

# COMMENTARY



## Toronto is a divided city. Here's how to repair it

As John Tory prepares to take the chain of office, here are a few tips for the mayor-elect on how to achieve his goal of creating "one Toronto."

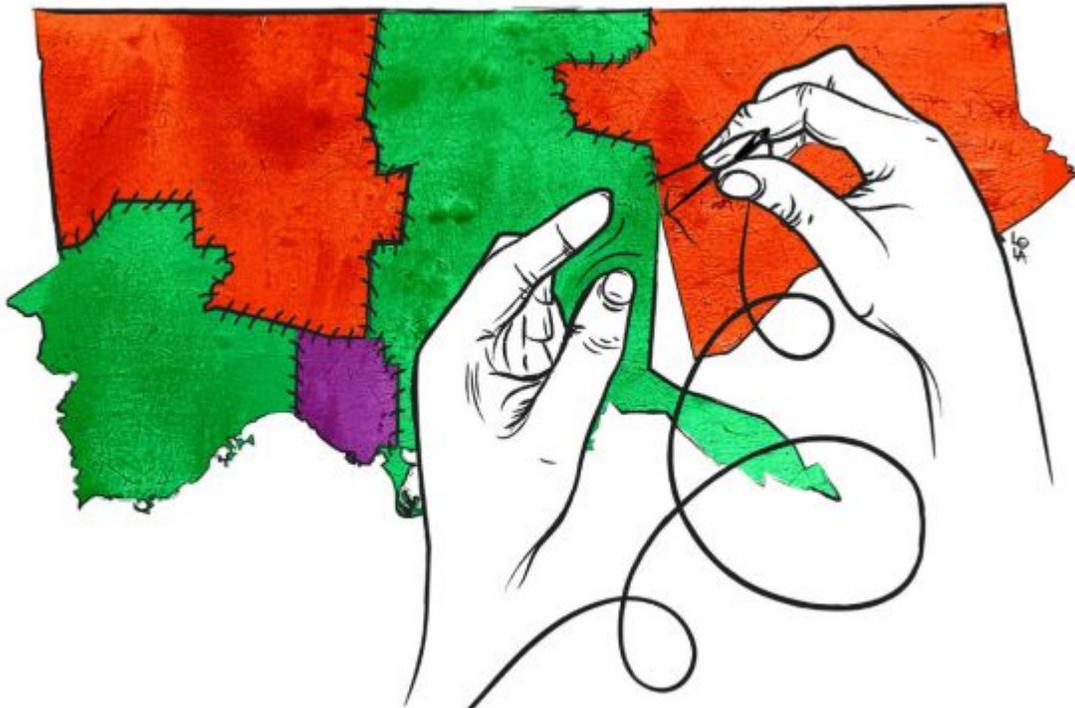


Illustration by Lola Landekic

**By:** Richard Florida Published on Sat Nov 29 2014

As he prepares to officially take over the mayor's office on Tuesday, John Tory is already signalling that he will make good on his election night promise to tackle the city's long-festering divides and build "one Toronto." In a ["state of the city" speech](#) on Thursday, he identified housing, unemployment and transit as some of the most pressing challenges the city faces.

Tory is the business-savvy, hands-on leader the city needs. But as the election night map reminds us, Toronto remains a deeply divided city.

Acknowledging these problems is a step in the right direction, but it will take more than words to remedy these deep divides.

Let me offer up some ideas based on my work over the past several years with mayors like New York's Bill de Blasio, Los Angeles' Eric Garcetti, Pittsburgh's Bill Peduto and Calgary's Naheed Nenshi who have been tackling these issues, as well as my involvement with former New York mayor Michael Bloomberg's Mayor's Innovation Challenge, which identifies and awards leading-edge city solutions around the world. Based on what I've seen and learned, healing our deep economic and geographic divides will require bold action on several fronts.

The first is housing — particularly affordable housing. As Toronto has grown as a global city, its real estate has become more and more expensive, with the average price of a detached home approaching \$1 million. The working and middle classes and especially young people are increasingly priced out of the Canadian dream.

The city desperately needs to build new housing, and lots of it, by increasing density and opening up more central land for development. But it also needs a concrete strategy. In New York, Bill de Blasio introduced a plan for affordable housing that will require developers to include below-market apartments in newly rezoned areas. Tory would do well to emulate this kind of public-private partnership and incent developers, who are seeing historically high prices, to help pay for more affordable housing.

The second is jobs. Tory has rightly made job creation one of his key priorities. But Toronto doesn't just need more jobs; it needs better ones that pay higher wages. The blue-collar jobs that could once support a family have disappeared. Toronto's economy has split into high-paying, knowledge and professional jobs and a troublingly larger number of precarious and lower-paying jobs in fast-growing service industries like retail sales, food service, personal care and hospitality.

Something that Tory didn't address in his speech was the minimum wage. It is time for a localized minimum wage that reflects the high costs of living in Toronto. Experts suggest that a minimum wage pegged at roughly 50 to 60 per cent of the city's median wage (the wage paid to its middle worker) would help lift the wages of workers at the bottom without damaging economic competitiveness. For Toronto, that means a minimum wage of \$13.50 — \$2.50 more than the province's new \$11 minimum.

This still falls short of what is being done in other big North American cities. Los Angeles Mayor Eric Garcetti recently upped the minimum wage for hospitality workers to \$15.37 an hour

and Seattle's Sea-Tac airport raised it to \$15. Toronto's mayor and council currently lack the power to set a separate minimum wage for the city. But the mayor can invoke the province to set a minimum wage level that reflects Toronto's higher living costs.

It's also time to upgrade the low-paying service jobs in which more than a million workers across Greater Toronto toil. In her book [The Good Jobs Strategy](#), Zeynep Ton documents the payoffs companies gain from paying their service and retail workers better. Higher paid workers are more engaged, generate more on-the-ground suggestions and innovations, and provide better customer service, boosting company profits.

Paying hotel, restaurant and entertainment workers more can also benefit the city, providing tourists with better service while improving the service economy's overall productivity. No one is better situated to spearhead such an effort than Tory, a businessman himself, who can level with Toronto's business leaders on the benefits of paying service workers more.

Third is transit — the mayor-elect's top priority, as his Thursday announcement showed. It is a leading cause of our economic divide as affluent knowledge and professional workers colonize not only the core of the city but its main transit spines as well. Any transit strategy must connect the city's outlying areas, where the bulk of its less affluent working and service classes live.

Last but not least, to cope with such large-scale problems, the mayor and council need new powers. Greater Toronto generates roughly \$300 billion in economic output, more than Hong Kong or Singapore, while the city produces \$150 billion, about as much as Manitoba, Saskatchewan and Nova Scotia combined. But it does not have anywhere near their powers to raise and spend money to address its problems.

An economy of this size should no longer have to go hat in hand and simply needs to function like a province, as Alan Broadbent has long noted. Calgary Mayor Naheed Nenshi has repeatedly called for just such a "new deal" for Alberta's cities. "I'm the mayor of a city that has more people in it than five provinces," he recently told CBC's *The National*. "I have exactly the same power and ability as the mayor of a hamlet of 200 people."

These moves are already gaining traction after he and Edmonton Mayor Don Iveson spoke with new Alberta Premier Jim Prentice shortly after he was elected. In October, Prentice acknowledged that the province's two largest cities need sweeping new powers. In the U.K., a City Growth Commission identified strategies to empower the nation's metro areas, laying out the concrete steps for a "metro devolution" of power from the national government to cities. Labour leader Ed Miliband has called for replacing the House of Lords with a senate for cities.

The time to act on this is now. Tory has the respect of Premier Kathleen Wynne, who offered up a "hallelujah" when informed of his election and recently welcomed him as a "friend" at a joint event in Toronto. The two can work together to revise the outmoded City of Toronto Act and give the mayor, council and the city the power they need to cope with 21st century economic, social and fiscal realities. In addition, it makes sense to emulate the U.K.'s metro devolution and empower a broader co-operative region-wide federation of neighbouring municipalities whose

co-operation is necessary in tackling issues that are increasingly regional, rather than Toronto specific, in nature.

Toronto's divide has been allowed to fester for far too long. Now is the time for our new mayor, council and all of us to come together to do what it takes to rebuild the reality and the promise of One Toronto.

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