

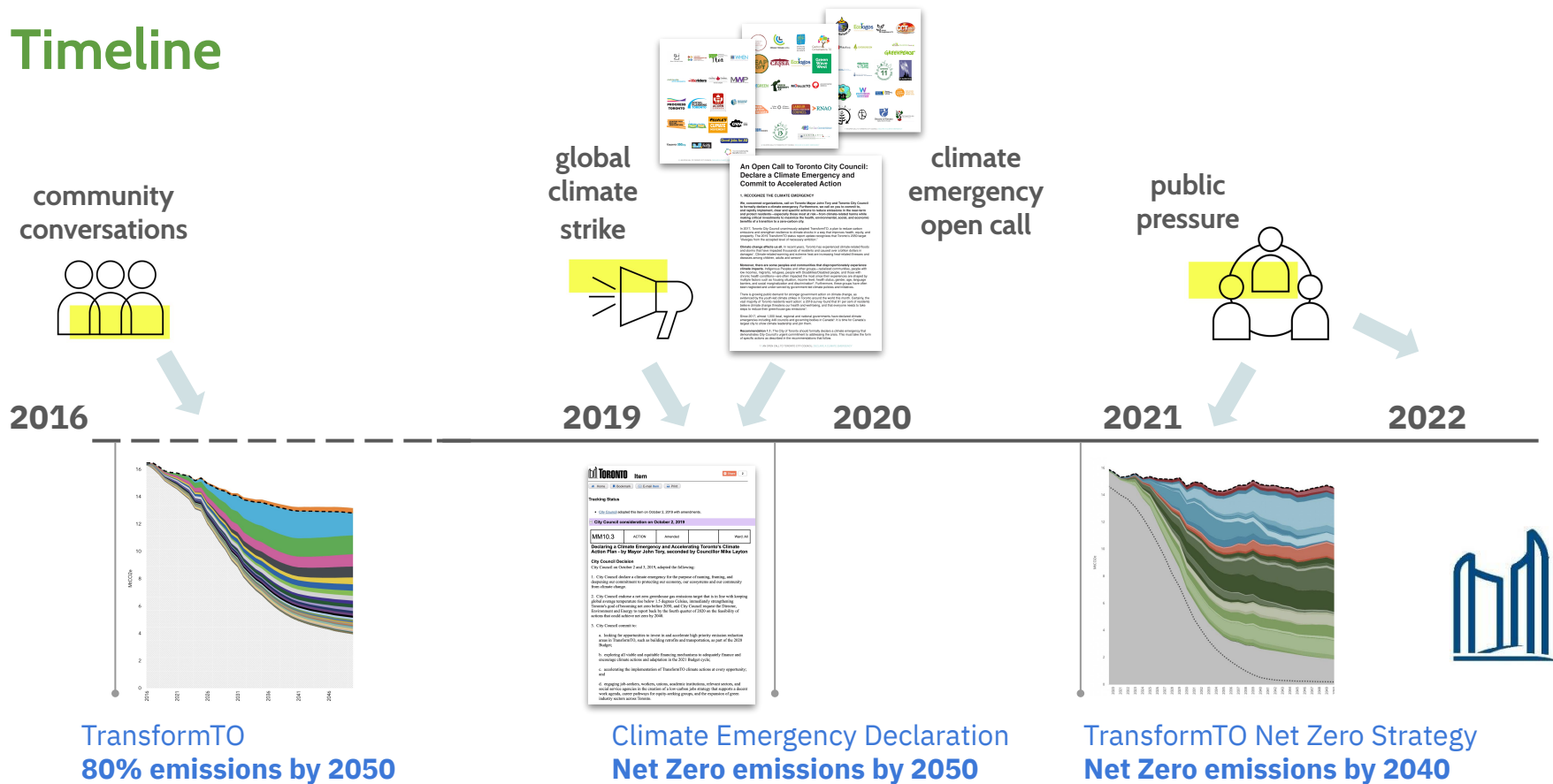
2022 Toronto Budget - Analysis of climate funding

ClimateFast Deputation Training
Jan 19, 2022

Kathryn Tait - Climate Specialist, Toronto Environmental Alliance

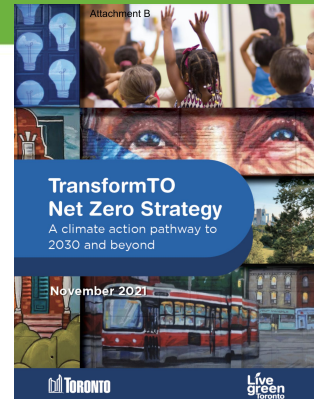
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Timeline



Overall Budget Observations

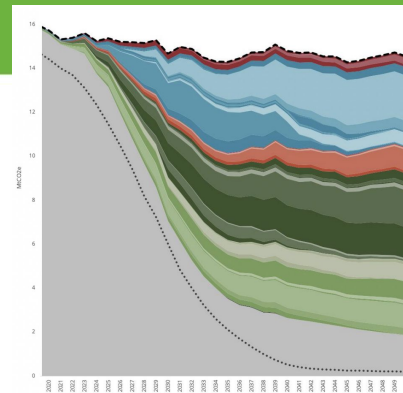
- Status-quo budget
- Spending is not significantly increased as compared to 2021
- Several challenges in assessing Budget 2022 climate funding
- Budget doesn't seem to reflect the step-up in climate ambition, or align with the Net Zero Strategy financial models
- Sources of funding for climate and other underfunded programs?
- New revenue sources?



What's different this year

Challenges in assessing Budget 2022 climate funding:

- For the new targets adopted in Dec, we don't have costed plans
 - Net Zero Short-term Implementation Strategy 2022-2025
 - Supplementary report actions (new actions won at Dec 2021 Council)
 - Net Zero Long-term Strategy; pathway to 2040 target
- Climate action moving beyond EED (good in principle, but difficult to assess!)
 - actions in the Short-term plan involve **20 City divisions**
 - climate impact *components* identified across **21 City divisions & programs**
- Climate Lens still in development
 - \$1.501B 'climate-impact' capital projects *incl. non-climate components*



2022 Budget - Analysis of climate funding

What's different this year

Moving beyond EED

Where is climate funding in the 2022 budget?

The 2022-2025 Short-Term Implementation Plan and briefing note has actions in 20 Divisions & Agencies;

- **AS** – Accounting Services
- **BST** – Bike Share Toronto
- **CFO** – Chief Financial Officer & Treasurer's Office
- **CMO** – City Manager's Office
- **CP** – City Planning
- **CREM** – Corporate Real Estate Mgmt
- **EED** – Environment & Energy
- **EDC** – Economic Development & Culture

- **FP** – Financial Planning
- **FS** – Fleet Services Division
- **IAO** – Indigenous Affairs Office
- **MLS** – Municipal Licensing & Standards
- **PFR** – Parks, Forestry & Recreation
- **PMMD** – Purchasing & Materials Management
- **SDFA** – Social Development, Finance & Administration
- **SWMS** – Solid Waste Management Services
- **TH** – Toronto Hydro
- **TSD** – Transportation Services
- **TTC** – Toronto Transit Commission
- **TW** – Toronto Water



2022 Budget - Analysis of climate funding

What's different this year

Divisions or agencies with climate-related investments in the capital budget (\$ millions)

“Improvements in the process for capturing climate-related investments in the City's budget led to greater identification of climate-related projects, some of which would have existed but were not captured in 2021. This limits comparability between the climate investment numbers reported in the 2021 and 2022 Budgets.”

	All Climate-Related Project Investments	
	2022	2022-2031
Tax Supported Programs	1,107.280	10,394.039
Community and Social Services	301.172	3,967.490
Children's Services	3.600	21.098
Economic Development and Culture	2.232	5.382
Parks, Forestry & Recreation	119.462	1,800.715
Shelter, Support & Housing Administration	11.966	488.738
Toronto Housing Corporation	160.000	1,600.000
Toronto Paramedic Services	3.912	51.557
Infrastructure and Development Services	234.886	3,241.937
Fire Services	3.030	15.032
IDS Transit Expansion	0	1,463.000
Transportation Services	135.843	1,638.892
Waterfront Revitalization Initiative	96.013	125.013
Corporate Services	170.314	2,010.694
Corporate Real Estate Management	105.834	853.558

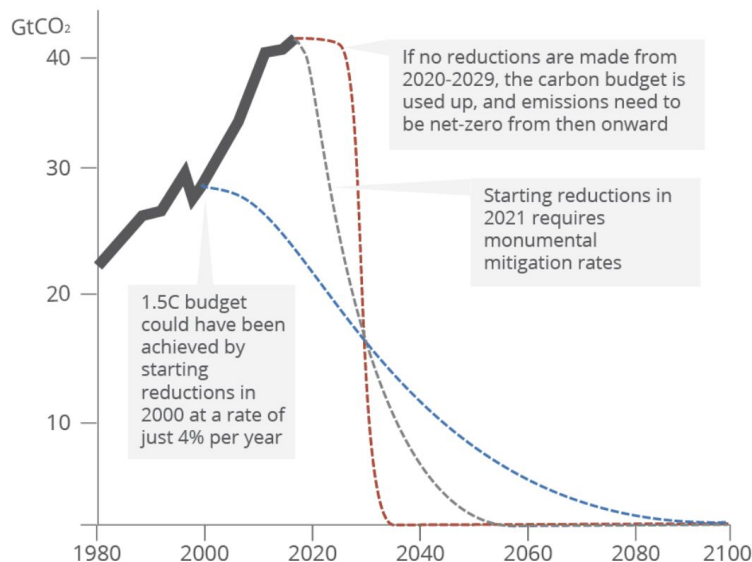
	All Climate-Related Project Investments	
	2022	2022-2031
Environment and Energy	42.736	350.219
Fleet Services	21.743	806.917
Agencies	400.908	1,174.718
TO Live	4.584	6.806
Toronto & Region Conservation Authority	24.261	213.059
Toronto Public Library	1.505	31.628
Toronto Zoo	12.085	68.629
Toronto Transit Commission	358.473	854.595
Rate Supported Programs	393.971	5,070.861
Solid Waste Management	15.272	293.150
Toronto Parking Authority	2.874	31.645
Toronto Water	375.825	4,746.066
Grand Total	1,501.251	15,465.700

2022 CAPITAL BUDGET
BRIEFING NOTE Greenhouse Gas (GHG) Reduction and Climate Resilience Investment Summary, Appendix A (p.9)



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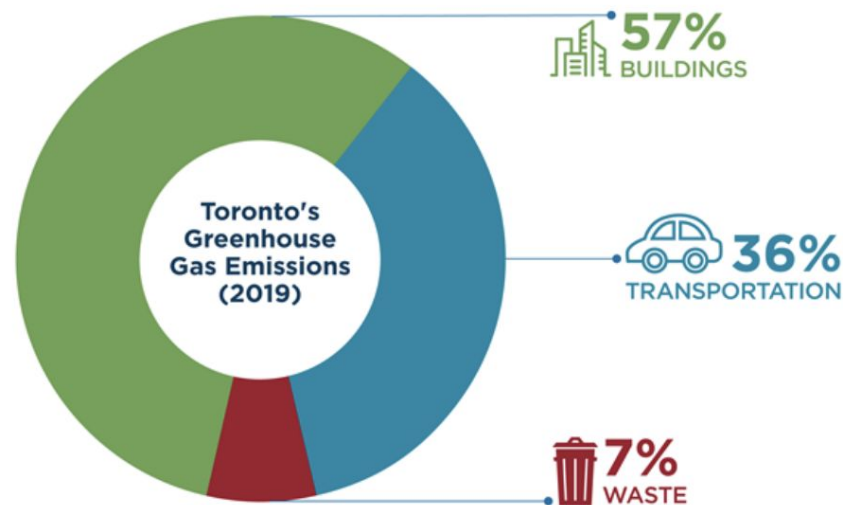
Emissions reductions needed, and sources



Likelihood of limiting warming to 1.5°Cs given a global target of achieving net zero by 2040

Net Zero Strategy

(Technical Report, p.24)



Toronto's GHG emissions (2019)

Net Zero Strategy

(A Climate Action Pathway to 2030 and Beyond, p.24)

2022 Budget - Analysis of climate funding

Capital budget - 2022

	What's in*	What should be in**
Transit	\$358.5 million	\$358.5 million + \$1.5 billion
Buildings (res. & non-res)	\$170 million (+?)	\$5 billion

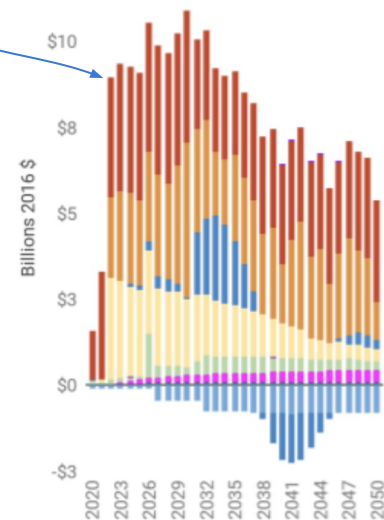
*Portions of these budget areas that the City has identified have emissions reductions and/or resilience components.

Operating budget - 2022

	What's in	What should be in**
EED staff	103.6 positions	<i>is this enough?</i>
<i>Short-Term Implementation Plan 2022-2025 actions</i>	? (distributed throughout budget)	? (we have not seen it costed out yet)

** The new *Net Zero Strategy* was adopted by Council in Dec. 2021. The full and detailed long-term action plan is to be produced by City staff. Until this detailed plan is complete, assessing the necessary Budget allocation is difficult. The above analysis is based on the City's *Net Zero Strategy Technical Report* financial models.

2022

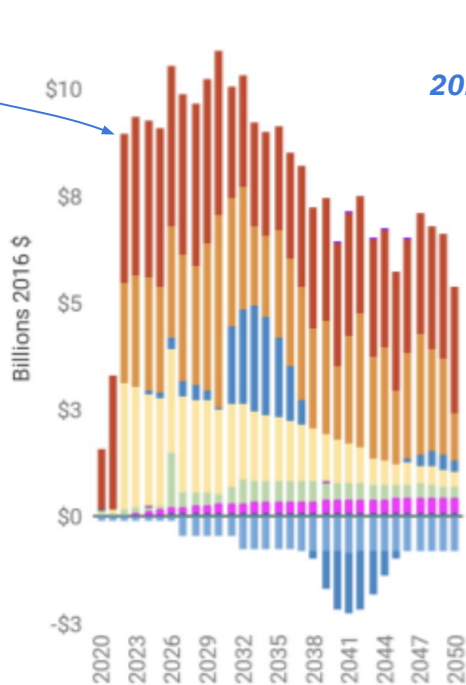


Capital Investments,
Net Zero Strategy
(Technical Report p.106)



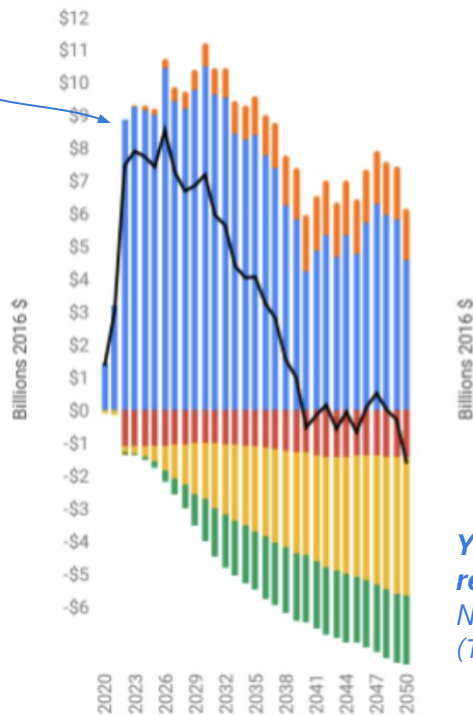
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2022



Capital investments over the Do Nothing scenario by action area, undiscounted
Net Zero Strategy
 (Technical Report p.106)

2022



Year-over-year investments and returns over the Do Nothing scenario
Net Zero Strategy
 (Technical Report p.104)

— Net annual cost
 ■ Revenue
 ■ Carbon
 ■ Energy
 ■ Maintenance
 ■ Investment

What needs to be in the budget

- **Increase funding** to match the level of our climate ambition - especially in GHG reduction & equity-improvement areas:
 - investment in **housing**
 - investment in **transit**
- **Improve budget process & adopt new revenue tools**
 - a more open **public engagement** process for the next budget cycle
 - improve the **equity assessment** on budget notes
 - improve **climate lens** application
 - transparency & accountability
 - adopt new **fair and equitable revenue sources** to fund these vital investments in our future

COMMENTS

On December 2, 2021, the Infrastructure and Environment Committee considered the report IE26.16 TransformTO - Critical Steps for Net Zero by 2040, with amendments. Given the depositions made by members of the public and comments by Committee members, it is recommended the following changes be made to the report:

*Supplementary Report - TransformTO - Critical Steps for Net Zero by 2040
Net Zero Strategy*

- ✓ New 2040 net zero target, new 2025 interim target
- ✓ Accelerated implementation of the Toronto Green Standard (TGS)
- ✓ Report back on faster phase-out of fossil fuel energy systems
- ✓ Climate Advisory Group centring equity-deserving communities
- ✓ Annual reports on GHG emission reductions

*TEA's 2022 Budget
briefing note &
digital action
(email Mayor & Council)
coming soon*

This Budget is status quo. We've had decades of austerity budgets. We can't continue down the current path - we need major investments to create a more liveable city now and ensure a climate-safe future. To do that, we'll need new revenue tools to fund bold, ambitious and equity-driven climate action.



ANALYSIS: Toronto's new TransformTO Net Zero Strategy

**Deputation Training
November 29th, 2021**

Toronto's TransformTO Net Zero Strategy is here, outlining Toronto's plan to reach net zero emissions by 2040. Increasing our targets is critical - but implementing the plan is key and it will require a robust plan of action and new sources of funding. Read our analysis of the new TransformTO Net Zero Strategy and our recommendations.

TARGETS AND MEASUREMENT

This Strategy represents a significant step up in Toronto's climate ambition. The new 2040 target is important, and we are glad to see the plan focuses on getting an emissions reduction to zero sooner, and with a trajectory that enables us to meet the already-committed 2030 target.

Net zero by 2040 is an ambitious destination, and it's where we should go, but like any ambitious collective journey, we need a detailed map of the steps to get there and the resources to make it happen. There are key action areas in the Net Zero Strategy where accelerated action can have a significant impact on reducing emissions and creating a healthier and more liveable city. These include:

High-impact area 1: buildings

Buildings are the biggest source of emissions (accounting for 57% of Toronto's total emissions) and this plan takes aim at eliminating natural gas heating across the city. If done right, accelerating actions in this area can cut emissions, improve housing and create good, green jobs.

Our recommendations:

- Determine the City's powers to ensure compliance with new buildings standards (Toronto Green Standard and the Net Zero Strategy for Existing Buildings), to enable the transition off natural gas for heating.
- Develop a plan for mitigating affordability impacts of fuel switching, green renovations, and retrofit work, particularly for low-income residents and tenants.

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