

City Council

City of Toronto
100 Queen St W
Toronto, ON

February 14, 2024

Re: 2024 Operating and Capital Budgets (Item - 2024.MPB15.1)

Dear Toronto City Council Members,

The Atmospheric Fund (TAF) appreciates the opportunity to comment on the City of Toronto's 2024 budget. TAF is a regional climate agency that supports a net-zero future in the Greater Toronto Hamilton Area. We are providing feedback on the City's budget to help the City of Toronto achieve its climate reduction targets.

TAF is pleased to see the City allocating funding towards improving transit service levels and freezing transit fares, by which Toronto will be able to curb its transportation related carbon emissions. Additionally, we commend the City's decision to allocate \$85 million in the operating budget for urban forestry this year – an increase from the \$71.7 million in last year's budget. This funding will help to ensure that Toronto's urban tree canopy is properly maintained and affirms the importance of safeguarding existing trees on City-owned land. Urban horticulture also mitigates the urban heat island effect and improves health and wellness.

Despite this climate funding, [Environment and Climate Division staff have reported that](#) the city is still falling behind on its climate targets and is not on track for a net-zero by 2040 scenario. We recognize that the City must exercise financial restraint at this time, however we believe that there exist cost-effective, and transformative opportunities to reduce emissions that the City should pursue.

The City's Environment and Climate Division brought forward three recommendations for climate action in [a briefing note](#) to accelerate emissions reductions in 2024. We would like to express our support for the initiatives outlined in this briefing note, and in particular, for initiative 1: allocating \$80,000 in operating funds towards the Home Energy Loan Program (HELP): modest-income homeowner stream. Out of the eight million that is yet to be allocated, this is a small budget ask that will enhance enrollment in the existing HELP program while ensuring more equitable outcomes. This loan stream proposes to focus on homeowners who must prioritize emergency, health-related and or safety-required repairs and who would not otherwise consider a loan exclusively for energy retrofits. This HELP+ loan would allow homeowners to undertake repairs to improve the energy efficiency of their home through modest retrofit activities. This initiative will help to reduce building emissions in 2024 and beyond.

We are concerned that the proposed 2024 capital budget includes \$826 million for fossil fuel dependent projects, with \$8.6 billion for such projects in the 10-year capital plan. This is primarily for natural gas heating equipment and internal combustion engine vehicles. While we recognize there are cases where there may not be a viable alternative currently available, this should be a relatively rare exception. We are concerned that this level of investment in fossil fuel dependent capital projects is incompatible with the City's target of reducing corporate emissions 65% by 2030. We recommend the City take action to

ensure all divisions and agencies are consistent in prioritizing net-zero compatible equipment wherever feasible. For example, a third-party engineering review of a sample of fossil fuel dependent capital projects would be a helpful first step in identifying opportunities for improvement.

Toronto has taken strong leadership on climate action, setting an example for municipalities across Ontario and Canada. TAF is supportive of the City of Toronto's budget allocations for transit and urban forestry. **We recommend that City Council allocate \$80,000 to HELP: modest income homeowners stream in order to accelerate carbon emissions reduction in Toronto.** This is a cost-effective proposal to support equitable climate action in neighbourhoods across Toronto.

Sincerely yours,



Bryan Purcell

VP Policy & Programs, The Atmospheric Fund

About The Atmospheric Fund

The Atmospheric Fund (TAF) is a regional climate agency that invests in low-carbon solutions for the Greater Toronto and Hamilton Area (GTHA) and helps scale them up for broad implementation. We are experienced leaders and collaborate with stakeholders in the private, public, and non-profit sectors who have ideas and opportunities for reducing carbon emissions. Supported by endowment funds, we advance the most promising concepts by investing, providing grants, influencing policies, and running programs. We're particularly interested in ideas that offer benefits in addition to carbon reduction such as improving people's health, creating local jobs, boosting urban resiliency, and contributing to a fair society.