancing their inclusion and sustainability goals – whether through land provision, inclusionary zoning or simplified approvals for developers that meet affordability and environmental criteria. Especially important in the hot housing markets of the largest cities, the \$4-billion Canada Housing Benefit and portable rent subsidies are income supports delivered directly to individuals and households. In monitoring the multipronged NHS rollout, municipalities will be represented alongside the other orders of government on the new National Housing Council.

The Investing in Canada plan, with its expansive definition of municipal infrastructure, represents an ambitious framework for building more inclusive cities. The Federation of Canadian Municipalities (FCM) and the Big City Mayors’ Caucus have welcomed what they term “historic federal investments for local priorities”²⁶ while also underscoring the importance of trilevel intergovernmental partnership in turning the “historic investments into historic outcomes.”²⁷ In this regard, concerns have arisen about delays in investments and potential partisan influence.²⁸ The initial March 2018 target for concluding IBAs with all provinces was missed for eight provinces, and the mandate letter to the Infrastructure Canada minister appointed in July 2018 emphasized the need for action.²⁹

²⁴ Infrastructure Canada, “Smart Cities Challenge Finalists,” June 1, 2018, <http://www.infrastructure.gc.ca/cities-villes/finalists-finalistes-eng.html>.

²⁵ National Housing Strategy, “What Is the Strategy?,” <https://www.placetocallhome.ca/what-is-the-strategy.cfm>.

²⁶ Federation of Canadian Municipalities (FCM), “FCM President and Big City Mayors’ Caucus Chair Respond to Launch of Infrastructure Negotiations,” July 6, 2017, <https://fcm.ca/home/media/news-and-commentary/2017/fcm-president-and-big-city-mayors%E2%80%99-caucus-chair-respond-to-launch-of-infrastructure-negotiations.htm>.

²⁷ FCM, “FCM President.”

²⁸ B. Curry, “NDP Sees ‘Disturbing Trend’ in Federal Infrastructure Spending,” *Globe and Mail*, February 12, 2018; B. Curry, “Federal Infrastructure Plan Behind Schedule: PBO,” *Globe and Mail*, March 29, 2018.

²⁹ J. Trudeau, “Minister of Infrastructure and Communities Mandate Letter,” (Ottawa: Office of the Prime Minister, August 28, 2018), <https://pm.gc.ca/eng/minister-infrastructure-and-communities-mandate-letter-august-28-2018>.

Direct federal-municipal/community programming

The second model of multi-level governance is based on direct engagement between the federal government and municipal and community actors in city-regions. Relying on the federal spending power and constitutional obligations to equalize opportunities across the country, the federal government has for decades implemented certain programs for economic and community development without formal provincial or territorial participation. Building on this tradition, the Department of Innovation, Science and Economic Development, created in 2015, is implementing two pan-Canadian policy frameworks tailored to different types of city-region growth.

For the most globally engaged urban centres, the Innovation Superclusters Initiative (ISI) will make \$950 million available over five years to industry-led consortia of firms, educational institutions and community associations consolidating knowledge-intensive economic clusters.³⁰ Across the country, the ISI supports innovation in five city-regions: Halifax (oceans technology), Quebec City-Montreal (data science/machine learning), Greater Toronto Area (advanced manufacturing), Saskatoon (plant proteins) and Vancouver (digital technology). As of July 2018, each of the superclusters was planning activities, recruiting leadership and identifying investment priorities.

At the same time, the Department of Innovation, Science and Economic Development is present in smaller cities and rural communities through partnerships with municipal-community economic development networks.³¹ Six federal regional development agencies (RDAs) serve the major regions of the country, including the North. They support nearly 300 Community Futures Organizations with volunteer boards that deliver business services and community economic development for local projects and regional infrastructure. Through these organizations, the RDAs communicate evolving federal policy priorities such as support for Indigenous entrepreneurs, capital for social enterprises and youth employment initiatives. Within the federal parameters, individual Community Futures Organizations have considerable latitude for implementation based on local assets and needs.

Another example of direct federal-local engagement concerns the growing urban Indigenous population. In 1998, the federal government launched the Urban Aboriginal Strategy (UAS) in 12 cities. The overall objective was to improve horizontal linkages among nearly a dozen federal departments and agencies and to develop partnerships with Indigenous communities and municipalities. While it led to some improvements in service delivery, the UAS was perceived as top-down in its approach and insensitive to the legacies of colonization and exploitation.³²

In 2017, the Trudeau government replaced the UAS with Urban Programming for Indigenous Peoples (UPIP), making \$53 million available over five years to better

³⁰ D. Wolfe, *Creating Digital Opportunity for Canada* (Toronto: Brookfield Institute for Innovation and Entrepreneurship and Innovation Policy Lab, Munk School of Global Affairs, D. 2018).

³¹ Bradford, *Canadian Regional Development Policy*.

³² N. Bradford and J.A. Chouinard, "Learning through Evaluation? Reflections on Two Federal Community-Building Initiatives," *Canadian Journal of Program Evaluation* 24 (2010): 51-77.

understand the urban Indigenous experience, explore innovations and design services.³³ Based on principles of “self-determination, reconciliation, respect, and cooperation,” the UPIP dedicates funding for Inuit, Métis and First Nations organizations. Non-Indigenous organizations such as municipalities require demonstrated support from Indigenous groups to be considered for funding, and projects or services for First Nations, Inuit and Métis peoples must be codeveloped with Indigenous people. Among the UPIP’s four funding streams, two are notable from a collaborative urban multi-level governance perspective: one supports the formation of “local coalitions” among Indigenous representatives and all orders of government; the other builds the “organizational capacity” of the Friendship Centres found in many Canadian cities in order to “maintain a stable base” for delivering services and managing partnerships.³⁴

With these programs, the federal government is demonstrating the capacity to advance national policy priorities through local actor networks. The municipal and community “uptake” has been strong. The ISI competition received 50 letters of intent, while the UPIP generated “an overwhelming demand for funding,” with more than 120 organizations and initiatives receiving support.³⁵

Federal-provincial-municipal policy adaptation

The third multi-level governance model, policy adaptation, applies in complex contexts with challenges that fall between government competencies and for which there is no clear solution. Information sharing and collective learning in testing approaches encourages collaboration among the three levels of government and local actors.

The most prominent Canadian example of such multi-level experimentation occurred between 1981 and 2010 when the federal government developed a series of Urban Development Agreements (UDAs).³⁶ Established as pilot projects in Winnipeg and Vancouver, the UDAs led to trilevel governance structures that coordinated the roles and responsibilities of the federal, provincial and municipal governments to target investments and services in struggling inner cities. In Winnipeg, from 1981 to 2005, four successive UDAs managed large-scale public-private physical infrastructure projects. In Vancouver, modest funding from governments through two agreements between 2000 and 2010 enabled notable social innovations such as safe injection sites, sex trade safety and community benefit agreements tied to construction projects.

Both the Vancouver and Winnipeg UDAs gained international recognition for their public management innovations. The Auditor General of Canada cited them as

³³ Indigenous and Northern Affairs Canada, “Urban Programming for Indigenous Peoples,” <https://www.sac-isc.gc.ca/eng/1471368138533/1536932634432>.

³⁴ National Association of Friendship Centres, “Programs and Initiatives,” 2018, <http://nafc.ca/en/programs-and-services/>.

³⁵ Indigenous and Northern Affairs Canada, “Urban Programming for Indigenous Peoples.”

³⁶ N. Bradford, “Neighbourhood Revitalization in Canada: Towards Place-Based Policy Solutions,” in *Neighbourhood Effects or Neighbourhood-based Problems: A Policy Context*, ed. D. Manley (Amsterdam: Springer Press, 2014).

state-of-the-art examples of horizontal policy-making that should be applied more broadly to other cities and issues. However, the UDA approach was not pursued further by the Harper government.

The policy adaptation model is evident in several other cross-cutting policy fields with their own wicked problems. Immigrant settlement and homelessness are leading examples.

Immigration policy is a shared constitutional responsibility between the federal and provincial governments, and the settlement and integration of newcomers underscore the need for coordination.³⁷ Economic restructuring and the increasing diversity of newcomers arriving in Canadian cities make settlement programming a complex, evolving challenge requiring local experimentation and community innovation. In response, federal officials and their provincial and territorial counterparts have invited municipalities, especially big city governments, to the policy table. For example, the pioneering Canada-Ontario Immigration Agreement signed in 2005 provided for municipal and community-based planning for city-specific coordination of federal and provincial settlement services.

Recognizing municipalities as policy partners through the Association of Municipalities of Ontario and the City of Toronto, the agreement led to the creation of multisector Local Immigration Partnership Councils in cities and regions to adapt programs and services to pressure points and gaps in the local settlement system. The goal is to align services in health, education, housing and labour markets with the specific needs of newcomers. Over the past decade, nearly 50 such councils have been established in Ontario, and this federal-local model has been extended to cities in five other provinces.

In June 2018, the federal government announced an initial \$50 million to work with provinces and municipalities to develop contingency plans to house the influx of asylum seekers who have crossed the border from the United States, mostly into Quebec. In particular, the federal government provided \$11 million in direct funding to the City of Toronto after the Ford provincial government withdrew from the initiative.

Local experimentation through multi-level governance has also been evident in the federal government's approach to combatting homelessness.³⁸ The Homelessness Partnering Strategy, originally known as the National Homelessness Initiative, brought together the three levels of government and community partners to develop shelter programs for homeless Canadians.³⁹ Launched in 2003 as a three-year pilot for only the 10 largest cities, the program was renewed in 2007 and 2013, expanding to a five-year \$1.9-billion program with 51 additional cities. Federal funding flows to a

³⁷ C. Andrew and R. Abdourhamane, "Federal Policies on Immigrant Settlement," in *Canada in Cities: The Politics and Policy of Federal-Local Governance*, ed. K.A.H. Graham and C. Andrew (Montreal and Kingston: McGill-Queen's University Press, 2014).

³⁸ N. Falvo, "Ten Things to Know about Canada's Newly-Unveiled National Housing Strategy," December 5, 2017, <http://homelesshub.ca/blog/ten-things-know-about-canada%E2%80%99s-newly-unveiled-national-housing-strategy>.

³⁹ F. Klodawsky and L. Evans, "Homelessness on the Federal Agenda: Progressive Architecture but No Solution in Sight" in *Canada in Cities: The Politics and Policy of Federal-Local Governance*, ed. K.A.H. Graham and C. Andrew (Montreal and Kingston: McGill-Queen's University Press, 2014).

local community planning body, and the degree of decision-making autonomy varies according to the municipal partner's experience and capacity.

The latest iteration of the program is the \$2.2-billion "Reaching Home" component of the NHS. Responding to local concerns that the earlier federal programs contained onerous reporting requirements that hindered local experimentation, Reaching Home provides more flexibility in determining shelter strategies in exchange for stronger accountability in meeting the federal target of reducing the number of chronically homeless people by 50 percent.⁴⁰

Canada's experiments with trilevel policy adaptation have garnered favourable international attention. A spirit of policy learning has allowed for constructive adjustments in service delivery. Whether formal urban development agreements will reappear in certain cities remains an open question. It has been reported that the Trudeau government is revisiting the Vancouver UDA "as part of a broader plan to export that approach across the country."⁴¹

In sum, over the past several years the federal government has exerted a more active policy presence in Canadian cities. Working with and through the institutions and practices of a decentralized federation, its implicit approach entails a range of initiatives, funding channels and multi-level governance mechanisms. Table 1 summarizes the main features of the current federal approach.

Table 1. Canada's implicit urban policy: Multi-level governance models

	Federal-provincial/ territorial agreement with municipal involvement	Direct federal- municipal/community programming	Federal-provincial- municipal policy adaptation
Rationale	Closing the public infrastructure "deficit"	Advancing federal national development priorities	Addressing wicked problems
Scale	All urban and rural municipalities	Eligible municipalities and community organizations	Targeted urban areas
Structure	Bilateral federal-provincial/territorial transfer agreements with municipal involvement	Federal program with local applicants meeting funding criteria	Urban Development Agreements with trilevel planning
Goals	Renewed physical, social and digital infrastructures	"Inclusive economic growth"	Neighbourhood revitalization, social inclusion
Examples	Investing in Canada plan National Housing Strategy	Innovation Superclusters Initiative Urban Programming for Indigenous People	Vancouver Urban Development Agreement, Local Immigration Partnerships

⁴⁰ Employment and Social Development Canada, "Reaching Home: Canada's Homelessness Strategy," June 11, 2018, <https://www.canada.ca/en/employment-social-development/news/2018/06/reaching-home-canadas-homelessness-strategy.html>.

⁴¹ P. O'Neil, "Vancouver Agreement Touted as National Model for Fighting Addiction Crisis," *Vancouver Sun*, September 14, 2016.

The Trudeau federal government has shown creativity in bringing municipalities to public policy tables. In the words of the FCM, Ottawa is “engaging municipalities to tackle some of Canada’s most pressing national challenges, from economic growth to climate change, and from public safety to social inclusion.”⁴² Through the three types of multi-level governance, Ottawa is pursuing a robust version of what has come to be known as implicit national urban policy.

MAKING THE IMPLICIT MORE EXPLICIT

These are fairly early days in the rollout of the Trudeau government’s initiatives, and the history of intermittent federal interest in cities is a reminder of the uncertainties ahead. Most obviously, as the abrupt end to the Martin New Deal in 2006 underscores, changing political leadership has policy consequences, especially when progress depends on significant expenditures over time, across policy fields and over several electoral mandates. Moreover, the federal agenda features several bold yet vague promises – for example, a human-rights-based approach to housing and municipal compliance with specific performance targets – that demand not just careful policy analysis but sustained goodwill among all partners.

Urban policy is a fast-moving field and, in Canada, an especially complicated collective endeavour. The implicit national urban policy – distinguished by its informal connections, indirect leadership, and interactive governance – relies on trust and collaboration. Taking this into account, I propose three reform proposals that would bring greater coherence to the current implicit approach to urban policy.

Federal regional and urban development agencies

The federal government has been applying aspects of implicit urban policy for more than three decades through its pan-Canadian network of RDAs. With their investment funds and networked relations with local development officials and community volunteers, the RDAs have become increasingly embedded in mid-sized cities, rural communities and selected neighbourhoods in large cities. According to the OECD, the RDA role “is unique in its conception, as it serves many high-level policy proofing and co-ordination functions.”⁴³ They have acquired considerable urban policy expertise in implementing economic stimulus packages and urban development agreements as well as facilitating industrial diversification in restructured economies and distressed neighbourhoods.

I propose that the regional development mandate be expanded to encompass city-regions and that the agencies be renamed as regional and urban development agencies. Under a broader mandate, they could promote urban-rural synergies, encourage investment in intermunicipal trade and transit corridors and create incentives for sustainable city-region planning.

⁴² FCM, “From Opportunities to Outcomes: How Federal Budget 2018 Can Empower Municipalities to Deliver for Canadians,” 2018, <https://fcm.ca/documents/issues/2018-PreBudget-Submission-EN.pdf>.

⁴³ OECD, *OECD Regional Outlook: Productive Regions for Inclusive Societies* (Paris: OECD, 2016).

Canadian Cities Innovation Fund

The federal government's Smart Cities Challenge, which rewards cities and communities for deploying data and technology to reinvent infrastructures, has attracted an enthusiastic municipal response. This type of national instrument for encouraging local innovation has been applied to wider policy challenges playing out in cities in other OECD jurisdictions. For example, under the European Union's Urban Innovative Actions initiative, resources are directed to local networks that plan to test "unproven solutions to interconnected challenges related to employment, migration, demography, water and soil pollution."⁴⁴

A similar Canadian Cities Innovation Fund would address some of the key national issues that play out locally. It would also provide incentives for provincial/territorial and municipal governments to join the federal government to address existing and emerging policy problems that are not the sole responsibility of any one level but affect them all – and urban residents in particular.

Canada's history of multi-level governance policy adaptation provides a foundation to build upon. Active consideration should be given to developing a new generation of trilevel urban development agreements. Drawing lessons from the Vancouver and Winnipeg UDAs, governments could shape coordinated responses to new problems such as housing for asylum seekers, opioid addiction and gun violence, and jointly develop urban job-creation measures.

National urban policy observatory

Federations such as Australia, Germany and the United States have institutional forums that serve as focal points for national dialogue on cities and for consensus-building around urban priorities.⁴⁵ They bring local knowledge to upper-level governments, identify priorities for joint investment and help forge coalitions around shared challenges and opportunities. Canada has several organizations and structures that approximate national institutions in other countries, including the Big City Mayors' Caucus and urban-focused research and advocacy networks. However, none combines the representational scope and agenda-setting capacity of their foreign counterparts.

The Council of Australian Governments (composed of the Australian prime minister and the chief minister of each state and territory) includes the president of the Australian Local Government Association. This provides a channel for communicating place-based policy intelligence to the commonwealth and state governments. In Europe, urban policy foresight – staying at the leading edge of global ideas, testing innovations locally and scaling-up successes – is a priority across many jurisdictions. The European Union's research and programming integrates and disseminates practical knowledge.⁴⁶

⁴⁴ European Commission, "What Is Urban Innovative Actions?," 2018, <http://www.uia-initiative.eu/en/about-us/what-urban-innovative-actions>.

⁴⁵ Friendly, *National Urban Policy*.

⁴⁶ European Commission, "URBACT: Territorial Co-operation," 2018, http://ec.europa.eu/regional_policy/

Canada would benefit from the creation of a national urban policy observatory with representation from all orders of government, stakeholders and policy experts. The observatory would function as the national data aggregator and knowledge broker for urban policies and processes of multi-level urban governance. Complementing its mandate, the Council of the Federation (composed of the premiers of all the provinces and territories) could expand its agenda to include regular policy dialogue around municipal and urban affairs.

CONCLUSION

This paper began with the observation that Canadian cities present a conundrum. Their comparative vitality, amenities and quality of life have come about in the absence of any coherent, or even explicit, urban policy. The obstacles – institutional and political – to an explicit approach that would include a vision and mandate action by Canada’s multiple urban stakeholders have been, and remain, daunting.

However, it would be a mistake to conclude that this highly urbanized country leaves its cities adrift in public policy terms. While largely avoiding the language of a national urban strategy, Canadian federal governments have a considerable – and growing – policy presence in cities. In light of this, I fleshed out the concept and practice of implicit urban policy and interpreted the Trudeau government’s activism in relation to Canada’s cities.

Identifying three distinct modes of multi-level urban governance and how they are reflected in the federal policy agenda, I have argued that the Canadian way is “national urban policy by other means.” Rather than searching for evidence of European-style big-city policy, Australian city deals or American urban empowerment zones, Canadian urban analysts must assess the “spatial and sectoral” mix on a case-by-case basis, as reflected in various forms of multi-level governance. The challenge is to understand how – or whether – the federal-provincial/territorial agreements, federal-local programs and trilevel networks advance national policy goals through local solutions.

In this spirit, I have outlined three recommendations to strengthen the urban dimension of Canadian public policy: expanding the mandate of the current RDAs, renamed federal urban and regional development agencies; broadening the definition of smart cities to encompass a wider conception of local innovation; and establishing a national observatory to monitor, generate and disseminate cutting-edge urban policy knowledge.

The degree of success of the initiatives launched by the Trudeau government, some of which extend several years into the future, will be determined by a range of factors. These include political tensions (some with sharp partisan edges), provincial governments’ resistance to greater municipal autonomy, Indigenous communities’

en/atlas/programmes/2014-2020/europe/2014tc16fir003; European Commission, “International Urban Cooperation (IUC),” 2018, http://ec.europa.eu/regional_policy/en/policy/cooperation/international/urban/.

continuing search for self-determination and rural resentment of big-city exceptionalism. As implementation and adjustment proceed, we should bear in mind that the implicit urban policy discussed in this paper, while not underpinned by a single vision, nevertheless reflects the considerable collaborative efforts being made by the federal and other governments, and many other stakeholders, to improve economic growth and quality of life in Canada's larger cities. As Canada faces the future, these efforts need to be assessed, adjusted and strengthened to reflect not only the importance but also the changing nature of urban challenges.



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