

6 February 2019

Dear Budget Committee Members:

As the City of Toronto's climate agency and a co-developer of TransformTO we strongly support continued City investment in the implementation of this plan for achieving the mid- and long-term greenhouse gas reduction targets adopted by Toronto City Council. I am writing to comment on the 2019 TransformTO budget recommendation and budget outlook to 2020, and would like to take this opportunity to share some observations and ideas about allocation of resources to accelerate and maximize impact.

Priority focus on deep retrofits in buildings is critical, along with clear metrics

We note that support to enhance the City of Toronto's Better Building Partnership comprises 31 percent of the requested 2019 budget and 34 percent of the 2017-2020 approved/requested operating budget. We agree with the focus on tackling a key low-carbon action identified by the TransformTO modelling study – deep retrofit of buildings city-wide. Given the emphasis on funding in this area we hope that there will be clear metrics available and reported against in the June 2019 update report to City Council and all subsequent TransformTO updates to allow transparent public understanding of the greenhouse gas reductions – and co-benefits impacts – being driven by City investments in this area.

Investment to accelerate electric vehicles needs charging up

A key strategy identified in the TransformTO plan is electrification of transportation. We are concerned that (in contrast to the attention to improving the efficiency of building) just 1.4% of the 2019 recommended budget, and less than one percent of the 2017-2020 approved/requested operating budget is dedicated to achieving this important emission reduction opportunity. We understand that some additional funding for this area of work may be appearing in other areas of the corporate city budget. However, we would urge that this area be considered for accelerated attention in the 2020 proposed budget and that work to support this critical area of activity be highlighted in the emerging 2021-23 project plan expected in September of this year.

Leverage City resources to expand financing for low-carbon actions

We strongly support the efforts being made to use City of Toronto capital, for example recoverable debt, to accelerate low-carbon solutions identified in TransformTO. We understand that mechanisms for leveraging City investment to attract additional public and private capital are being explored, and feel that this is a priority focus for use of the requested resources. For instance, in addition to affordable loans, the City could consider providing credit enhancements to stimulate commercial lending in the retrofit space. And following on the successful green bond issuance, development of a green revenue bond dedicated to energy efficiency and distributed energy projects could accelerate these solutions without contributing to the City's debt.

Resourcing community engagement is central to achieving results

We strongly support the recommended investments in community engagement – a central tenet of successful municipal climate actions in cities around the globe. TransformTO emphasizes how engagement and mobilization of community intelligence and resources – not just city corporate ones –

are needed to achieve our greenhouse gas reduction in ways that drive valuable community benefits including public health, community resilience, local jobs, and improved social equity.

A robust communications plan is urgently needed to support this engagement

A 2018 City-commissioned public opinion poll (November 2018) found a strong degree of resident concern regarding climate change and an understanding of the negative impacts the issue has on public health. The study also reveals that while 73% of our residents are aware of climate actions being taken at the federal level, only 41% are aware of municipal efforts and 64% say that the City should be doing more to address climate change. Only 15% of Toronto residents are aware of TransformTO (Environics Research, City-Wide Climate Perceptions Study, prepared for City of Toronto, November 2018). As an urgent priority, a clear and adequately-resourced TransformTO communications plan should be developed and implemented, allowing for average citizens to gain an understanding of the broad scope of climate action being undertaken by the City, how it benefits them, and how they can become involved. We also recommend that the effectiveness of this communication strategy be tested via a follow-up opinion poll to be undertaken in 2020 to track public familiarity with and views on TransformTO in order to inform the City's ongoing engagement work.

Declining funding trajectory is a concern as 2030 target looms

Analysis of the City of Toronto's most recent greenhouse gas inventory shows that city-wide emissions reductions are at 33% below 1990 levels, exceeding our 2020 target of 30%. This is a success worth celebrating! However, we cannot let up the pace, in fact, we need to re-double it to achieve Toronto's next target of 65% reduction by 2030 – that's just 11 years away. As such, investment should be increasing over time, not declining. We look forward to seeing the 2021-2023 action plan and multi-year budget to ensure investment is designed to create multiple benefits that are important to city residents.

Presentation of City-wide TransformTO investment would be useful

Addressing the complex issue of climate change requires inter-divisional collaboration and program funding. However, since budgeting occurs at the divisional level, transparency about how the City is investing in climate solutions and implementing TransformTO is not being achieved for the public. We encourage the City of Toronto to create a mechanism to present a full/total program budget related to TransformTO, including elements contained in multiple divisional budgets and in within capital and operating budgets. As this challenge is likely relevant to other complex and multi-dimensional issues, perhaps TransformTO would be a suitable pilot for subsequent efforts.

TAF appreciates this opportunity to present our perspectives and suggestions on the 2019 Budget, and look forward to continuing our collaboration with the City to advance implementation of TransformTO.

Yours sincerely,



Julia Langer,
CEO, The Atmospheric Fund