

January 24, 2023

RE: 2024 City of Toronto Proposed Budget

Dear Members of the Budget Committee,

Toronto Environmental Alliance strongly supports the staff budget's approach of bringing in desperately needed revenue from property taxes. For Budget 2024, raising property taxes is the most important financial tool the City has to address the climate crisis and other critical priorities that must be funded through the City's core revenue base. We also support the City's renewed efforts to secure additional funding from other levels of government, and through targeted revenue tools within City powers.

The newly released Carbon Budget Baseline note highlights a growing problem: the City is falling badly behind on its climate targets, and is currently on track for a "Business as Planned" scenario rather than a "Net Zero by 2040" scenario. This budget note provides a welcome dose of honesty compared to previous assessments of Toronto's climate progress. This a clear warning about the impact of making bold promises without clear plans to fund them, which has led to rising instead of declining emissions. Now is the time to course correct with smart, cost-effective investments in future game-changing programs.

Although the City does not have the scale of funding tools available to achieve net zero alone, there are strong actions we can take now to begin to get back on track. Our comments below highlight which of these actions are included in the proposed staff budget, and which additional investments are needed.

Environment and Climate Investments Included in the 2024 Staff Budget

We call on City Council to preserve funding for these important priorities as the budget moves through the approval process.

1. **Investing in transit:** TTC service improvements and a fare freeze will help to shift more Torontonians onto transit, and make life more affordable for the millions who rely on the TTC. When transit ridership goes up, carbon emissions, traffic, and air pollution go down, and that's good news for people, the environment, and for Toronto's emissions reduction targets.
2. **Staffing for key climate programs:** the City has plans for new programs which will lay the groundwork for deeper climate action in future years, including a pivotal Emissions Performance Standards (EPS) program to cut emissions from existing buildings, currently Toronto's biggest emitters. Accelerating building retrofits is also expected to bring significant economic and jobs benefits. These programs will need staff to get started, and we're happy to see this included in the budget. Delays to this funding would further delay Toronto's plans to cut emissions from buildings.

3. **Funding key waste strategies:** This budget provides staff and grant funding to help businesses move away from disposable plastic foodware and other items through the Single-Use Reduction Strategy, as well as moving forward on the Circular Economy Strategy, and increasing capacity for more organics processing to ramp up methane capture.
4. **Decarbonizing City buildings:** Exhibition Place is set to receive funding in the capital budget to reduce emissions through the use of wastewater energy. This could be a leading example of how to decarbonize on a large scale, and we hope many more city buildings will follow suit.
5. **Cycling infrastructure:** The City is increasing investment in cycling infrastructure in its 10-year Capital budget, which will help move the Cycling Network Plan forward. This is good news, but we share Cycle Toronto's questions about whether this budget increase is enough to meet the City's TransformTO target of moving 75% of all trips under 5km by active transportation by 2030. We'd also love to see Bike Share more integrated into the City's plans for transit users, to add flexibility and give people more options for getting to and from transit stations.

Additional Investments the City must take to reach Net Zero

There are cost-effective opportunities to move farther with additional actions to meet City Council's climate commitments, which we recommend including in the 2024 budget.

1. **Increase MURA budget and establish a green retrofit starter fund for MURA buildings:** Many buildings purchased through the MURA program need immediate upgrades and basic repairs. While it makes financial sense to do energy upgrades at the same time, often the up front dollars aren't there to perform energy audits and design upgrades. Grant funding would help affordable rental buildings preserved through the MURA programs go farther with their basic repairs and make their buildings more energy efficient, which will save them money long term. We suggest an initial fund of \$0.5M-\$1M, alongside a significant increase in the overall MURA budget (which is currently proposed for a cut in the 2024 budget) to allow for the purchase of more buildings to add to this successful program. This is a great way to make housing more affordable while making housing greener and more climate-safe at the same time.
2. **Funding for a Scarborough busway:** This is critical to ensure ridership goes up, not down, but the promised funding is missing from the 2024 budget. Our climate plan depends on making transit so good that people decide to leave their cars behind and get on transit because it's faster than driving. Leaving people out in the cold waiting for crowded shuttlebuses is far from where we need to be. Transit riders in Scarborough have been taking slow, crowded shuttle buses since the SRT

went out of commission in August. The City plans to build a dedicated busway along the line's route between the Kennedy and Scarborough Centre station.

- 3. Restore tree planting targets to match pre-2023 levels (over 120,000):** This budget, and last year's budget, both aimed to plant fewer trees than previous years. The 2024 budget also notes a significant backlog on forestry work orders and maintenance. This could be a dangerous cut when we know exactly what is coming in Toronto's future - extended extreme heatwaves requiring far more shade and cooling capacity. The budget notes refer to escalating contract costs impacting the budget significantly. In future, considering bringing these services in-house could insulate the City from future unforeseen cost escalation, and provide good green jobs with the City of Toronto. Planting/maintaining fewer trees also undermines the City's target of reaching 40% tree canopy cover by 2050, an important part of TransformTO. Trees are the cheapest way to protect your residents from dangerous heat - but they need to be planted now to provide shade in the future.
- 4. Go farther with the City's own buildings and affordable housing projects:** Uptake on City loans to help retrofit buildings has declined due to sky-high interest rates, meaning capital funding for building retrofits has decreased overall. The interest rate situation shouldn't slow down progress on the climate plan - or on the significant economic and green jobs benefits retrofits will bring. The City has wisely redirected some of this spending into its own buildings, but not nearly enough to offset the decline in loan program uptake. The City should invest more capital funding into greening City-led affordable housing developments included in their current housing strategies, and create a Green Jobs Plan to help leverage and steer this incredible opportunity for economic growth, equitable hiring and green apprenticeships, and community benefits.

Conclusion:

We thank City staff for their work in preparing Budget 2024, and call on Councillors to be courageous in the face of these difficult times by investing in our city with much-needed property tax revenues. A city that is able to care for and create opportunities for those made most vulnerable, welcome refugees, and prepare for the climate challenges that lie ahead, is a city that will be better for all of us.

Sincerely,



Sarah Buchanan
Campaigns Director, Toronto Environmental Alliance