



September 4, 2023

Mayor Olivia Chow and Members of City Council  
Toronto City Hall

Attention: Sylwia Przezdziecki  
Email: [councilmeeting@toronto.ca](mailto:councilmeeting@toronto.ca)

Re: **EX 7.1 — Updated Long-Term Financial Plan**

Dear Mayor Chow and Councillors,

On behalf of our member resident associations, we applaud the steps being taken to deal with the fiscal crisis facing the City of Toronto.

We have attached comments on the measures proposed by staff and the additional recommendations added by the Executive Committee that are before you. We support many of the recommendations, but not all.

We strongly support asking the provincial government to provide a greater share of funding of social service programs which it mandates. We especially underline the need for both federal and provincial governments to provide greater financial support for social housing and public transit.

We urge caution on proposing new taxes such as a municipal sales tax. We note that a tax limited to sales in the City of Toronto will encourage buyers to shop elsewhere to avoid the tax, including on-line sites. A sales tax would need to be geographically broader to avoid harming the Toronto economy.

Far better for higher levels of government to accept full responsibility for paying for the social services which they mandate than to permit Toronto to implement a sales tax.. And it would clearly be regressive to increase sales taxes that are disproportionately borne by low-income households, without also increasing property taxes on homeowners.

The recommendations before you are not sufficient to deal with the fiscal crisis.

We must collectively face the fact that it will be necessary to increase property tax revenues in order to rebuild financial reserves as well as to pay for the services needed to keep Toronto functioning as a workable, attractive, safe and livable city for all its residents. This past reluctance to face fiscal reality, plus provincial legislative actions, have exacerbated the City's current financial crisis.

In addition to the matters raised in the staff report and by Executive Committee we would add three other issues and recommendations:

### **1. Property assessments**

Property assessments do not reflect the current land values as reassessment has not occurred for several years.

We recommend:

- That the City request the Province to expedite the reassessment of property values

### **2. GTA Municipalities to “speak as one voice” to Province**

So many legislative measures introduced by the Province (e.g. Bill 109. Bill 23), have (and will in future) negatively impacted on the City of Toronto and all municipalities. There is a need for collective action by municipalities, particularly in the GTA, to advocate for the municipal interest in fiscal matters.

We recommend:

- That the City work with GTA municipalities and beyond to speak as one voice to the Province in matters that affect the fiscal welfare of Toronto and other municipalities.

### **3. 2024 Property tax increase disclosure**

We recommend

- That City Council request staff to provide estimates of property tax increases required to put the City on a stable financial footing, taking into consideration the need to protect older residents on fixed incomes, prior to determining the 2024 mill rate.

Yours truly,

Geoff Kettel  
Co-Chair, FoNTRA

Cathie Macdonald  
Co-Chair, FoNTRA

cc: Gregg Lintern, Chief Planner and Executive Director, City Planning Division  
Stephen Conforti, Interim Chief Financial Officer and Treasurer  
Paul Johnson, City Manager

The Federation of North Toronto Residents' Associations (FoNTRA) is a non-profit, volunteer organization comprised of over 30 member organizations. Its members, all residents' associations, include at least 170,000 Toronto residents within their boundaries. The residents' associations that make up FoNTRA believe that Ontario and Toronto can and should achieve better development. Its central issue is not whether Toronto will grow, but how. FoNTRA believes that sustainable urban regions are characterized by environmental balance, fiscal viability, infrastructure investment and social renewal.

Attachment: Comments on Specific Recommendations (15)

## ATTACHMENT: COMMENTS ON SPECIFIC RECOMMENDATIONS

Recommendation		FoNTRA Comments
Number	Summary	
1	Acknowledge magnitude of fiscal challenge	Essential, subject to evaluation of stated magnitude (\$46.5 billion) and review of possible operating efficiencies and/or service reductions.
2	Adopt additional higher rates of land transfer tax on residential properties exceeding \$ million	We support this, provided that the increased revenue from this tax is earmarked to subsidies of affordable housing for low-income households. The land transfer tax is a partial substitute for the non-taxation of capital gains on principal residences, gains which have resulted in significantly increased income inequality in the past decade.
3	Remove existing restriction on Toronto Parking Authority parking fees	We support this. Increased parking-fees are acceptable to the extent that they do not deter shoppers.
4	Develop multi-year approach for property tax rates	We don't know what this means.
5	Develop implementation plan for: a) Land transfer tax on foreign purchasers of housing units	We support this but with reservations. See comment on Item 14 below.
	b) Commercial parking tax	What does this include? Taxing large parking lots at shopping centres and in large garages makes environmental sense. But we have serious concerns about the impact of this proposed tax on small retail businesses, given the pass-through provisions in most commercial leases. While we favour taxing parking as a general principle, we support this proposal only if imposed on operators of parking facilities and passed through to motorists.
	c) 911 levy	We support this provided that the levy is earmarked to 911 improvements.
	d) Potential sales of City-owned land	We support this for sites not potentially usable as parks or for affordable housing. Sales should include requirements for substantial affordable housing and should be undertaken with caution.

Recommendation		FoNTRA Comments
Number	Summary	
	e) IMIT Program	No comment.
	f) Remove exemption from development charges of non-ground non-residential floors	We support this.
6	Increase Vacant Home tax to 3%	We support this but do not expect it to raise much revenue.
7	By-laws to require building owners to report annually on performance standards and to meet greenhouse gas emission standards	The relationship with the City's fiscal situation is unclear. This is unlikely to contribute to solving fiscal problems and should be evaluated separately. The potential cost of reporting requirements along with additional costs to the City of additional staff required to review reports need to be considered.
8, 9	Proposal for municipal sales tax.	We are concerned about the potential leakage of spending from Toronto to adjacent municipalities and the resulting negative economic impact of a sales tax limited to the City of Toronto. Such a sales tax would need to be levied on a regional or preferably a provincial basis.
10	Cancel new long-term care beds.	This is an increasing need as our population ages. Clearly requires more provincial funding of costs.
11, 12	Provincial and/or federal funding of transit operating costs	We strongly support greater provincial and federal support of transit operating costs. Too much has been downloaded to the City.
13	Provincial and/or federal funding of housing and social services	We strongly support greater provincial and federal support of social services and social housing, particularly the latter.
14	Curbing real estate speculation by further increases in land transfer tax on investors.	We do not support measures which would reduce investor purchases of rental housing, thereby reducing total demand supporting the construction of new rental housing. We need more investment in housing, not less.

Recommendation		FoNTRA Comments
Number	Summary	
15	Request TTC to explore creative ideas to increase ridership and engage Arts and Culture and the Toronto Arts Council	We agree that creative arts and culture ideas should be explored, but are wary of increased expenditures in the context of the fiscal crisis.