



February 6, 2025

Toronto City Hall
100 Queen Street West
Toronto, Ontario
M5H 2N2

RE: Toronto 2025 City Budget

Dear Members of Toronto City Council,

Toronto Environmental Alliance is pleased to see new and increased investments in environment and climate in the 2025 Budget. **We urge City Council to support this budget** and preserve the important investments that will reduce carbon emissions from our buildings and vehicles, improve waste management, create new local green jobs, and build a city more resilient to flooding, heat waves, and other extreme weather impacts.

We also urge you to support additional investments in our urban forest. Trees are one of the most cost-effective ways to make our city cooler, more beautiful, and more climate-friendly. A small investment in watering and caring for newly planted city trees will go a long way to protecting these investments, and protecting future Torontonians in a hotter city.

Despite these increases, **the 2025 budget is not yet at the scale Toronto needs to meet its environment and climate commitments and responsibilities. However, it is clear that there are significant investments that move Toronto towards that transformative scale** — investments that will safeguard the environment while improving affordability and protecting the health and well-being of all Torontonians. Moving forward, much greater investment will be needed in future years to bring these promising initiatives to scale.

That's why we urge Council to begin planning a pathway, with City staff's support, to identify and secure transformational budget investments in areas like greening all existing buildings, building a world-class public transit system, and other actions baked into the City's modelling for achieving net zero emissions.

Environmental investments in the 2025 Budget

We've provided some highlights below of the positive investments in climate and environmental priorities - many of which TEA and our allies have been working towards for many years.

THE CARBON BUDGET

TEA is very pleased to see that for the first time, every City division is now taking part in the City's Carbon Budgeting process. This is a milestone achievement. In order to reach Net Zero by 2040, we need coordinated action across the City of Toronto and across City departments. The City's Carbon Budgeting process now works with all City departments and divisions to find projects that will help cut the City's corporate carbon emissions.

TEA is strongly supportive of the City's Carbon Budget and we look forward to the continued evolution and improvement of this new process. Currently, staff reports show that the Carbon Budget process is primarily looking for carbon reduction projects across the City's Corporate Carbon Budget from direct City actions. **Future versions will need to better account for and incorporate carbon reductions in the City's Community emissions** (which include, for example, emissions from all publicly and privately owned buildings in Toronto). **Future versions of the carbon budget will also need to better assess carbon emissions sources from Business-as-Usual operations and capital projects.**

In essence, Toronto's current process looks at project investments that primarily cut emissions from just City-owned assets. In order to reach our TransformTO goals, Toronto needs to account for emissions from day-to-day operations and business-as-usual capital expenditures as well. Toronto also needs to apply the principles of carbon accounting to assess the carbon impact of other tools — like zoning and transportation planning — that have significant impacts on pollution emitted from the Toronto community.

IMPROVEMENTS TO TTC, CYCLING INFRASTRUCTURE AND ROAD SAFETY

To cut transportation emissions, Torontonians need options to get around that aren't private vehicles or rideshare. Toronto's TransformTO 2030 short term goal is to see 75% of all commuting trips be on the sidewalk, by bike, or by transit.

TEA is pleased to see \$85 million more in the TTC operating budget that adds an additional 500,000 service hours. We are also pleased to see a significant reduction in the TTC's maintenance backlog after over a decade of neglect. We also strongly approve of the fare freeze, which helps move Toronto towards free transit, which city reports tell us is a necessary step in transforming and reducing emissions from our transportation system,

We are also pleased to see that the City's cycling infrastructure budget is increasing. Toronto must do everything in our power to maintain the Bloor, Yonge, and University bike lanes. However, even if those lanes are removed by the province, many other areas of the City are in need of safe cycling infrastructure. We're also pleased to see that there's additional funding to expand Toronto's highly successful Bike Share program.

TEA is also pleased to see a 53% increase in the Vision Zero 10-year capital spending. This will make it safer for all road users in Toronto. We also hope to see significant increases in the prioritization of pedestrian areas across Toronto.

PROTECTING TORONTONIANS FROM HEAT AND FLOODING

Toronto is becoming more and more vulnerable to extreme weather events due to climate change, whether this means wildfires, major floods, or heat domes.

TEA is very pleased to see that Toronto's 2025 Budget includes new line items to start addressing the risks and impacts posed by extreme weather. This budget creates a \$200,000 fund to help vulnerable residents with indoor cooling, which is no longer a luxury with more dangerous heat waves in Toronto. TEA has advocated for this with the Toronto Heat Safety Coalition since most extreme heat deaths occur indoors. TEA is also pleased to see funding for planning work around extreme weather, including a climate vulnerability assessment.

TEA is also pleased to see that the City is increasing its budget for green streets. These projects add gardens, trees and green spaces along city-owned roads and medians, which helps capture rainwater and prevent flooding, and provides more shade to keep our city cool. Greener streets can absorb more water that would otherwise flood basements and subway tunnels.

NEW AND SIGNIFICANT SUPPORT FOR DECARBONIZING BUILDINGS

TEA is pleased to see that the 2025 Budget is placing significant investment into moving buildings away from so-called ‘natural’ gas — which is responsible for over half of Toronto’s carbon emissions — and towards cleaner technologies like heat pumps.

In addition to continuing the City’s popular low-interest Home Energy Loan Program (HELP), **TEA is pleased to see that Toronto is creating a new bulk Heat Pump program** that will, among other things, help low and moderate-income residents find qualified solar and heat pump installers, and will provide access to financial tools to help households save money by converting them away from fossil gas.

TEA is also pleased to see that the City is providing leadership and cutting costs by renovating city-owned buildings to reduce carbon emissions and protect them from extreme weather events, as well as funding for staff to prepare a future Buildings Emissions Performance Standard, which will help all existing buildings across the City cut carbon emissions over time, and will spark a massive increase in local economic activity and good green jobs.

WASTE AND WATER

TEA is pleased to see an increase in Toronto water and waste rates. Having a predictable increased source of revenue helps Toronto to manage important environmental services and plan ahead. For example, **we’re glad to see things moving along with the much-needed expansion of Toronto’s anaerobic digesters** to process our green bin waste which then produces renewable fuel for City trucks.

TEA is also pleased to see funding to develop a number of key waste reduction strategies, including long-term waste diversion, a circular economy plan, and the single-use reduction strategy to cut waste.

However, the reality of escalating flooding from climate change means that the investments needed for massive flooding infrastructure projects are growing at an alarming pace. **Toronto’s stormwater investment needs have outgrown our outdated water billing system** — where water users pay for flooding infrastructure based on how much water they use - not how much flooding they cause. **How Toronto pays for flood and stormwater infrastructure will need a rethink in the coming years.** We need to ensure that owners of large impermeable lots pay their fair share of these escalating costs to fix flooding.

What Toronto still needs

While Budget 2025 reflects important progress in key social and environmental priorities, this is still not the transformative budget that Toronto needs. Current levels of city funding are still not enough to meet the City's environmental goals, including Toronto's climate goal of reaching Net Zero by 2040. Not only is meeting Net Zero by 2040 vital for our climate, investments in climate action now will save the City and its residents money in the long run.

In order to address the growing and critical needs of our city, and to start bringing increasing emissions down, **Toronto needs predictable, sustainable, long-term revenue solutions from other levels of government. In addition, Toronto needs to use additional revenue tools that are already available to the City.**

TORONTO NEEDS A COMMERCIAL PARKING LOT LEVY

Toronto needs more revenue to make large-scale climate investments, like a world-class, affordable transit system. Toronto has clear authority to implement a Commercial Parking Lot Levy. **A levy on large commercial parking lots is a strong tool that Toronto can implement with minimal involvement from other levels of government.** TEA was disappointed to see the Executive Committee's recent decision not to pursue pathways to implement this tool without MPAC's participation, and we urge you to reconsider this possibility in the event that MPAC declines further support.

Commercial Parking Lot Levies are commonly-used revenue generators used by big cities like New York, Los Angeles, Chicago, Washington DC, Montreal, Vancouver, Sydney, and Melbourne to take some pressure off property taxes and fund important priorities. A recent City report showed that a Commercial Parking Lot Levy of just 1-2¢ per spot per hour¹ could bring in as much as \$108 million every year.² Had Toronto implemented the levy as currently designed in 2016 when reports first came to council, the City could have raised well over one billion additional dollars by now. Should Toronto eventually raise the commercial parking lot levy closer to the fee seen in Montreal (which is almost ten times higher than the proposed Toronto rate), the potential revenue could reach close to a billion dollars every year.

¹ The proposed Commercial Parking Lot Levy design was submitted in 2024.EX12.3. It sets daily rates per spot at 25¢ and 49¢ per day, which is approximately 1-2¢ per hour. Report can be found here: <https://www.toronto.ca/legdocs/mmis/2024/ex/bgrd/backgroundfile-243212.pdf>

² Revenue estimate of \$108 million per year comes from the Staff Report in 2025.EX20.7 <https://www.toronto.ca/legdocs/mmis/2025/ex/bgrd/backgroundfile-252271.pdf>

This amount of revenue would be transformative and could pay for significant service improvements to the TTC like making every streetcar arrive in 6 minutes or less, further improving subway frequency, implementing a monthly fare cap of 40 fares a month, and more.

TEA strongly urges City Council to implement a Commercial Parking Lot Levy as quickly as possible, and to move forward with implementing the levy in-house should MPAC decline to participate.

TAKING CARE OF TORONTO'S URBAN FOREST — TREE CARE FUNDING

Trees are a vital green infrastructure tool that cool our city, soak up flood water, and provide shade. **TEA supports the investments recommended by City Staff in Budget Briefing Note #34,**³ which outlines programs that could improve Toronto's urban forest and advance climate resilience. We suggest a focus on watering, mulching, and caring for new trees, particularly in neighbourhoods that are already lacking in shade compared to the rest of the city.

Conclusion

Toronto Environmental Alliance strongly supports Budget 2025, which helps move us closer to meeting our environment, climate, and waste commitments and responsibilities. TEA also supports increased funding in 2025 for urban forestry care and tree equity. And TEA very strongly supports the implementation of new revenue tools — including a Commercial Parking Lot Levy — in future years in order to help maintain and improve investments that Toronto needs.

Sincerely,



How-Sen Chong
Climate Campaigner
Toronto Environmental Alliance

³ 2025 Budget Briefing Note #34 can be found here: <https://www.toronto.ca/legdocs/mmis/2025/bu/bgrd/backgroundfile-252628.pdf>