A New Deal for Toronto: What if They Say ‘Yes’

ANNUAL ADDRESS AT THE INSTITUTE ON MUNICIPAL FINANCE AND GOVERNANCE

Paul Johnson, City Manager
City of Toronto
“Cities have huge expenditures, but very few sources of revenue. There are just so many challenges that cities are facing, in particular Toronto — including inflation, high interest rates, crumbling infrastructure, population growth, and the lingering effects of the pandemic, affecting both transit ridership and demand for social services.”

“When cities are given more financial autonomy, there is more control, so they often become more accountable, efficient, and predictable.”

“The time has come for a new conversation about the division of responsibilities between the province and municipal governments, and how to pay for those services.”

“If we decide that municipalities are best at providing social services, then we need to give them the revenues to be able to do that. If the cities are involved in housing, the homeless, and providing those kinds of services — property tax is not necessarily the best way to pay for that.”

—Dr. Enid Slack

“New York, Frankfurt, Tokyo, Paris – all have many more tax revenue options than Toronto.”
Six ‘Perfect Storm’ Conditions that Make a New Deal for Toronto a Real Possibility
The objective of a New Deal for Toronto is to achieve long-term stability and sustainability of the City’s finances.
The City faces a known $46.5 billion pressure over 10 years

Key and immediate areas of focus include:

- $1.5 billion: 2024 estimated operating budget pressure
- $29.5 billion: unfunded capital needs over next 10 years
A perfect storm is an unusual combination of events or things that produce an unusually bad outcome or have the unique power to create...

a new + powerful result.
Perfect storm condition 1: Unprecedented financial realities

- Long-standing fiscal challenges
- Worsened fiscal environment

“Let’s stop our reliance on property-based tools.”

-- Shared with Toronto City Council throughout August + September
Unprecedented financial conditions

**Macro:** The financial environment has worsened – with new and unprecedented financial challenges for the City.

**Micro:** The City continues to face fiscal challenges – these are not new but are ongoing and becoming more deeply entrenched.
Perfect storm conditions 2:
The shared economic, social and health-related priorities rely on a strong and stable Toronto.
Toronto’s role is significant

Contributions to Ontario and Canada are significant and far reaching
Toronto is Canada’s economic engine

Toronto region is the largest single contributor to Canada’s GDP and is critical to the provincial and national economy

- 20% of Canada’s GDP
- 53% of Ontario’s GDP

Toronto generates nation-wide financial benefits without ability to retain economic gains

- $50 billion in planned capital investments
- Operates Canada’s largest public transit system
- Hosts national and international headquarters and events
- Contributes billions annually in sales and income taxes
- Is the gateway for a large share of immigration
Common misunderstanding of where taxes go: ‘The Taylor Tax’
Toronto contributes broadly to core provincial + federal services

- $1.1 billion or 22% of tax base invested in extensions of federal and provincial responsibilities:
  - Housing services ($616M)
  - Social services ($247M)
  - Health services ($256M)
Transit provides regional benefit without regional funding

• Largest public transit system in Canada

• 13% of transit trips start or end outside of Toronto’s boundaries

• Equal to $155 million subsidy provided by the City for regional use
In Q1 2023:
- Toronto had 238 cranes in the sky - more than any other city in North America

Largest municipal shelter system in Canada
- Subsidized through City reserve
- Relied upon to support regional demands

By the numbers:
- Shelters are full
- City sheltering over 10,900 people with 9,100 in shelter system
- Unprecedented demand from refugee claimants – 3,700 claimants in shelters now forecast to be 4,500 by year’s end
- Over 5,000 claimants are currently being sheltered inside or outside the formal shelter system
Perfect storm condition 3:

Do your own work and contribute your fair share before asking for a New Deal.
$46.5 Billion Pressure over 10 Years

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New Fiscal Framework required for long-term sustainability + delivering benefits to Ontario and Canada
Perfect storm condition 4:
Demonstrate you can – and do – focus on the fundamentals. It means you can be trusted to get it done well in the future.
In Q1 2023: Toronto had 238 cranes in the sky — more than any other city in North America.
Supporting the housing continuum end-to-end
Opening public washrooms

Timely operations

Park washrooms are opening

Transparent communications

Seasonal park washrooms are open from 9 a.m. to 10 p.m. daily and are cleaned at least once a day with washrooms in busier locations cleaned more often. Find status at [toronto.ca/ParkWashrooms](https://toronto.ca/ParkWashrooms). Noticed an issue? Help us resolve it. Contact @311Toronto or email 311@toronto.ca.

Check out the new & handy online map with the daily status of seasonal park washrooms, drinking fountains, bottle fillers & dog fountains: [toronto.ca/ParkWashrooms](https://toronto.ca/ParkWashrooms).
In Q1 2023: Toronto had 238 cranes in the sky - more than any other city in North America.
Perfect storm condition 5:
Continue to build a culture of continuous improvement and innovation. And more importantly...communicate it!
Energy from waste

• Conversion of renewable energy from landfill gas + biogas
• Partnership with Enbridge Gas to inject in natural gas pipeline
• Dufferin Solid Waste Management Facility
  • Expected to produce 2.2mil m³ RNG annually – open since Nov 2022
• Disco Road Organics Facility
  • Expected to produce 4.6mil m³ annually – open in 2024
• Council approved Solid Waste Management Services to explore and develop other renewable energy outputs
Community-based approach to mental health calls

- 24/7 service
- Voluntary, consent-based
- Serves clients 16+
- Trauma-informed care & harm-reduction
- "No wrong door" approach that leverages multiple intake channels
- Mobile crisis teams
- Post-crisis follow-up, case management & service navigation
- Culturally relevant services & referral network

Locations:
- Downtown East
- Downtown West
- Northwest
- Northeast

Kamaamwizme wii Naagidiwendiiying – Downtown West
The model works

Service uptake from multiple “doors”
- 6,827 total calls received for service
- 5,868 number of times mobile teams were dispatched
- 55% completed calls were received from 911
- 46% completed calls were received by 211

Diverting crisis calls to TCCS
- 78% of calls transferred from 911 were handled by TCCS with no police involvement
- 8% of total calls attended resulted in a visit to a hospital emergency department
- Emergency services were requested on 4% of calls attended

Connecting people to appropriate supports
- Referrals: 2,407 referrals for service users were made on site and during follow-up visits
- Follow-Ups: 1,160 service users accepted a follow-up within 48h
- Support up to 90 days: 56% service users who agreed to follow-up visit were enrolled in post-crisis case management and support
- Culturally relevant supports provided:
  - 300 culturally relevant supports were provided to service users
  - 50% Indigenous-specific supports
  - 20% Afrocentric and West Indian/Caribbean-centric supports
Perfect storm condition 6:
Lead from a place of data and evidence. Embrace all the voices that can help articulate why the time for a New Deal is now.
A New Deal: Worth writing about

Olivia Chow, Doug Ford announce 'new deal' working group amid Toronto's financial woes

Olivia Chow meets with Doug Ford as premier backs new financial deal to address budget shortfalls

Ford, Chow agree ‘new deal’ is needed to help tackle Toronto's massive deficit

Doug Ford, Olivia Chow agree to find ‘new deal’ for Toronto
Thank you.

Paul Johnson
City Manager, City of Toronto