

Jan 22, 2026

Re: 2026 Proposed Budget

Dear City of Toronto Budget Committee,

The Toronto Environmental Alliance (TEA) is pleased to see that the 2026 proposed budget provides consistency for the City's environment and climate programs. TEA is particularly pleased to see further investments in transit service and affordability, and more resources into climate resilience — including an increase in the City's indoor cooling program for vulnerable tenants and an increase in neighbourhood climate action grants. TEA is also pleased to see investments in stormwater management, tree maintenance, and in electrifying City-owned assets. TEA is encouraged to see climate decisions more deeply incorporated across City departments through the continued rollout of the Carbon Budget.

We remain concerned about the slow pace of decarbonizing Toronto's buildings. In the medium- to long-term, Toronto will need targeted, stable revenue support from other levels of government, in particular to speed up the pace of building retrofits to match the City's climate plan.

In the short-term, we suggest directing any additional 2026 environmental funding into community climate action grants, already successfully supporting direct community-led action across Toronto.

Key Environmental Investments in the 2026 Budget

TTC improvements and affordability

One of the biggest climate investments this year is in the TTC budget, with proposed increases to improve affordability through a fare freeze and fare capping, as well as improved service and capital investments into more electric buses and charging infrastructure. These are important because Toronto's TransformTO plan is based on public transit becoming more abundant, faster and eventually free.

Ongoing TTC investments help shift people back onto transit, grow the system, make life more affordable, and make it easier, faster, and more pleasant than more polluting ways to get around. Plus, transit is an area of climate action where the City has significant decision-making power and control.

Indoor Cooling Units for Vulnerable Populations

We're also very pleased to see a proposal to expand the pilot program delivering air conditioners to tenants who are most vulnerable to heat waves. This program launched in 2025, and is now growing to

serve more people and deliver more cooling units, with a total proposed budget of \$1M, up from about \$200,000 last year. This is a positive and necessary step to protect Toronto tenants. Summers are getting hotter, making conditions dangerous for people in high-rise buildings without cooling. Seniors, people with disabilities and chronic health conditions, and young children are especially vulnerable to heat.

Flooding, Trees and Heat Resilience

This budget continues to fund green infrastructure to help Toronto become more flood resilient. For example, the City's Green Streets program, where boulevards are turned from pavement into flood-absorbing, shade-producing gardens, is getting a slight increase. New incentives for homeowners to green their properties is also a step in the right direction. TEA has successfully pushed for more investment in tree planting and maintenance in recent years to bring shade and flood resilience. We are happy to see this investment into growing and maintaining Toronto's tree canopy continue in 2026.

Investments into community climate grants also continue, with new funds set aside for Black-Led Climate Action Grants, on top of existing grants for Neighbourhood and Indigenous-Led Climate Action. Funding smaller, resident-led, community level projects is a big part of transforming our city and taking care of each other as climate emergencies escalate. We hope to see this program continue to grow, and recommend any additional environmental funding be directed to this program in the 2026 budget

Carbon Budget and Capital Investments in City-Owned Assets

Another positive step is the continued rollout of the City's Carbon Budget, where climate action is tracked and gradually embedded across all City divisions. While the process still needs improvement, we now have an annual report tracking how much effort (and spending) is going into projects that cut carbon emissions and enhance resilience, and the beginnings of a process analyzing which major decisions increase fossil fuel use.

There is significant capital investment in reducing the City of Toronto's emissions from the City's fleet, public housing, buildings, and wastewater management, with investment in the billions of dollars. The decarbonization of the City's vehicle fleet is already creating cost savings for the City's budget, and the gradual retrofit and decarbonization of public housing should reduce winter heating costs while also providing indoor cooling for TCHC residents.

Waste and Circular Economy

The budget includes new positions to work on the Circular Economy Roadmap released in late 2025, which TEA supports. This includes key actions to cut waste, reducing carbon emissions and supporting local economic development, like construction waste reuse and reusable foodware programs.

Where More Investment is Needed

Short-term - Additional funding ideas for Budget 2026

If additional short-term funding is available, we recommend accelerating the expansion of the City's climate action grants (e.g. Neighbourhood Climate Action grants, PollinateTO grants). Many of these grant programs are in high demand, and over the years they have supported a growing number of communities in making climate action local and visible. This includes support for people planting gardens with their neighbours, running food rescue projects, building heat wave response plans, bike repair sessions, etc. Even a small increase in funding will go a long way to help more residents transform their neighborhoods.

Long-term - Critical funding gaps for building retrofits

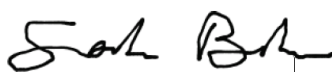
The City can't fight climate change alone, or address other critical issues such as providing more deeply affordable housing. To take action at the scale we need and meet the growing needs of our city, Toronto needs long-term revenue solutions from other levels of government. This is particularly vital in decarbonizing the City's buildings, which represent more than half of the emissions produced across the Toronto community.

We would like to see the City of Toronto taking a lead role in advocating for large-scale building retrofit funding from the federal and provincial governments. It's good to see that existing City retrofit loan programs like HELP and Hi-Ris are continuing, but we are lacking a coordinated plan between all levels of government with significant funding and financing to drive a shift to climate-safe buildings.

Action at the scale called for in TransformTO will spark massive economic gains in areas like building retrofits, creating a surge of good green jobs. While the City of Toronto doesn't have the resources to achieve these by itself, the City must play a significant role in mobilizing funding and financing. We would like to see the City taking a lead role in advocating for coordinated building retrofit funding from other governments in order to move this critical area of climate action forward.

Thank you for the opportunity to give our input on these important budget decisions.

Sincerely,



Sarah Buchanan
Campaigns Director, Toronto Environmental Alliance