

Date: January 24, 2022 (9:30am -12:30pm)
To: Budget Committee
Re: BU38.1 – 2022 Capital and Operating Budgets (Ward All)

Dear Members of the Budget Committee,

Toronto Environmental Alliance (TEA) and our supporters across the city understand that **ambitious targets, community engagement in decision-making, and sustained funding** are needed to address climate change locally.

In December 2021, City Council passed the new TransformTO Net Zero Strategy. By setting a new target of net zero emissions by 2040, the City has taken a significant step up in its level of ambition. Now, we're looking to see that reflected in the City Budget.

We are concerned about the level of investments in climate action in this year's budget, and the need for greater transparency and accountability in the budgeting process as TransformTO actions are implemented by numerous City divisions, the limited opportunity for public participation in a compressed budget timeline, and the lack of a deep equity analysis in divisional budgets.

- Spending for climate action in 2022 is not aligned to Toronto's step up in climate ambition. For example, the City's *Briefing Note on Greenhouse Gas (GHG) Reduction and Climate Resilience Investment* identifies **\$358.5M** of transit capital investment with emissions reductions and/or resilience components in 2022¹, whereas the *Net Zero Strategy's Technical Report* financial model indicates the need for investment in transit enhancements at a level of **\$1.5B** per year².
- Climate action at the City is moving into numerous City divisions and agencies, which is positive. Actions in the Net Zero Short-Term plan involve **20 City divisions**, and the Capital Budget notes identified investments with climate and/or resilience impact 'components' across **21 City divisions & programs**. For transparency and to improve public accountability, the City will need to summarize and make clear how much funding is being invested each year that advance Net Zero goals.
- In our review of the Budget Notes, which require the City to provide its assessment of the **Equity Impacts** on Budget Changes, we note that the equity assessment for the Environment & Energy division (EED) budget states that it has "No significant equity impacts". Since TransformTO explicitly aims to advance social equity, we are surprised not to see a more nuanced, or positive-impact equity analysis. We are concerned, for example, with how this Budget is going to create opportunities/jobs for equity-deserving people; how is it going to support neighbourhoods/communities at risk from extreme weather?

- TEA has advocated for broader, more equitable public engagement on the City's climate plan for many years. Similarly, we are concerned about the lack of public consultation with this year's Budget process. We're concerned that the shortened process limits access to information and participation for residents, civil society organizations and elected officials.

WHAT TEA IS CALLING FOR IN THE 2022 BUDGET

TEA is calling for an increase in funding in this budget year, towards matching the level of our climate ambition; especially in areas that reduce GHGs and improve equity.

We are calling for greater investment in transportation:

- Fully fund equity-improving transit programs including **Fair Pass** and **RapidTO**.
- Ensure **transit service levels** are increased; act quickly to correct recent decreases.
- Allocate the funds necessary to meet Toronto's commitments to **electrifying transit** and the **City's own fleet**.
- Invest in **Vision Zero** and in protective infrastructure for pedestrians and cyclists sooner, especially in communities where **active transportation infrastructure** is the most lacking.

We are calling for investment in greening buildings:

- Given the housing crisis, ensure that significant funds are earmarked for greening buildings, and directly contribute to increasing the number of safe and affordable housing units.

WHAT TEA IS CALLING FOR IN THE BUDGET PROCESS

We are calling for transparency, accountability, and opportunities for public participation in the budget process:

- Commit to a more **open, transparent, democratic and participatory** budget process.
- Provide a summary of investments needed across divisions to achieve the **Short-term Implementation Plan** actions and 2025 targets, and to achieve the **TransformTO Net Zero by 2040 Strategy**.
- Explain what **sources of funding** are being sought out to fund climate action in Toronto at the necessary level to meet our goals; specify what portions of investment the City will fund through its own revenue sources and what it expects from other levels of government to ensure that Toronto's plans are funded, and the funding is sustained.
- Provide an interim progress report (in 2022) on the City's ongoing analysis work on potential new **revenue tools**.
- Provide an interim progress report from EED and the CFO's office (Q2 2022) on the development of a **Carbon Budget** for Toronto.
- Commit to a deeper, more robust Equity Analysis.

OUR CALL FOR ROBUST AND SUSTAINED FUNDING FOR CLIMATE ACTION

Since the original TransformTO climate plan was passed in 2017, there have been repeated delays and underfunding of climate action in the City Budget. **By setting a new target of net zero by 2040, the City has taken a significant step up in its level of ambition. Now, we'll need to step up the political will to fully implement the plan, and that requires new revenue to fund climate action.**

Full funding of this plan will require support from other levels of government, but we can't rely on these sources alone. Over the last several years, civil society groups have been asking the City to commit to creating and implementing new revenue tools - that are fair and equitable - within its own powers.

We call upon this Committee and City Council to increase funding in the 2022 budget to match the level of our climate ambition, especially in areas that reduce GHGs and improve equity, and to lay an immediate foundation for establishing an equitable, sustained and robust funding stream for climate action.



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¹ City of Toronto. *2022 Capital Budget Briefing Note - Greenhouse Gas (GHG) Reduction and Climate Resilience Investment Summary*, p10, <https://www.toronto.ca/legdocs/mmis/2022/bu/bgrd/backgroundfile-175000.pdf>, Accessed Jan 23, 2022.

² "A major investment in the NZ scenarios is in transit system enhancements, totalling around \$1.5 billion per year." City of Toronto. *TransformTO Net Zero Strategy Technical Report*, p19, <https://www.toronto.ca/legdocs/mmis/2021/ie/bgrd/backgroundfile-173759.pdf>, Accessed Jan 23, 2022.