

Transportation Priorities and Investment for a Healthy Toronto – Update

Date:	April 26, 2013
To:	Board of Health
From:	Medical Officer of Health
Wards:	All
Reference Number:	

SUMMARY

On March 25, 2013 the Board of Health adopted *Transportation Priorities and Investment for a Healthy Toronto*, which sets out population health and health equity criteria by which proposed revenue tools for new transit investments should be considered. At that time the Board of Health requested the City Manager to consider population health and health equity in evaluating proposed revenue tools and proposed new transit investments. On April 2, 2013, Metrolinx released its shortlist of revenue tools. On April 9, 2013 Toronto's City Manager released the results of public consultations on transit funding along with a shortlist of preferred revenue options (*Metrolinx Transportation Growth Funding- Dedicated Revenues*) for consideration by the Executive Committee on April 23.

The purpose of this report is to inform the Board of Health of the health and equity implications of funding tools being considered to support transportation expansion in the Greater Toronto and Hamilton Area (GTHA). The report presents the results of a screening-level, equity-based health impact assessment. The assessment found that development charges, fuel taxes, high occupancy toll lanes, highway tolls or other road pricing, land value capture, parking levy, vehicle kilometres travelled fee and vehicle registration tax have the potential to support health by promoting active transportation (transit, walking and cycling), reducing exposure to air pollution and enhancing mobility. The assessment also found that income taxes, while not directly tied to transportation behaviours or environmental improvements, are most supportive of health equity.

The impacts of any new costs for transportation expansion should be distributed as equitably as possible. Transportation policies can be healthy public policies if decision

makers address the health and wellbeing of the whole population and work to mitigate any inequities. This report urges the Premier of Ontario to address health and equity impacts when selecting approaches to fund transportation investments in the GTHA.

RECOMMENDATIONS

The Medical Officer of Health recommends that the Board of Health:

1. Urge the Premier of Ontario to consider the potential benefits to health and reduction of health inequities when selecting approaches to fund transportation infrastructure investments in the Greater Toronto and Hamilton Area;
2. Forward this report to the:
 - (a) Ontario Ministers of Finance, Transportation, Health and Long Term Care, and Community and Social Services, the President and Chief Executive Officer of Metrolinx, and the Chief Medical Officer of Health of Ontario;
 - (b) City Manager, Chief Planner and Executive Director of City Planning, General Manager of Transportation Services, and the Chief Executive Officer of the Toronto Transit Commission;
 - (c) Boards of Health of the City of Hamilton, and Regions of Durham, Halton, Peel, and York;
 - (d) Toronto Board of Trade, Association of Local Public Health Agencies, United Way, Canadian Urban Transit Association, Pembina Institute, CivicAction, Martin Prosperity Institute, Ontario College of Family Physicians, Ontario Public Health Association, Wellesley Institute, Evergreen and Ontario Medical Association.

Financial Impact

There are no financial impacts from the adoption of this report.

DECISION HISTORY

HL20.2 "Transportation Priorities and Investment for a Healthy Toronto", March 25, 2013 Board of Health

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.HL20.2>

The Board of Health adopted the recommendations included in this report, including: "2. Noting that the income tax is the least regressive way to fund transit, the Board of

Health requested the City Manager to include health and equity criteria in Attachment 2 to the report (March 11, 2013) from the Medical Officer of Health, when developing the City's position on funding tools for Council's endorsement and submission to Metrolinx." The Board of Health also "requested the Medical Officer of Health to report back to the Board of Health when the City presents its report on next transit lines to be built, and/or when the Province comes out with its revenue tools strategy with a screening health impact assessment."

HL20.3 "Next Stop Health: Transit Access and Health Inequities in Toronto," March 25, 2013 Board of Health

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.HL20.3>

The Board of Health adopted the recommendations included in this report, including: "Requested the Premier of Ontario, President and Chief Executive Officer of Metrolinx, and the Chief Executive Officer of the Toronto Transit Commission to ensure that a portion of new funding for transit expansion be used to improve the affordability of transit for low income residents as part of a comprehensive transit strategy."

On April 2, 2013, the provincial agency Metrolinx released its most recent revenue tools strategy, a shortlist of preferred revenue tools

(<http://www.newswire.ca/en/story/1139095/metrolinx-releases-short-list-of-proposed-investment-tools-for-consultation>). The final proposed revenue strategy is planned for release on May 27, 2013.

EX31.3 "Metrolinx Transportation Growth Funding- Dedicated Revenues", April 23, 2013. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.EX31.3>

On April 9, 2013, the City Manager released a report on *Metrolinx Transportation Growth Funding - Dedicated Revenues*, which recommended a preferred City position on various funding tools for Council's endorsement and submission to Metrolinx. The executive committee deferred consideration of this report until its meeting of May 28, 2013.

ISSUE BACKGROUND

Transportation funding is a health issue

This is a critical time for transportation funding. There is growing recognition that decades of underinvestment, have left the GTHA without adequate transportation infrastructure to support economic, environmental and social needs.

Transportation choices are health choices. The amount of time we spend while commuting by car instead of working, playing, being active or spending time with our families and friends affects our physical and mental health. Our choice of transportation modes affects our air quality, our climate, our physical activity levels and our risks for acute and chronic diseases.

The travel choices available are determined in large part by investments in transportation infrastructure. Economic decisions about how revenues are generated for transit also affect health: some fees and taxes may change travel behaviours or alter the design of the built environment in ways that promote health, while others may inhibit health equity by placing a disproportionate burden on some residents over others.

The evidence shows that a reliable, accessible, and affordable transportation system is necessary for good public health.¹ A healthy transportation system includes good transit and supports active modes of transportation like walking and cycling.² It also includes equitable access and affordability for all residents and transportation system users.³ Transit is a key contributor to a healthy, active city. Transit users often walk or bike to and from transit stops and stations – a shift with clear health benefits. Physical activity from active transportation has very important health benefits, including significantly reducing the risk of all-cause mortality, cardiovascular disease, obesity, type II diabetes, and certain types of cancer.⁴ Transportation expansion greatly benefits vulnerable and low income people who disproportionately rely on public transport.

The expansion of infrastructure for public transit, walking and cycling will provide increased mobility options to people living in the region. This enables access to factors which are important for health, such as healthy food, employment and educational opportunities, health and social programs and services, and cultural and recreational opportunities. Transit can also enable greater social interaction and inclusion, particularly for vulnerable groups such as low income individuals, the elderly, and people with disabilities.

Transportation funding tools and infrastructure investments should work together to support health and health equity

Revenue tools for transit should include measures that prompt people to make healthy changes to their daily transportation choices. Any revenue strategy for transit should also reduce inequitable effects of selected revenue tools on vulnerable and low income residents. These inequities can be addressed both through direct financial mitigation and by ensuring that transportation and transit investments prioritize people living with low incomes, the majority of whom currently live in areas underserved by public transit. A fairer distribution of the costs of transportation improves health equity and in turn improves the health of the whole population.

On March 25, 2013 the Board of Health adopted *Transportation Priorities and Investment for a Healthy Toronto*, which sets out population health and health equity criteria by which proposed revenue tools for new transit investments should be considered. The Board also adopted *Next Stop Health: Transit Access and Health Inequities in Toronto*, which recommended that a portion of new funding for transit expansion be used to improve the affordability of transit for low income residents as part of a comprehensive transit strategy.

COMMENTS

Screening health impact assessment

Many factors play into the selection of tools to use to invest in improving transportation infrastructure in the Toronto region. This report focuses on two key considerations: health and health equity. This report uses the criteria set out in *Transportation Priorities and Investment for a Healthy Toronto* in a screening level health impact assessment of the proposed transit revenue tools recommended by Metrolinx,⁵ the City Manager⁶ and/or the Board of Health.⁷

The screening exercise involved reviewing each proposed revenue tool according to health evidence related to the following criteria:

1. Promote health of the whole population
 - Does the proposed revenue tool make walking, cycling and taking transit more attractive options?
 - Does the proposed revenue tool encourage the adoption of least polluting transport technologies that support climate change and sustainable energy use policies?
 - Does the proposed revenue tool support healthy communities?
2. Promote health equity
 - Does the proposed revenue tool ensure revenue collection for transportation does not place a disproportionate burden on people living on low-income?
 - Does the proposed revenue tool provide affordable transit for people living on a low income?
 - Does the proposed revenue tool maximize local economic growth and strengthen social infrastructure?

As a screening level, equity-based health impact assessment, this report is primarily focused on identifying direct potential health and equity impacts of each revenue tool in and of itself (i.e., not as part of a mix of revenue tools and transportation investments). It does not evaluate or weigh indirect, aggregate or relative impacts of proposed revenue tools. It does not consider the magnitude of potential health and equity impacts. The analysis does not include mitigation strategies for potential negative impacts or consider the impacts as compared to the evident benefits of transportation system interventions.

The results of the screening health impact assessment are summarized in Table 1. Within the table, a checkmark (✓) indicates that the proposed revenue tool is likely to lead to improvements in public health or health equity.

Table 1. Summary of Health Impact Assessment of Revenue Tool Options (a)

Proposed revenue tool	Promotes health	Promotes health equity
Metrolinx and Toronto City Manager		
Development charges	✓	
Fuel taxes	✓	
High occupancy toll lanes	✓	
Highway tolls or other road pricing	✓	
Parking levy	✓	
Sales tax		
Vehicle kilometres travelled fee	✓	
Metrolinx only		
Employer Payroll Tax		
Land Value Capture	✓	
Property Tax		
Transit Fare Increase		
Toronto City Manager only		
Vehicle registration tax	✓	
Neither City Manager nor Metrolinx		
Corporate income tax		✓
Personal income tax		✓

(a) Absence of a checkmark (✓) means the tool does not support health or equity, either because the impact is neutral or negative.

Tools that promote health

Several proposed revenue tools promote health by increasing the costs of vehicular travel. Fuel taxes, high occupancy toll lanes, highway tolls, parking levies, vehicle kilometres travelled (VKT) fees and vehicle registration taxes make driving more expensive. In so doing, they promote behaviour change toward more walking, cycling and transit use and reduce travel-related air pollution. Fuel taxes, road pricing and VKT fees are directly tied to distances travelled; parking levies are tied to destinations and built form. These tools likely have more positive impact on behaviour change than more static fees such vehicle registration taxes.

While any tool that generates significant revenue for dedicated transit expansion supports healthy communities, some tools also have particular effects on the built environment. Development charges and land value capture can be designed to encourage new development that supports more compact, transportation-friendly communities.

Tools that promote health equity

Income taxes are progressive. They are relatively easy to implement and are currently at historically low levels, particularly for corporations and high income earners.^{8 9} Although corporate and personal income taxes do not directly impact the cost of driving or provide

additional incentives to use alternate modes of transportation, they have major revenue generation potential and have traditionally been primary funding sources for transportation. Sales taxes are not tied to transportation behaviour changes and disproportionately affect low income earners who have less discretionary income.

A significant number of low income Torontonians commute using a vehicle.¹⁰ Low income drivers who lack transportation alternatives face a greater relative cost burden from revenue tools aimed at changing transportation behaviours. It is both possible and necessary to reduce any inequitable effects on low income residents through direct financial mitigation and by ensuring that transportation and transit investments prioritize people living with low incomes who live in areas underserved by public transit.

Expanded transportation infrastructure that is affordable and accessible improves the health of the entire population by reducing congestion and promoting transit, walking and cycling as healthy, viable, and feasible alternatives to driving. The impacts of any new costs for transit expansion should be distributed as equitably as possible. Transportation policies can be healthy public policies if decision makers address the health and wellbeing of the whole population and work to mitigate any inequities.

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SIGNATURE

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- ¹ Toronto Public Health 2011. *Healthy Toronto by Design*. Available at http://www.toronto.ca/health/hphe/pdf/healthytoronto_oct04_11.pdf
- ² Toronto Public Health 2012. *The Road to Health*. Available at <http://www.toronto.ca/health/hphe/pdf/roadtohealth.pdf>,
- ³ Toronto Public Health 2013. *Next Stop Health: Transit Access and Health Inequities in Toronto*. Available at <http://www.toronto.ca/legdocs/mmis/2013/hl/bgrd/backgroundfile-56681.pdf>
- ⁴ Toronto Public Health 2012. *The Road to Health*. Available at <http://www.toronto.ca/health/hphe/pdf/roadtohealth.pdf>,
- ⁵ Metrolinx 2013. Metrolinx Investment Tools Shortlist, Available at <http://www.bigmove.ca/wp-content/uploads/2013/04/Investment-Tools-Fact-Sheet-web.pdf>
- ⁶ City of Toronto 2013. Metrolinx Transportation Growth Funding- Dedicated Revenues. Available at <http://www.toronto.ca/legdocs/mmis/2013/ex/bgrd/backgroundfile-57594.pdf>
- ⁷ Toronto Board of Health 2013. Transportation Priorities and Investment for a Healthy Toronto (Board Decision). Available at <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.HL20.2>
- ⁸ Agriculture and Agri-Food Canada 2007. Corporate Income Tax Rate Database: Canada and the Provinces, 1960-2005. Available at: http://www4.agr.gc.ca/resources/prod/doc/pol/pub/itdat60-05/pdf/tax_e.pdf.
- ⁹ Canadian Centre for Policy Alternatives 2010. The Rise of Canada's Richest 1%. Available at <http://www.policyalternatives.ca/sites/default/files/uploads/publications/National%20Office/2010/12/Richest%201%20Percent.pdf>.
- ¹⁰ Toronto Public Health 2013. *Next Stop Health: Transit Access and Health Inequities in Toronto*. Available at <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.HL20.3>.