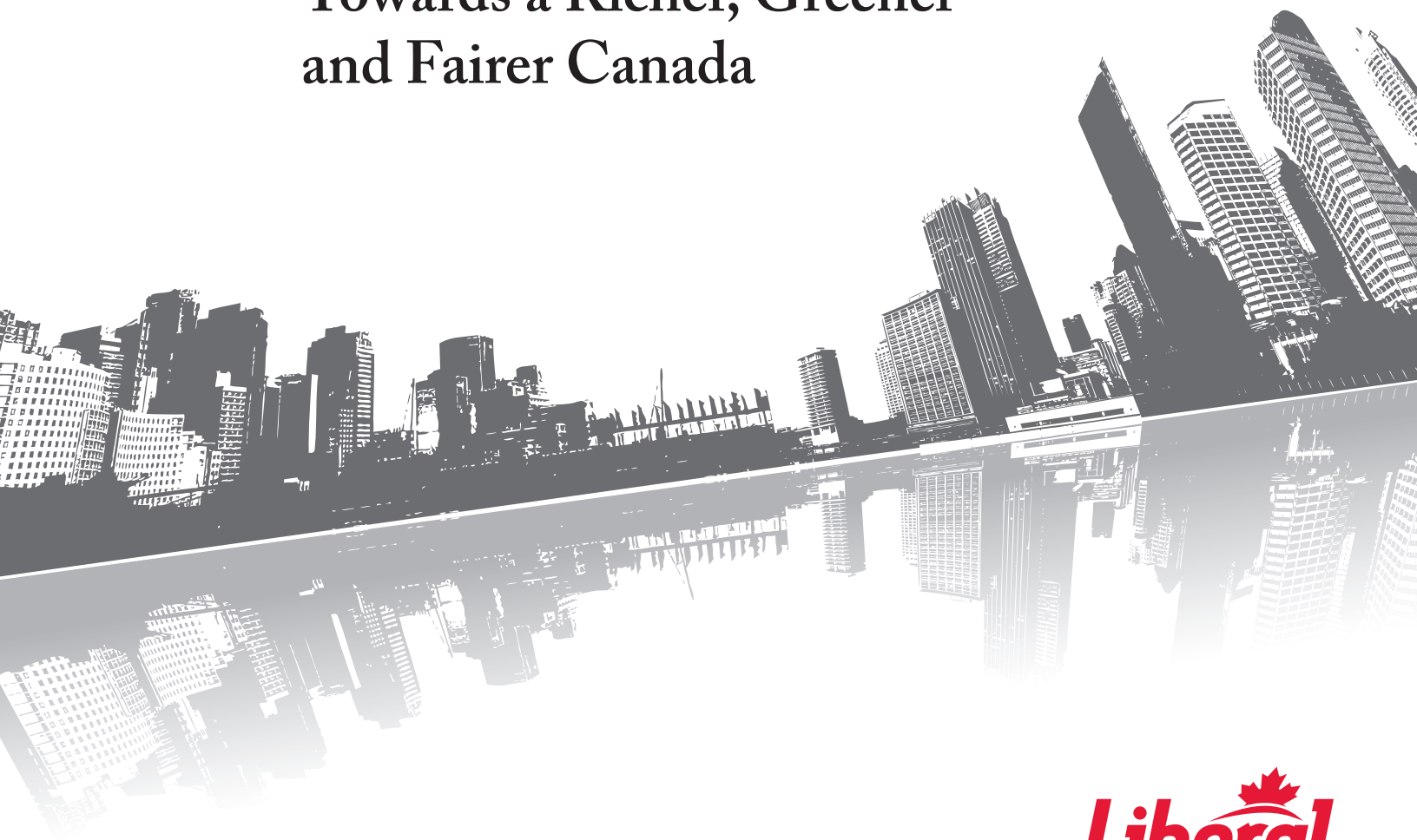


Foundations for a Nation

Towards a Richer, Greener
and Fairer Canada



Liberal 

A Discussion Paper of the Liberal Urban Communities Caucus – May 2008

The Liberal Party of Canada believes the well being of Canada's cities and communities must be a central part of the long-term plans for our great country.

Cities and communities are where most Canadians live. They are engines of our economy, and the cultural, academic and athletic centres of our country. Without vibrant and safe cities and communities, Canada's economy is threatened, and our quality of life stagnates.

The Liberal commitment to cities and communities is the very reason that the Liberal Urban Communities Caucus was formed last fall. Liberal Leader Stéphane Dion gave our caucus the mission of fostering the partnership between the Liberal Caucus and Canada's municipal and provincial leaders that had been forged during the Chrétien and Martin years. To do this, the Liberal Urban Communities Caucus has met with over 100 individuals representing provincial and municipal leaders and stakeholders from across the country.

Our first goal was to hear how these leaders believe the federal government can play a positive role in the development of Canada's

cities and communities. This approach stands in stark contrast to that of the current minority Conservative government. Prime Minister Stephen Harper has told Canadian municipal leaders in the clearest terms not to expect any help for any of their problems from the federal government. With a shrug of his shoulders, the Prime Minister has abandoned Canadian cities.

We believe this lack of leadership from the current federal government will cause serious harm to the Canadian economy and the lives of all Canadians.

In the pages that follow you will read about a wide range of issues confronting our cities and communities. Among them, perhaps the greatest challenge is posed by the need for affordable housing. From Vancouver to Halifax, from our largest city, Toronto, to small urban centres like Sault Ste. Marie, the lack of affordable housing generates great concern among our municipal leaders. But what is most striking is the commonality of issues confronting all communities. Whether we were meeting with the Mayor of Kilarney, Ontario (pop. 493) or the Mayor of Montreal (pop. 1.6 million), the issues under discussion were remarkably

similar – housing, recreation, clean water and infrastructure. No city of any size escapes these challenges.

The recommendations contained in this report are just that – recommendations. We know that government resources are scarce and that the demands are great. But a scarcity of resources must not keep us from acting. Indeed, Canada’s future demands a bold vision. The health of our cities and communities is vital to our success as a nation.

This document reflects what we heard in communities across the country. We hope this report will lay the groundwork for continuing the strong relationship between the Liberal Party and Canada’s provincial and municipal leaders. These problems will not be solved overnight. But we do believe that they can be solved when all orders of government work together in partnership and that this can be done within the existing fiscal framework and in balance with other priorities.



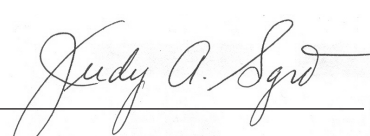
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An Integrated Approach

From the outset of our consultations, it became obvious that attempting to address the myriad of issues facing Canadian communities as a series of individual, unrelated problems would be futile. Cities and communities require integrated strategies to ensure their competitiveness and success. From transit to roads, from safe water to clean air and from crime prevention to affordable housing, the needs of our communities are inextricably linked to each other and to our success as a nation.

This integrated approach is important at both the local and the national level. As Mayor Carl Zehr of Kitchener explained, we must stop looking at municipal infrastructure issues from a constitutional perspective and start looking at them as economic issues. Poor infrastructure is a drain on the Canadian economy. As stewards of the Canadian economy, the federal government has a duty to work with municipal and provincial governments to ensure that we have the infrastructure capability to continue to grow our economy.

Cities must be places where corporations want to invest, where the knowledge workers of tomorrow want to live, and where industry can rely on a skilled workforce. This requires that cities provide the physical infrastructure to get workers to and from work, the cultural and recreational choices that make cities attractive. They must also ensure that all segments of the population, regardless of physical or economic circumstances, have the opportunity to succeed. This can only be achieved by all three orders of government working together to set priorities and find the solutions required. Municipalities must have a seat at the table. It also means that as governments we need to find new and better solutions to solve the issues we face. The world is becoming increasingly complex and integrated which creates new issues and challenges but also brings innovative solutions, new perspectives and the opportunity to succeed.

Dr. Dan Small, from Vancouver's Portland Hotel Society, spoke passionately about the need to look at the people that are seeking help, and not to look at the individual problems. Traditionally those trying to help people with multiple problems started by helping them get "clean" first, so they can get into social housing or possibly get a job. But recent research recommends an inverse approach that starts with housing. This new perspective suggests that people are more likely to address their problems

if they first have a secure place to live. Housing solutions are expensive, but must be compared to savings in policing and corrections costs, in paramedic and health care costs, and in welfare and social assistance costs. Giving people a stable place to live, helps them contribute to society, contribute to the economy and gives their children a better chance to go to school.

Greater coordination between governments can also help cities and communities make environmentally sustainable decisions. New neighbourhoods could be built on former military bases (in Calgary or Winnipeg for example) or on cleaned up brownfield sites. Many such sites are close to city centers which could be easily linked to rapid transit, thereby reducing transportation costs and pollution while increasing urban density. Developing these sites as mixed-use neighborhoods (with commercial development along side the appropriate mix of subsidized, affordable and market-value housing) will ensure vibrant neighborhoods that are inclusive rather than polarizing.

An expanded use of Urban Development Agreements is one potential tool to ensure this integrated approach to urban affairs. The previous Liberal government signed agreements with Vancouver, Saskatoon, Regina, and Winnipeg. These agreements were a partnership of federal, provincial and municipal governments working in collaboration on broad issues such as inner city revitalization, strengthened innovation, or sustainable economic development. They were flexible instruments that coordinated action among governments and resulted in the seamless delivery of programs and services.

It really comes down to a choice. Do we embrace the 21st century and the challenge of competing in the global marketplace by working hand-in-hand with provincial and municipal governments to create an urban context that the world can use as a model? Or do we stagnate and continue with ad hoc development and a patchwork of solutions caused by jurisdictional silos and massive under-funding? The current minority Conservative government has chosen the latter for Canada. As Liberals it is our responsibility to offer Canadians the vision and solutions that will achieve a better society. We need to see this as an opportunity to integrate the federal government's response and work with provincial and municipal partners to ensure that Canadian cities are first class. Without that kind of integrated vision, any urban strategy will be second class at best.

The Urban Communities Caucus Recommends:

1. *When evaluating proposals for action on infrastructure, housing, environment, transit, and recreation, a Liberal government give special consideration to multi-faceted proposals that address key urban issues in an integrated approach.*
2. *A Liberal government operate all infrastructure programs in such a way as to maximize their sustainability, minimize environmental impact, and increase the ability to adapt to climate change.*
3. *A Liberal government use Urban Development Agreements to build the partnerships necessary to effectively tackle urban issues, and coordinate the work of federal departments.*

Deconstructing the Conservative Shell Game

If the Harper government had chosen to build on the successes of previous Liberal administrations, we would be much further ahead in dealing with Canada's infrastructure challenges.

In place of a comprehensive urban strategy the Conservative government has offered a re-branding exercise with a dose of political spin. In May 2007, the government announced a \$33-billion Building Canada Fund to address the many issues that Canadian cities and communities face, calling the program the biggest infrastructure investment since WWII.

A detailed analysis of the announcement, however, shows that their claim to a \$33-billion investment is no more than a restructuring of existing Liberal programs and funding arrangements. Of the \$33 billion:

- ▶ \$11.8 billion comes from the Gas Tax funds initiated by the Liberal government;
- ▶ \$5.8 billion comes from the GST rebate initiated by the Liberal government;
- ▶ \$0.5 billion comes from the Asia Pacific gateway projects announced by a Liberal government; and
- ▶ \$6.1 billion is earmarked for programs for which municipalities cannot apply.

The remaining \$8.8 billion Building Canada Fund itself is largely financed by the Conservative government's refusal to renew infrastructure programs created by Liberal governments.

In the end, there is in fact only \$1.3 billion over 7 years of new money available to Canadian cities to upgrade their infrastructure. Treating this as "the greatest investment in infrastructure since WWII" has more to do with the Conservative government's need to exaggerate its own accomplishments than it does with having any type of vision for the future of Canada's cities and communities.

The Harper government has failed Canadians by repeatedly refusing to address directly the issues that are of greatest concern to mayors across the country. By refusing to give them a seat at the table and repeatedly de-valuing the role municipal governments play in the federation, the Harper government has shown their true colours as neo-conservatives who want to minimize the role of the federal government at all costs. This lack of vision and lack of accountability is causing serious harm to Canadian cities and communities.

The Critical Issues

There is a range of issues that must be addressed in a coordinated fashion. These include: the need for partnerships with other orders of government, housing, infrastructure, transit, recreation, community safety, funding municipalities and the environment.

Partnership

One of the hallmarks of the Trudeau, Chrétien and Martin administrations was that municipalities were given a seat at the table when their issues were discussed. Prime Minister Harper has taken that seat away.

The Harper government's treatment of municipalities has been shocking. The Minister of Finance has referred to Canada's mayors as "whiners" and has belittled their work by suggesting that they are little more than "pothole fillers." In meetings with Ontario Premier Dalton McGuinty, the Prime Minister has flatly refused to discuss municipal issues, wrongly claiming that cities are a provincial responsibility that have no bearing on federal policy.

Because of the integrated nature of the problems facing Canadian cities, it makes no sense for the federal government to view urban issues as if they exist merely within the silo of provincial responsibility. Crime, drug abuse, environmental standards, housing, poverty and infrastructure are all issues where there is direct federal involvement. These problems can not be tackled unless all three orders of government work in partnership.

Our consultations found interest from politicians at all levels of government to tackle these issues. Manitoba Finance Minister Greg Selinger and Ontario Housing and Municipal Affairs Minister Jim Watson in particular were keen to work with their federal counterparts. They were not alone. Provincial officials across the country have told us that they want the federal government to work with them.

The Urban Communities Caucus recommends:

4. *A Liberal Prime Minister meet annually with both the Executive of the Federation of Canadian Municipalities and the Big City Mayor's Caucus to discuss how the federal government can work with provincial and municipal governments to address municipal issues.*
5. *Liberal Ministers responsible for Infrastructure, Housing, Environment, Justice, and Health work with both provincial and municipal leaders to coordinate strategies to deal with the multi-disciplinary problems facing Canadian cities and communities.*

Housing

No issue was more pressing than the dramatic shortage of affordable housing across the country. From the largest cities to the smaller centres, affordable housing can only be classified as in crisis. As the economy slows down, this issue will only become worse as the number of homeless and under-housed in cities across the country increases. In every city we heard the same phrase over and over: “the federal government needs to get back into housing.”

Almost thirty years ago the federal government made significant investments in new affordable housing in Canada that used mortgages through the Canadian Mortgage and Housing Corporation (CMHC) to provide indirect housing assistance to millions of Canadians. However, as these mortgages mature and CMHC's role in social housing comes to an end, so too does the federal government's financial support for housing in Canada.

Currently, the federal government spends over \$2 billion annually to support the mortgages of a wide variety of social, low-income and affordable housing in Canada.

This funding is already starting to decline as government commitments expire. Without this annual support, the quality of Canada's publicly-supported housing stock will significantly decline, incentives to expand the quantity of available housing in Canada will dry up, and there will be a lack of funding to maintain our existing public housing stock.

Winnipeg, for example, has lost over 4,000 rental units recently and its rental vacancy rate is down to 1.5 percent. There are more than 3,400 homeless people in Calgary. In Vancouver the rental vacancy rate is 0.3 per cent. Montreal Mayor Gerald Tremblay explained that as all leases expire on July 1st, Quebec experiences a massive housing scramble each and every year.

Successive Liberal governments understood the complexity and depth of the housing and homelessness problem in Canada. That is why Prime Minister Paul Martin appointed a housing minister with the authority to work with provincial and municipal stakeholders to tackle these critical issues. It was an approach that led to hundreds of millions of dollars being pumped into social housing programs in Canada.

By contrast, the Conservative government continues to deny that it has any political or moral responsibility to address housing concerns. This is a philosophical issue for the Conservative party since it believes that government should be as small as possible. In fact, in the last election the Conservatives' only promise related to affordable housing was to provide tax incentives to the private sector to build social housing – a commitment that it has yet to fulfill. Finance Minister Jim Flaherty's 2008 Budget did not even mention housing.

Once the decision is made to invest in housing, it is crucial that housing investment be made in an environmentally efficient and effective way. The built environment makes up a significant portion of Canada's greenhouse gas emissions. New housing projects must be built to R85 standards or better, in order to minimize energy use, and plans must be integrated with municipal transit plans. Not only is this good for the environment but it is good economics. Ensuring that social housing meets high energy standards will lower energy costs for the low-income Canadians that will live there. The social justice benefits of green investment in housing cannot be ignored.

The Urban Communities Caucus recommends:

6. *A Liberal government maintain funding for housing by sustaining current levels of investment.*
7. *A Liberal government develop a national housing strategy in collaboration with provincial and municipal governments.*
8. *A Liberal government make unused housing stock (i.e. decommissioned military bases) available for conversion into affordable housing.*
9. *A Liberal government's investments in housing should be green investments that minimize energy costs in low-income and social housing.*

Infrastructure

The report of Dr. Saeed Mirza of McGill University, commissioned by the Federation of Canadian Municipalities (FCM), has identified a \$123-billion infrastructure deficit in Canada. As staggering a number as that is, it may actually underestimate the cost of providing Canadians with first-class infrastructure to support our economy.

Numerous municipalities that participated in the FCM study found after the fact that they had underestimated their needs. For example, Mayor Carl Zehr of Kitchener told us that although he had included a figure for upgrading roads in his city, when the city undertook one of the inventoried projects they found that there had been so much environmental damage underneath the road that the actual cost of construction was millions higher than predicted.

Without modern infrastructure that is in good repair, the Canadian economy cannot operate at full capacity, and simply cannot compete in the global marketplace. Beyond that, in the face of a possible economic downturn, additional spending on infrastructure can provide effective stimulus to the economy and act both as an economic stabilizer, and an effective strategic tool to bolster the economy.

The health of Canada's infrastructure is also fundamentally tied to Canada's response to the global warming crisis. Properly built green infrastructure can play a major role in reducing Canada's

greenhouse gas emissions. The quality of Canada's buildings, roads and transit systems all have an impact on the size of the country's emissions. Likewise, our infrastructure also suffers the effects of global warming. Extreme weather and warming all take their toll. Adaptation funding may be required to maintain a high quality of infrastructure stock in Canada.

To plan for the maintenance and upgrading of the country's infrastructure, Canadian municipalities need long-term, stable funding from other levels of government, including an escalator to deal with inflation. And, given the huge infrastructure deficit, we need to inject as much money as possible into provincial and municipal infrastructure projects to deal with the backlog.

In addition to the general concerns about the infrastructure deficit, our municipal colleagues raised a number of more specific issues that need to be addressed.

The first issue concerns the status of our sewer and water systems. In many parts of the country, untreated raw sewage is still being dumped directly into rivers, lakes and oceans. Only now, for instance, is work being done to clean up the Saint John Harbour where dumping of raw sewage has gone on for over 200 years. Other parts of the country have hundred-year-old sewer systems or still have wooden pipes carrying their water supply.

This infrastructure is fundamental to the health and welfare of Canadians and can not be a burden dumped and downloaded upon the shoulders of municipalities as the Conservatives are doing. Aging water and sewer systems across the country are, in effect, a ticking time bomb that must be addressed by all levels of government.

Second, is the challenge of duplicating bureaucracies. In Sault Ste. Marie, we discussed various successful infrastructure projects that had already been completed using federal infrastructure programs. Prior to construction of its new east-end sewage plant, the city was first required to go through a federal environmental assessment, and then a full provincial environmental assessment. Increased efforts must be made to streamline federal and provincial environmental requirements for infrastructure projects.

Third, the narrowly directed nature of some infrastructure programs is also of concern to smaller urban centres. The mayors of the West Island of Montreal explained that small municipalities could not always undertake projects that exactly fit into provincial or national priorities. As a result, they often lose out on their share of infrastructure funding.

Finally, as part of an integrated approach to infrastructure, we need to ensure that projects are inclusive. Canadians with disabilities face challenges each and every day as a result of a lack of access to buildings, poor transportation options, and other barriers to employment and social interaction. It is incumbent on the federal government to remedy this. The Globe Age-Friendly Cities Project, sponsored by the World Health Organization, for example, is one successful approach to making cities more accessible.

The Urban Communities Caucus recommends:

10. *A Liberal government restructure spending on infrastructure to provide targeted funds for environmentally sustainable Strategic Infrastructure, Border Infrastructure, Infrastructure for Small Municipalities, and to take into account municipal priorities.*
11. *A Liberal government enter into agreements with provincial governments to ensure that federal and provincial environmental assessments for all infrastructure projects are coordinated.*
12. *A Liberal government provide an escalator to the gas tax transfer to increase direct funding to cities.*
13. *A Liberal government ensure that infrastructure projects are inclusive by design, and promote the infrastructure related concepts of the age-friendly cities project.*

Transit

Fast, efficient, and frequent public transit that takes Canadians where they need to go is in critical demand in Canada's largest communities. From the \$12-billion comprehensive project that is currently underway in the Greater Vancouver Region, to the \$3.5-billion projects that are currently in the developmental stages in the City of Ottawa, transit is at the forefront of concerns for municipal leaders. In fact, the Canadian Urban Transit Association has argued that the Canadian public transit system needs a \$40-billion infusion over the next five years.

Transportation is such a central part of an integrated urban strategy that it demands special consideration by the federal government. In a world where reducing our carbon footprint will only

happen when average Canadians don't feel the need to use their cars all of the time, mass urban transit is not negotiable.

Significant investments in urban transit will benefit society at large, will save our economy in the long run, and will be a key weapon in our fight against climate change. Proper investment in transit is also an investment in social justice. When Canadian cities get to the point that the lifestyle difference of a person who has a car is not different from one who does not, it helps break down barriers that determine a person's employment, leisure and social opportunities.

Some of the fastest expansions of public transit in Canadian history were made by Liberal governments. In 2005, the Liberal government set aside \$900 million over three years in the Public Transit Capital Trust for expansion of Canada's transit systems. But when these investments run out, there is no money specifically earmarked in the Conservative government's Building Canada Fund for transit.

The Urban Communities Caucus recommends:

- 14. A Liberal government create a National Transit Fund and guarantee long term predictable funding for transit.*

Recreation

In Halifax, Montreal and Winnipeg in particular, the benefits of investment in recreation facilities was a recurring theme. One of the most often-cited benefits is the decline in petty crime, vandalism, and gang-related activity. It is also a key determinant of health in young people. The Build it Right coalition in Halifax was particularly vocal in its demand that a holistic approach to community design include investment in recreation, transportation, health and education.

One area where significant investment is needed is in Canada's swimming pools and rinks. After the end of WWII, and again in 1967, the federal government spent millions of dollars to build memorial rinks and centennial pools in communities across the country. Although some cities have been able to access infrastructure funding to replace those rinks and pools, the vast majority of Canadian cities have not been able to find the resources to do so. Most of them have had to make their water and

sewer systems a bigger priority and, as a result, recreation facilities and opportunities for Canadians are in decline.

The Urban Communities Caucus recommends:

- 15. A Liberal government create an infrastructure fund to help municipalities upgrade recreational infrastructure (specifically memorial rinks, community centres, and centennial pools), and expand Canada's trails and parks system.*

Community Safety

Despite the fact that crime rates in Canada have been dropping significantly since the 1970s, Canadians living in urban centres feel increasingly unable to handle the severity of crimes that are being committed in our cities. Behind every statistic is an individual who's been hurt. Behind every individual is a family under stress. Behind every family is a community that won't be comforted by statistics alone.

In many cities, gang activity and drug use have continued to rise, even while the overall crime rate drops. This can not be ignored by the federal government. And it is not enough to simply rewrite the criminal code to provide for increased mandatory jail terms. Effectively combating crime requires a multi-pronged approach that both deals with the underlying causes of crime, and gives our law enforcement professionals and courts the tools they need.

The Urban Communities Caucus recommends:

- 16. A Liberal government tackle crime in urban centres through a mix of policies that include increasing long-term, stable and predictable funding for police, supporting crime prevention programs and ensuring that the judicial system has sufficient resources to meet its needs.*

Funding Model

As was noted at the outset, working in partnership with the provinces and municipalities is critically important if we are to address the pressing municipal concerns across the country. This need is rooted in the fact that Canadian municipalities are trying to meet 21st-century challenges using a 19th-century funding model.

The “One Cent Now” campaign led by Toronto Mayor David Miller and endorsed by FCM and the Big City Mayors’ Caucus, dramatically underscored the very real problems that municipalities across the country are having as a result of provincial downloading and the increasing infrastructure deficit. Their demands for greater rights and revenues are not “whining,” as Finance Minister Jim Flaherty stated, but are honest demands made out of real need.

Indeed, Mississauga Mayor Hazel McCallion’s demand for a seven percent tax hike to pay for infrastructure demonstrates the unresponsiveness of this federal government to the needs of Canada’s cities. Mayor McCallion and all Ontario municipal governments have seen this strategy in action before. They remember the so-called “tax-breaks” of Mike Harris and Jim Flaherty’s Ontario Conservative government which were nothing more than transfers of the tax burden to the property tax payer and municipal governments.

Calgary Mayor Dave Bronconnier describes the call for a correction of the current funding model as a matter of fundamental fairness. The federal government collects 66 cents of every tax dollar in Alberta. The provincial government collects 29 cents, leaving only 5 cents for the municipal government. Without any access to income taxes, or the windfall from resource revenues, municipal governments simply cannot keep pace with the demands placed on them.

The mayors’ demands are not unreasonable. During much of the 1990s, provincial and federal governments downloaded responsibilities for various social needs onto lower levels of government in order to ease the burdens of debt and deficit. Ultimately, municipal governments were left to pick up the slack without any significant or systemic help from other levels of government. Now that federal and provincial governments across the country are recording record surpluses, the time has come to re-examine the funding of Canadian municipalities.

Canada’s cities are being asked to deliver services that redistribute income and resources from high-income Canadians to low-income Canadians, without any access to revenue from income or sales

taxes. The primary source of revenue for Canadian municipalities is property taxes, which bear no relation to the taxpayer's ability to pay.

Take the dramatic example of the retired couple living in Fort McMurray. A generation ago, Fort McMurray was a quiet, affordable city where families with modest incomes could own a home. Today, homes purchased for \$25,000 in 1970 may be selling for \$500,000 or more. Seniors who have lived there for 35 years are finding that property taxes based on their home's value are more like mortgage payments. The demand for municipal services, combined with the limited ability of municipalities to raise revenues, are driving some Canadians out of their mortgage-free homes.

There are ways that governments can work to ensure that Canadian seniors are not run out of their homes as a result of skyrocketing home values and property taxes. In British Columbia, for example, seniors can defer the payment of their municipal taxes until after the sale of their homes.

Of course, measures such as tax deferrals for seniors do not address the central problem. Canadian municipal and provincial leaders believe that it is time to re-evaluate how cities are funded. The Martin government addressed these issues with the establishment of the GST rebate to municipalities, and the gas tax transfer. These vehicles have been providing Canadian municipalities with long-term, predictable funding. In Budget 2008, the Conservative government implemented a Liberal resolution to make the transfer of the gas tax permanent. This was a major achievement for the Urban Caucus. But more needs to be done.

The Urban Communities Caucus recommends:

- 17. A Liberal government engage provincial governments and municipal officials to study ways the funding model for municipalities can be improved.*
- 18. A Liberal government invite municipal representatives to all intergovernmental discussions that affect their interests.*
- 19. A Liberal government provide seed money to a pan-Canadian program that would allow seniors the option to defer paying their property taxes until after their homes are sold.*

Taking Action

We believe the structure that the Conservative government has proposed for spending on infrastructure programs is tragically out of sync with the needs of Canadian communities, and that the federal government must be involved to ensure that municipal infrastructure needs and national environmental goals are being met.

Of particular concern is the Conservative government's Building Canada Fund. First of all, it forces municipalities to compete with provincial governments for 90 percent of the available funding. We do not believe that this treats the concerns of communities seriously, and that this is another example of the Conservatives "politics of division" which pits city against city, town against town, and province against province. Secondly, we have been informed that the projects to be funded will be "identified" by the federal and provincial governments, bypassing input and priority setting from municipal governments. Lastly, in order to properly address infrastructure concerns, the government must first set out the goals that the Building Canada Fund is supposed to achieve, then measure proposed programs against those goals. Without this kind of rigour, infrastructure funding runs the risk of descending into little more than a government slush fund.

We believe that there needs to be a good mix of various kinds of funding, as well as targets for funding to meet a variety of policy goals. In particular, the key issues of direct-to-municipality financing, transit, water and sewer, recreation, and border infrastructure must be addressed.

This past December, as a result of a Liberal motion passed in the House of Commons by all parties, the gas tax was made a permanent feature of federal government budgets. The gas tax is transferred directly to Canadian municipalities on a per capita basis. This is crucial funding for cities as it is one of their largest sources of revenue outside of property taxes.

No integrated urban strategy can be effectively implemented without a significant investment in transit, a notion supported by the consistent call for a National Transit Fund by Canada's Big City Mayors. As noted earlier in this paper, the only way that Canadians will get out of their cars and take

The Urban Communities Caucus Recommends:

20. *The government's annual expenditure on infrastructure include the following:*

- ▶ *annual indexing of the Gas Tax Transfer;*
- ▶ *the creation of a National Transit Fund;*
- ▶ *a renewal of the Canadian Strategic Infrastructure Fund;*
- ▶ *a fund specifically targeted at small urban municipalities; and,*
- ▶ *a dedicated fund for recreation.*

public transit regularly is if it is quicker, cheaper, and at least as convenient as their cars. An effective transit strategy is a great benefit to new communities, as well as to the environment.

Structuring the Canadian Strategic Infrastructure Fund (CSIF) and a fund for small urban municipalities will be a significant step toward achieving some of the important environmental goals of the infrastructure envelope. Both should focus efforts on investments that will reduce Canadians' environmental footprint while improving health and sanitation conditions for Canadians. Another smaller fund should be available to help those municipalities that have large-scale water and sewer needs that cannot be addressed by the increased stable funding through the gas tax transfer. CSIF should be used to address both municipal and provincial priorities and strategic infrastructure demands in an environmentally sound way.

Another key component of the integrated urban strategy is the recreation envelope. Spending on recreation directly assists the government in some of its other policy fields, in particular criminal justice. Studies have shown that where recreation opportunities for youth increase, youth and adult crime rates decrease. A holistic approach to crime can be meshed with an integrated approach to cities. As with so many other issues that municipal governments are dealing with, achieving the benefits of recreation opportunities will be beyond reach as long as municipalities are forced to rely on property taxes to fund them. This is why we believe that the federal government should take the responsibility to replace the memorial rinks and centennial pools that were built with federal dollars. Ultimately, this is a need that is rooted in federal policy of the 1940s and 1960s. It would be unwise to abandon the investments we have made in these areas.

A key element of our urban communities strategy was announced at the 2008 Federation of Canadian Municipalities Conference on Sustainable Cities. There Mr. Dion announced that a future Liberal government would use any surpluses in excess of \$3 billion to maintain and upgrade infrastructure across the country. As Mr. Dion said that day: “If we want Canada to remain competitive in the global economy, we will need to link our cities together with fast trains; we will need modern ports and gateways, and a safe and efficient Trans-Canada highway. And to make Canadians healthier and happier, we will need modern recreational and cultural infrastructure.”

The Liberal infrastructure strategy has been extremely well-received across the country. In fact, in his reaction to the announcement, Gord Steeves, President of FCM called our plan “bold and visionary, with the potential to change the face of our country.” With that commitment in place, the next step is to outline exactly how that funding should be divided among various infrastructure priorities.

In the first year, 100 percent of these funds will be delivered directly to municipalities through the gas tax transfer. This pre-existing mechanism will allow the transfer to be made without legislative measures. In future years, a mechanism will be created to target this investment to priority infrastructure areas.

Conclusion

The federal government has a responsibility to Canadians to ensure that the foundations of our economy are well maintained and that Canadians have the access to social services, recreation, and leisure opportunities that keep us healthy and happy. For the more than 80 percent of Canadians who live in urban areas, that means ensuring the health of our cities.

Successive Liberal governments have made significant investments in infrastructure, and were able to significantly increase the tax base for municipalities through the gas tax transfer and GST rebates, yet Canadian cities and communities still face daunting challenges. Providing proper housing, building an effective transit system, and providing recreational opportunities are just some of the myriad of demands that are now placed on city halls and town councils across the country. If the federal government is not serious about helping municipalities deal with those challenges, then it is simply not serious about taking care of Canadian society.

In this paper we have attempted to show that a real, sustained, coordinated, and integrated approach to these issues is fundamental to maintaining the health and well being of our cities. Our consultations with Canada's civic leaders and stakeholders have shown that multi-faceted issues must be tackled from multiple angles if we are to achieve real progress. Addressing the housing problems in urban Canada without dealing with transit and recreation squanders an opportunity to make real and genuine change.

The situation is serious but not without hope. We know what needs to be done. We know that when the federal government has worked with its provincial and municipal partners in the past, great strides have been made. And we know that when this approach returns – in the not so distant future – great strides will be made again.

Over the coming months, we will continue the discussion we have started with our provincial and municipal colleagues. We will be hosting more consultations especially in Quebec and Western Canada. We look forward to hearing from you as this process continues.

Urban Caucus Public Consultations

December 12, 2007 – Toronto

David Miller
 Frank Scarpitti
 Mario Rocco
 Paul Zed, MP
 Judy Sgro, MP
 Alan Tonks, MP
 Sen. Art Eggleton
 Albina Guarnieri, MP
 Dan McTeague, MP
 Martha Hall Findlay, MP
 Sen. David Smith

Mayor of Toronto
 Mayor of Markham
 Former MPP Thornhill
 Liberal Critic, Cities Communities and Infrastructure
 Deputy Chair, Liberal Urban Communities Caucus
 York South Weston
 Senator
 Mississauga East – Cooksville
 Pickering – Scarborough East
 Willowdale
 Senator

January 9, 2008 – Winnipeg

Sam Katz
 Greg Sillinger
 Marty Dolan
 Ed Kitt
 Jim Carr
 Andrew Ward
 Ron Hurley
 Gino Distario
 Jeff Palmer
 John Latham
 Harry Finnegan
 Gord Steeves
 Justin Swandel
 Garth Reesor
 Paul Zed, MP
 Sen. Larry Campbell
 Ray Simard, MP
 Anita Neville, MP

Mayor of Winnipeg
 Manitoba Minister of Finance
 Interfaith Immigration Council
 Aboriginal Chamber of Commerce
 Business Council of Manitoba & Winnipeg Poverty Reduction Council
 Resource Assistance for Youth
 Winnipeg Construction Association
 University of Winnipeg Institute of Urban Studies
 Centre Venture
 North End Wellness
 City of Winnipeg Director of Planning
 President – Federation of Canadian Municipalities
 Winnipeg City Councillor
 Siloam Mission
 Liberal Critic, Cities Communities and Infrastructure
 Chair, Liberal Urban Communities Caucus
 Saint Boniface
 Winnipeg South Centre

January 10, 2008 – Calgary

Dave Bronconnier
 Dale Hodges
 Gord Lowe
 Jim Stevenson
 Bob Hawkesworth
 Ray Jones
 Joe Connelly
 Druh Farrell
 John Mar
 Joe Ceci
 André Chabot
 Brian Pincott
 Ric McIver
 Diane Colley-Urquhart
 Linda Fox-Mellway
 Wayne Stewart
 Marlène Labonté
 Pat Rainmaker
 Lisa Kim
 David Wilson
 Kent Heron
 Michael Cormicon

Calgary Mayor
 Calgary Alderman
 Calgary Alderman
 Calgary Alderman
 Calgary Alderman
 Calgary Alderman
 Calgary Alderman
 Calgary Alderman
 Calgary Alderman
 Calgary Alderman
 Calgary Alderman
 Calgary Alderman
 Calgary Alderman
 Calgary Alderman
 Calgary Alderman
 Calgary Alderman
 Calgary Homeless Foundation
 University of Calgary Senator
 Calgary Senior Resource Society
 Alpha House
 Momentum
 Downtown West Community Association
 citizen

January 25, 2008 – Halifax

Bill Karten
 Mary Wile
 Cathie O’Toole
 Susan Kirkland
 Kelly Atkins
 Mark Smith
 Bob MacDonald
 Lance Kinsdale
 Stephen Lund
 Claudia Jahn
 Paul Pettipas
 Paul Zed, MP
 Geoff Regan, MP
 Michael Savage, MP

Halifax Councilor
 Halifax Councilor
 Halifax Manager of Infrastructure
 Build it Right
 Build it Right
 Sport Nova Scotia
 Halifax Trails Association
 Halifax Trojans
 Nova Scotia Business Inc.
 Community Action on Homelessness
 Home Builders Association of Nova Scotia
 Liberal Critic, Cities Communities and Infrastructure
 Halifax West
 Dartmouth – Cole Harbour

February 29, 2008 – Montreal

G rard Tremblay
 Joe DiPietro
 Bob Benedetti
 Maria Tutino
 Domenico Zito
 Maire Edgar Rouleau
 Michael Applebaum
 Campbell Stuart
 Bernard Blanchet
 Elizabeth Verge
 Errol Johnson
 Paul Zed, MP
 Denis Coderre, MP
 Pablo Rodriguez, MP
 Francis Scarpaleggia, MP
 Marlene Jennings, MP

Mayor of Montreal
 Montreal Councilor
 Mayor of Beaconsfield
 Mayor of Baie d’Urfe
 Councillor City of Kirkland
 Cit  de Dorval
 Mayor of C te-Saint-Luc
 Mayor of Montreal West
 Conseiller d’arrondissement de Lachine
 Conseill re d’arrondissement de Lachine
 Councillor Dollard-des-Ormeaux.
 Liberal Critic, Cities Communities and Infrastructure
 Bourassa
 Honor  – Mercier
 Lac Saint Louis
 Notre-Dame-de-Gr ce – Lachine

March 11, 2008 – Ottawa

Jim Watson
 Art Eggleton
 Sue Barnes MP
 Susan Kadis, MP
 Pablo Rodriguez, MP
 Carolyn Bennett, MP
 Bryon Wilfert, MP
 Ray Simard, MP
 Alan Tonks, MP
 Judy Sgro, MP
 Paul Zed, MP

Ontario Minister of Municipal Affairs and Housing
 Senator
 London West
 Thornhill
 Honor  Mercier
 St. Paul’s
 Richmond Hill
 Saint Boniface
 York South - Weston
 Deputy Chair, Liberal Urban Communities Caucus
 Liberal Critic, Cities, Communities and Infrastructure

March 15, 2008 – Saint John

Ivan Court
 Paul Zed, MP

President, Cities of New Brunswick Association
 Liberal Critic, Cities Communities and Infrastructure

April 5, 2008 – North Bay

Barb Groves
 Bill Vrebosch
 Vic Fedeli
 Hec Lavigne
 Calvin Young
 Bob Young
 Judy Pace
 Yvon Foisey
 Bill White
 Tracey Balen
 Sean Lawlor
 Anita Corriveau
 Ed Dreidger
 Paul Zed, MP
 Sen. Larry Campbell
 Anthony Rota, MP

Township of Chisholm
 Township of East Ferris
 Mayor of North Bay
 Town of Callander
 Nipissing Township
 Town of Powassan
 Mayor of Temiskaming Shores
 Bonfield
 District of Nipissing Social Services Administration Board
 North Bay chamber of Commerce
 North Bay chamber of Commerce
 citizen
 citizen
 Liberal Critic, Cities Communities and Infrastructure
 Chair, Liberal Urban Communities Caucus
 North Bay

April 5, 2008 – Sault Ste. Marie

John Rosewell
 Terry Sheehan
 Lou Turco
 Steve Butland
 Nick Apostle
 Lorie Bottos
 Jerry Dolcetti
 Bill Freiburger
 Pat McAuley
 Kim Streich-Poser
 John Luszk
 David Orazetti
 John Godfrey, MP
 Sen. Art Eggleton
 Brent St. Denis, MP

Mayor of Sault Ste. Marie
 Sault Ste. Marie Councilor
 Sault Ste. Marie Councilor
 Sault Ste. Marie Councilor
 Manager, SSM Community Services Dept
 SSM City Solicitor
 Manager, SSM Engineering & Planning Department
 SSM Treasurer and Commissioner of Finance
 Manager, SSM Public Works & Transportation Department
 Manager, SSM Social Services Department
 Manager, SSM Human Resources
 MPP, Sault Ste. Marie
 Don Valley West
 Senator
 Algoma Manitoulin Kapuskasing

April 5, 2008 – Sudbury

John Rodriguez
 Joscelyne Landry-Altman
 Janet Gasparini
 Frances Caldarelli
 Evelyn Dutrisac
 Claude Berthiaume
 René Quesnelle
 André Dumais
 Maureen Luoma
 Susan Thompson
 Morgan Pitfield
 Vincent Lacroix
 Joe Cimino
 Paul Zed, MP
 Sen. Larry Campbell
 Diane Marleau, MP
 Ray Bonin, MP
 John Godfrey, MP
 Sen. Art Eggleton
 Brent St. Denis, MP

Mayor of Sudbury
 Sudbury Councilor
 Sudbury Councilor
 Sudbury Councilor
 Sudbury Councilor
 Sudbury Councilor
 Nickel Basin Federal Development Corporation
 Greater Sudbury Chamber of Commerce
 Executive Director, Downtown Sudbury
 Downtown Village Development Corporation
 Mayor of Killarney
 French River Councilor
 Sudbury Councilor
 Liberal Critic, Cities Communities and Infrastructure
 Chair, Liberal Urban Communities Caucus
 Sudbury
 Nickel Belt
 Don Valley West
 Senator
 Algoma Manitoulin Kapuskasing

May 15, 2008 – Guelph

Karen Farbridge
 Bob Bell
 June Hoffland
 Maggie Laidlaw
 Gloria Kovach
 Lise Burcher
 Leanne Piper
 Karl Wettstein
 Lloyd Longfield
 Ken Dardano
 Cathy Taylor
 Teresa McKinnon
 Tracey Vunderink
 Vicki Gojanovich
 Heather Burke
 Judy Coulman
 Kimberley Rogers
 Mandeep Sandhu
 Mark Bailey
 Paul Zed, MP
 Judy Sgro, MP

Mayor of Guelph
 Guelph Councilor
 Guelph Councilor
 Guelph Councilor
 Guelph Councilor
 Guelph Councilor
 Guelph Councilor
 Guelph Councilor
 Guelph Councilor
 Guelph Chamber of Commerce
 United Way
 Volunteer Center
 Child Care
 Multicultural Center
 Breakfast Club
 Housing Services
 AD VOX Wellington Children's Mental Health
 Onward Willow
 Neighbourhood Association
 Neighbourhood Association
 Liberal Critic, Cities Communities and Infrastructure
 Deputy Chair, Liberal Urban Communities Caucus

May 15, 2008 — Mississauga

Hazel McCallion
 Katie Mahoney
 Paul Zed, MP
 Judy Sgro, MP
 Albina Guarnieri, MP

Mayor of Mississauga
 Mississauga Councilor
 Liberal Critic, Cities Communities and Infrastructure
 Deputy Chair, Liberal Urban Communities Caucus
 Mississauga East Cooksville

