

From: [Sarah Buchanan](#)
To: [Budget Committee](#)
Subject: Written budget submission from Toronto Environmental Alliance
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Attachments: [TEA Budget submission Jan 24th.pdf](#)

Hello,

Please find TEA's written submission to the 2023 budget attached.

Thanks,

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A Greener City for All

Toronto Environmental Alliance is a local non-profit organization who works to advocate on behalf of all Torontonians for a green, healthy and equitable city.

Summary of TEA's Key Recommendations for the City's 2023 Proposed Budget

- 1. Scale Up Climate Action Funding to Match the City's Net Zero Strategy Commitments.**
- 2. Reverse Proposed TTC Cuts and Invest in Transit**
- 3. Scale Up Building Retrofits More Quickly, Particularly Those that Increase the Amount of Affordable Housing**
- 4. Invest in a Plan to Protect People Now - and in the Future - from Heat, Floods, and Extreme Weather.**
- 5. Invest in Parks, Trees, and Green Spaces as Critical Resilience Tools**
- 6. Increase Funding for Education to Hit the City's Zero Waste Goals**
- 7. Address the Growing State of Good Repair (SOGR) Backlog with New Revenue Sources**
- 8. Accelerate and Improve Implementation of Toronto's Climate Lens**
- 9. Increase Staff Capacity to Address the Climate Emergency**

1. Scale Up Climate Action Funding to Match the City's Net Zero Strategy Commitments

Despite voting in favour of ambitious plans to fight climate change and reach net zero emissions by 2040, the Mayor and Council still haven't outlined how to fund these plans anywhere close to the necessary scale. There are promising programs to retrofit social housing buildings, add renewable energy to city buildings, expand Bike Share programs and more - but we need to see these programs grow exponentially to meet Council's climate promises.

Here are a few key numbers:

A [City briefing document](#) tells us that they're planning to spend about \$2B in "climate-related" capital projects in 2023. But in order to meet the city's Net Zero by 2040 goal, the city's climate plan estimates that they'll need to invest an average of over \$8B per year. This is a massive amount of money and a huge gap between commitment and action - and every year of delay makes it astronomically worse. According to another [budget briefing note](#), "delays in commencing the necessary work in the Net Zero Carbon Plan could result in cost escalations between 5-10% annually in the near term, compounded further by each year of delay."

While it is true that both the federal and provincial governments will need to provide more funding to support Toronto's TransformTO Net Zero Strategy, we are seeing no evidence that this conversation on funding for the climate crisis is happening in a serious way. **We recommend clearly communicating what the annual funding gap for this plan is to these governments and the public, in addition to Toronto bringing its own dedicated climate funding tools to the table to build a foundation for asking other governments.**

Climate action is just one of many critical areas facing budget cuts and shortfalls this year. But despite these big gaps, the budget does not propose any new targeted revenue or funding tools (besides a property tax increase). Instead, the budget looks for over a billion dollars in unconfirmed help from the provincial and federal governments. **We recommend including proposals for new City-led revenue tools in the 2023 budget which can fund big underfunded priorities like affordable housing, climate and transit.**

2. Reverse Proposed TTC Cuts and Invest in Transit

Toronto's Net Zero Climate Strategy hinges on transit expanding, improving, and becoming free before 2040. But the proposed TTC budget cuts service by 9% from pre-pandemic levels while increasing fares. This risks sending the TTC into a spiral of reduced service causing reduced ridership, leading to reduced funding, which feeds into further reductions in ridership. The cuts also move us in the opposite direction from Council's climate commitments, and make transit less affordable for the people who depend on it every day.

To be clear - the proposed TTC cuts directly undermine the City's Council-supported climate strategy and should be reversed.

TEA is also calling for a staff report investigating how the city could use a commercial parking levy to fund future transit and climate change solutions. City reports estimate that this tool could raise up to \$575M per year - a significant amount for a single revenue tool. You can find more information about this tool [in a backgrounder we released with TTCriders here](#).

A commercial parking levy is a small hourly fee on non-residential parking spaces. **We recommend Toronto follow the lead of cities like New York, LA, Chicago, Montreal, and Vancouver and apply a commercial parking levy to fund transit and climate action.**

3. Scale Up Building Retrofits More Quickly, Particularly Those that Increase the Amount of Affordable Housing

Almost 60% of the city's emissions come from buildings. And while new buildings are more likely to be energy and emissions efficient, most of Toronto's buildings are older. Both the 2023 budget and the 2023-2032 Ten-Year Capital budgets are woefully inadequate to meet both the city's short term and the city's long term Net Zero goals.

Investing in building retrofits can also help meet the City's affordable housing goals by protecting and improving existing buildings and/or creating new deeply affordable housing, low carbon housing units. Investing in programs which address both climate and housing affordability at once is a win-win for the City and its residents.

According to the city's [Net Zero Technical Report](#), Toronto needs to retrofit an average of over 29,000 residential buildings per year. The Net Zero Technical Report also calls for all non-residential buildings to be converted to heat pumps by 2040. Every year the targets are not reached, the number of buildings that need to be retrofitted increases.

Existing programs need to accelerate action in order to meet the commitments in the City's Net Zero Existing Buildings Strategy and ultimately meet the City's climate targets. **We recommend expanding funding for the following existing City programs, which help retrofit buildings to make them more climate safe and reduce their carbon footprint:**

- **Home Energy Loan Program HELP** – Low interest loans for single family homes for energy efficiency and decarbonization retrofits
 - Budgeted spending for HELP in 2023 has increased to \$5.5 million
 - In order to meet Toronto's Net Zero commitments, HELP funding needs to be extended, and the scale must be significantly increased by at least an order of magnitude.

- HELP program uptake was skyrocketed in 2022 when the federal government supported 0% loans and grants for a limited period, showing the power of more generous financial support
- **High Rise Retrofit Improvement Support Program (Hi-Ris)** – Low interest rate loans to support energy and water conservation retrofits for high rise apartment building owners.
 - The City's Hi-Ris program is part of the city's Tower Renewal program and falls under the budget of the Housing Secretariat.
 - The Housing Secretariat Budget Notes state that the city has deferred 2022 Tower Renewal Projects onto 2023 due staff capacity issues.
 - Currently, capital spending on Tower Renewal is planned to go from \$5.1 million in 2024 to just 1.3 million in 2025, with no spending planned after the 2026 fiscal year.
 - In order to meet the city's Net Zero goals, investment in tower retrofits needs to be extended and increased year over year until all towers built before 2016 are retrofitted.

In highlighting these programs, we caution that the City cannot continue to rely so heavily on loans to advance an ambitious building retrofit timeline and must **work with other levels of government, and bring in new funding sources, to expand existing programs to offer grant funding.**

The [ECD budget notes](#) (see page 21) highlight a very concerning delay in spending and delivery of building retrofits. Staff are currently unable to spend even the budgeted amounts for many retrofit programs due to high loan interest rates and COVID impacts. This will place action on building retrofits even farther behind, despite buildings being the most critical action area in TransformTO, and already significantly underfunded in relation to the City's stated building retrofit goals to reach their emissions targets. This demonstrates the urgent need to offer more grant-based programs, or fund much lower-interest programs (such as the 0% interest HELP program offers which came briefly in 2022 and disappeared).

4. Invest in a Plan to Protect People Now - and in the Future - from Heat, Floods, and Extreme Weather

It's time to acknowledge that the climate crisis is here, and widespread government inaction and chronic underfunding means that extreme heat and flooding will get exponentially worse in Toronto in the coming decades. We need to start preparing for what's coming - our city is not built for the climate we'll face in the next couple of decades.

By 2040-2050, [Toronto is expected to have 66 days over 30 degrees each summer](#) - essentially one long heatwave. We will also experience more intense and powerful storms which put people's lives at risk.

As a first step, we recommend that Toronto's 2023 budget increase funding for programs which help provide stable, climate-safe housing and designated shelter beds, particularly during extreme heat, cold, or other weather emergencies.

While it's good to see mention of resilience projects for flood protection and erosion control in the budget, there still seems to be no clear plan to systematically fund the measures in Toronto's Resilience Strategy, deliver programs to support critical emergency heat response measures, or support residents through escalating storms and extreme weather. Protecting people means investing in shelter space and emergency beds where people can get warm all winter, and accessible, 24-hour spaces where people can get cool during summer heatwaves. Criminalizing homelessness kills people now, and as our climate changes, it will kill far more people.

We support the call for the City to fund expanded 24/7 warming centres as an immediate priority to save lives this winter. Toronto's Board of Health recently adopted a motion recognizing that the systemic failure of all three levels of government to provide adequate 24-hour, drop-in, and respite spaces indoors is a [public health crisis](#).

Stable housing is one of the most important long-term climate resilience measures available. Residents without stable housing, or even without air conditioning, will need much greater support to stay safe. The City's [HousingTO 2020–2030 Action Plan](#) aims to approve 40,000 new affordable rental housing units by 2030. Based on affordable housing in the development pipeline, the City anticipates having only 30,000 affordable units approved by 2025. We recommend scaling up investments to meet the 2030 goal, and specifically **expanding funding for the City's Multi-Unit Residential Acquisition (MURA) Program, which will help protect existing affordable housing and protect residents from the impacts of climate change.**

5. Invest in Parks, Trees, and Green Spaces as Critical Resilience Tools

Toronto's parks and green spaces are critical respite spaces for many Torontonians in extreme weather. Parks, ravines, and trees provide shade, manage stormwater runoff, reduce the urban heat island effect, and provide shelter for many unhoused people faced with few options. Toronto residents will rely on them significantly more as extreme heat escalates to deadly levels.

We are pleased to see that this budget includes funding to extend the season for park washrooms and drinking fountains, but we'd like to see more washrooms winterized and made accessible. **We recommend accelerating park washroom and water improvements in order to increase the City's ability to support all residents - both housed and unhoused - in managing the impacts of extreme heat and cold.**

The 2023 budget notes highlight that 13% of Torontonians still do not live within walking distance of a park, and that 'not all neighbourhoods enjoy equitable access to the benefits of trees.' Green space and shade are both critical climate resilience measures - but we're seeing fewer trees planted in the 2023 Urban Forestry budget, and about \$0.5M in cuts to the tree maintenance budget, as well as budget cuts for the Ravine Strategy (\$99M). This puts Toronto's goal of increasing our tree canopy from 30%-40% at risk - a goal it will not be easy to ramp up quickly considering that trees need time to grow. **We recommend reversing these cuts and fully funding the necessary parks and forestry maintenance and planting budget to meet Toronto's 40% tree canopy goal.**

6. Increase Funding for Education to Hit the City's Zero Waste Goals

The City's zero waste and circular economy commitments will help prevent pollution, create local jobs, and meet climate goals. Key to achieving climate goals is capturing methane emissions from City-owned landfills and anaerobic digesters which can be converted to Renewable Natural Gas. It's great to see the progress here as the second digester is expected to be operating in late 2023, however the much-needed third organics facility won't be online until 2028.

Additionally, Toronto's Net Zero by 2040 plan [includes](#) achieving 100% organics diversion for City managed waste by 2025, however there's no plan to get there from the declining current rate of 75% organics diversion. **As organics and recycling diversion rates are in decline, the City's communications and education budget should be increasing.**

The education budget was dramatically reduced a few years ago when the printed waste calendar was cancelled. As [research from TEA](#), the University of Toronto and [from York University](#) pointed out at the time, seniors, newcomers and those without internet access at home rely more heavily on printed resources to sort waste properly. Insufficient education budgets will make meeting these important climate goals near impossible.

Finally, as our City moves forward on efforts to reduce single-use plastic and other single-use items, and in light of forthcoming national regulations on single-use plastics, there will be an even greater need for outreach and support for businesses and residents to make the shift to low-cost options, such as reusables.

7. Address the Growing State of Good Repair (SOGR) Backlog with New Revenue

Sources

The City's briefing materials note that despite increased investments, the City's SOGR backlog will grow from \$9.5B to \$18.8B in the next 10 years, with the hardest hit areas identified as transit, transportation, recreation, and city buildings.

The massive and growing backlog for infrastructure and state of good repair affects all divisions in the city. While there is significant funding for stormwater management and flooding programs, the backlog is growing, and staff note that extreme weather and an aging system means that watermain and sewer breaks will increase.

Toronto Water's 10-year capital budget is technically fully funded, but we also note a number of deferred projects. As the climate crisis brings increased flooding and more intense rainfall, delays in water-related infrastructure could be devastating to Torontonians, particularly those already experiencing basement flooding.

In order to increase revenue for new infrastructure to prevent and address flooding, we recommended implementing a fair stormwater charge across Toronto for future budgets.

A fair [stormwater charge](#) would mean that owners of large paved areas (such as parking lots) will help pay for the costs of managing the stormwater runoff they create, instead of the current system which makes homeowners pay more than their fair share. This tool could generate \$270m/year in revenue (according to City staff) which could help fund large-scale SOGR and resilience-related infrastructure, and create an incentive to replace pavement with green space.

8. Accelerate and Improve Implementation of Toronto's Climate Lens

In October 2019, City Council and Mayor John Tory unanimously passed a Climate Emergency motion that called for "a climate lens that evaluates and considers the climate impacts of all major City of Toronto decisions, including financial decisions."

The budget process now includes [a briefing note](#) tallying up climate-related capital investments across all divisions. For the 2023 Budget, staff across City Divisions and Agencies were provided with training from the Environment and Climate Division along with a list of objective criteria for determining which projects reduce GHG emissions and/or increase climate resilience, as well as guidance for providing supplementary information on such projects. This is a good first step in implementing the promised climate lens, but it is far from considering "the impacts of all major City of Toronto decisions, including financial decisions." Full implementation would mean considering the negative impacts of budget investments in high-carbon infrastructure like

highways, parking lots, gas or diesel-powered vehicles in the City's fleet, natural gas heating systems, organics and waste collection and sorting, and more.

That directive continues to suffer delays, and there is no indication in the 2023 Budget that the City is putting in the necessary resources to staff this additional responsibility across all divisions.

Greenhouse Gas Inventory and Accounting is an internationally-standardized process, but it is a relatively new one, having only been developed in 2001. Thus, expertise in the area is not remotely as wide-spread as financial accounting. In order to properly implement the Climate Lens, this is the type of expertise that will be needed to be applied to all projects and operations in the city, either in house or with a third party. TEA expects that such a department should have an operating budget similar to that of a financial department in the city, in the \$10-15 million range.

9. Increase Staff Capacity to Address the Climate Emergency

TEA has serious concerns about whether or not the city is sufficiently staffed up to meet the climate emergency.

The Housing Secretariat's notes show that its ability to manage its 2022 Tower Renewal project spending has been held back by staffing issues. Meanwhile, Environment and Climate Division's EOY 2022 projected budget is expected to be \$2.7 million short of its planned spending, and the budgeted number of full-time equivalent (FTE) positions for ECD is actually slated to decrease compared to the budgeted 2022 FTEs.

Meeting the city's Net Zero commitments will require city staff to implement many complex plans at the same time, some of which require specialized knowledge:

- **Secure and manage a significant increase in grant and loan programs**
In order to meet the climate emergency, annual capital spending on emissions reduction projects, particularly in the buildings sector, must increase. However, budget notes from Environment and Climate show no significant increase in annual capital expenditures in its 10 year capital plan.
- **Monitoring city-wide greenhouse gas emissions**
Measuring and monitoring city-wide greenhouse gas emissions is a significant challenge. Not only is city staff responsible for its regular GHG Inventory of Scope 1 and Scope 2 emissions (ie. emissions from fuel and electricity consumed directly inside City of Toronto borders), city staff are also about to release reports on the city's

Consumption-based Scope 3 (indirect) emissions, as well as a Carbon Budget report, in 2023.

- **Assess and report on the climate impacts of proposed city projects the same way financial impacts are assessed and reported (Climate Lens)**

City staff have been, appropriately, directed to report on the climate impacts on all city decisions, including financial decisions. A complete Climate Lens assessment should include proper emissions accounting using global GHG Accounting Protocol standards. The completion of this process has now been delayed two years to 2024.

In order to scale up action to meet the timeline set by the city's Net Zero plan, the city needs to increase the number of staff specializing in these areas.

Conclusion

TEA welcomes the opportunity to discuss these recommendations further as the 2023 Budget process advances. We look forward to continuing to work with City Council to find comprehensive, equitable solutions to Toronto's environmental issues and the climate crisis.