



# 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**

**“New York, Frankfurt, Tokyo, Paris – all have many more tax revenue options than 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.”**

**—Dr. Enid Slack**

**“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.”**

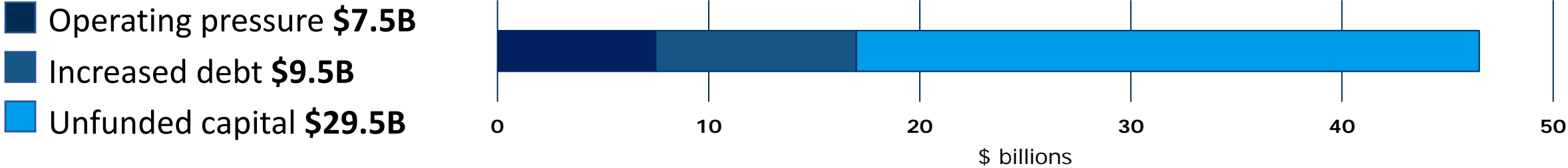


Six 'Perfect Storm'  
Conditions that Make a  
New Deal for Toronto a  
Real Possibility



The objective of a New Deal for Toronto is to achieve long-term stability and sustainability of the City's finances.

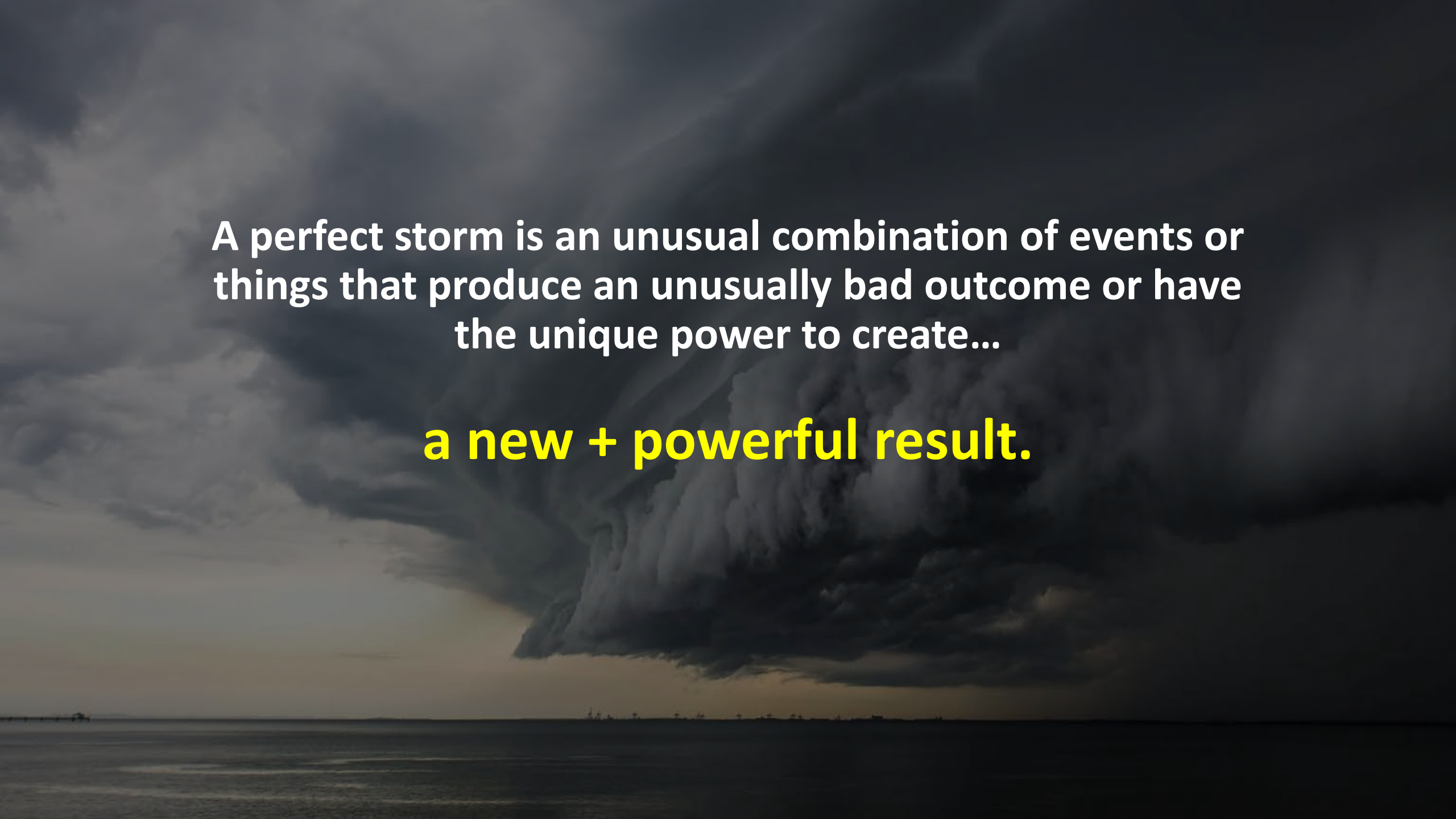
# The City faces a known \$46.5 billion pressure over 10 years



## 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 dramatic, dark storm cloud formation, possibly a supercell or a large cumulonimbus cloud, dominates the sky. The clouds are dark and textured, with some lighter areas where light breaks through. The background shows a calm body of water in the foreground and a distant, dark horizon line under a dim, overcast sky.

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



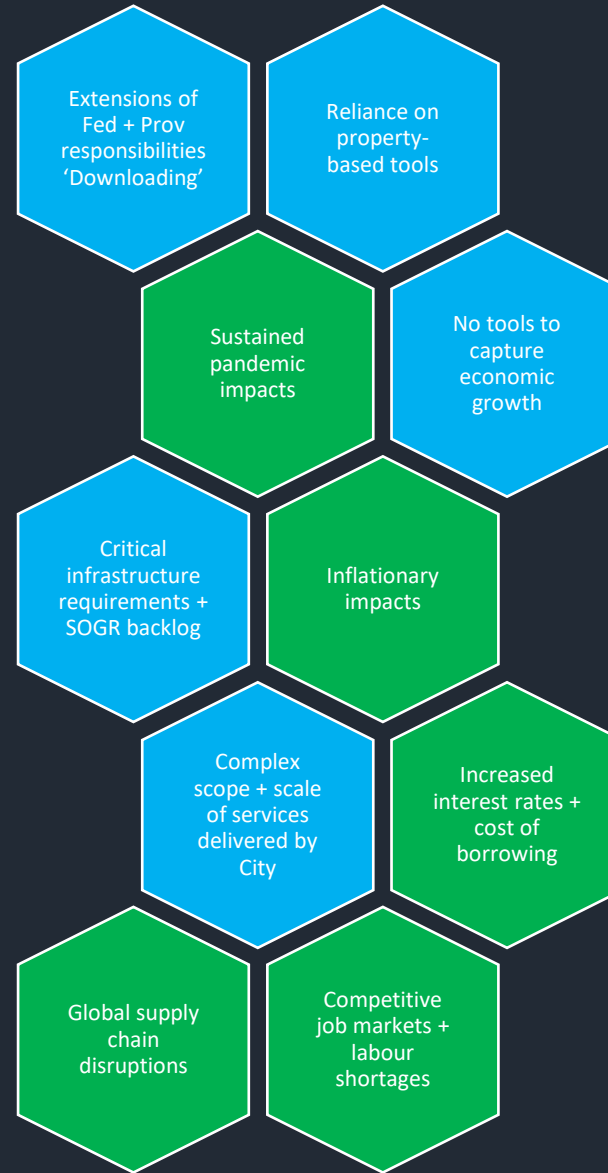
“Let’s stop our reliance on property-based tools.”

-- 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

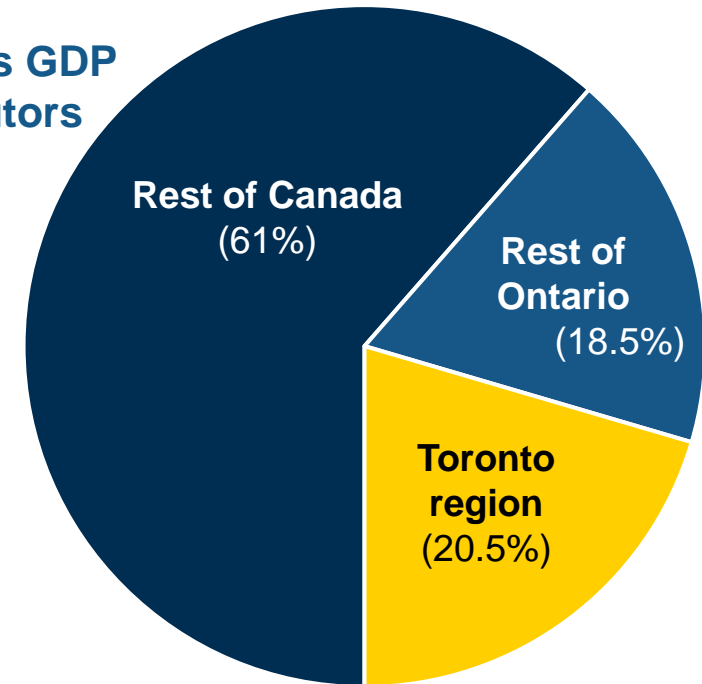
**Toronto region is the largest single contributor to Canada's GDP and is critical to the provincial and national economy**

- ✓ 20% of Canada's GDP
- ✓ 53% of Ontario's GDP

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

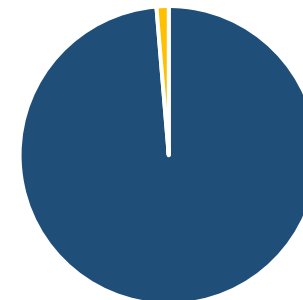
- ✓ \$50 billion in planned capital investments
- ✓ Operates Canada's largest public transit system
- ✓ Hosts national and international headquarters and events
- ✓ Contributes billions annually in sales and income taxes
- ✓ Is the gateway for a large share of immigration

Canada's GDP Contributors

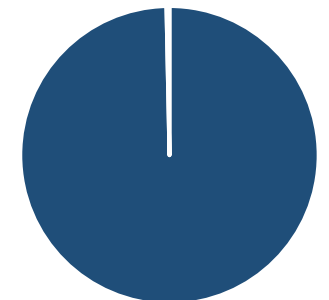


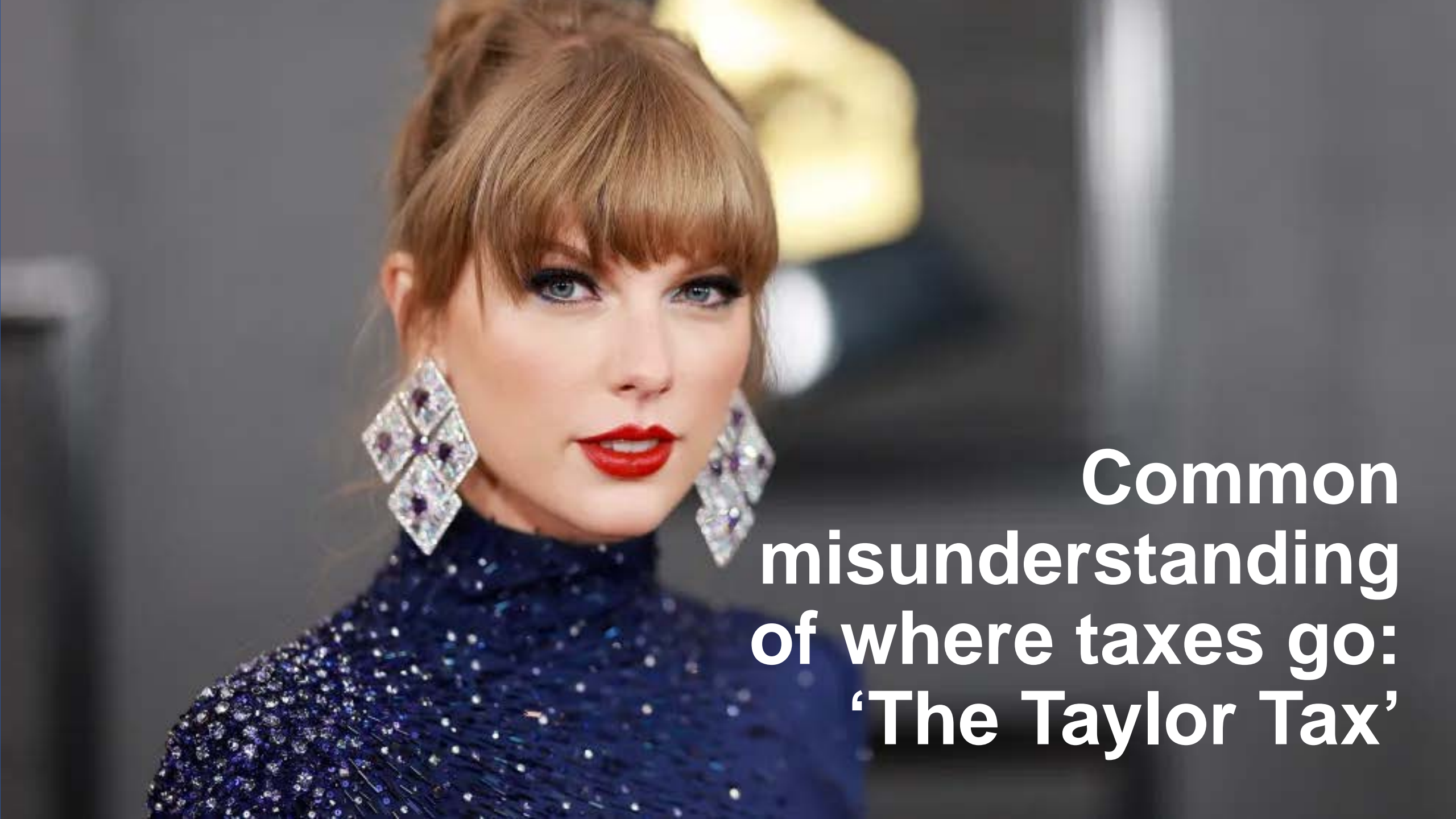
Toronto's Share of Budget

Share of Provincial (1.3%)



Share of Federal (0.3%)





**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



# Shelters, homelessness + refugees

## Largest municipal shelter system in Canada

- Subsidized through City reserve
- Relied upon to support regional demands

## By the numbers:

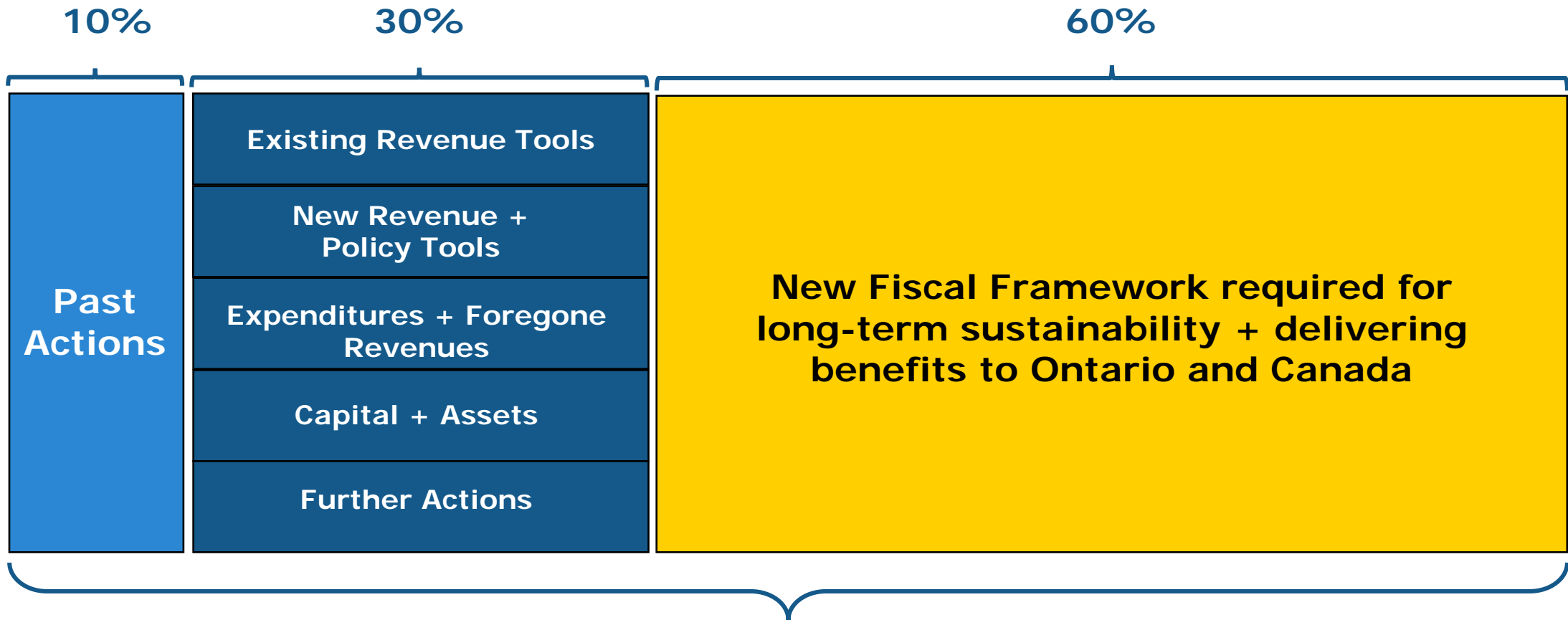
- Shelters are full
- City sheltering over 10,900 people with 9,100 in shelter system
- Unprecedented demand from refugee claimants – 3,700 claimants in shelters now forecast to be 4,500 by year's end
- Over 5,000 claimants are currently being sheltered inside or outside the formal shelter system





## **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

## **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.



Toronto is building like never before  
and like no other

**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

## THE HOUSING CONTINUUM

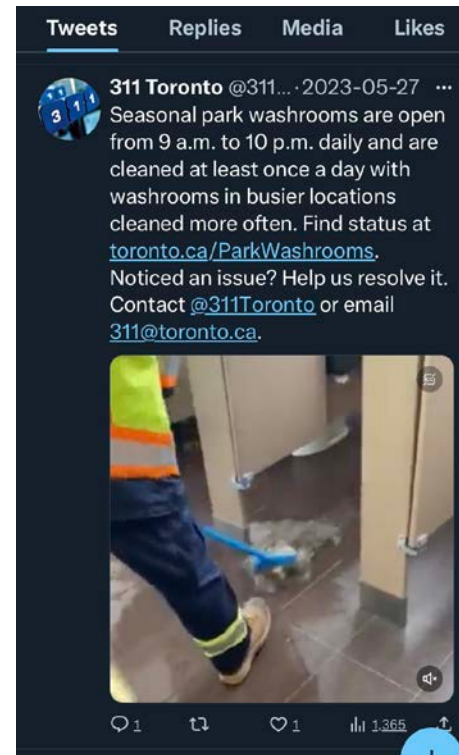


# Opening public washrooms

## Timely operations



## Transparent communications





## **Perfect storm condition 5:**

Continue to build a culture of continuous improvement and innovation. And more importantly...communicate it!

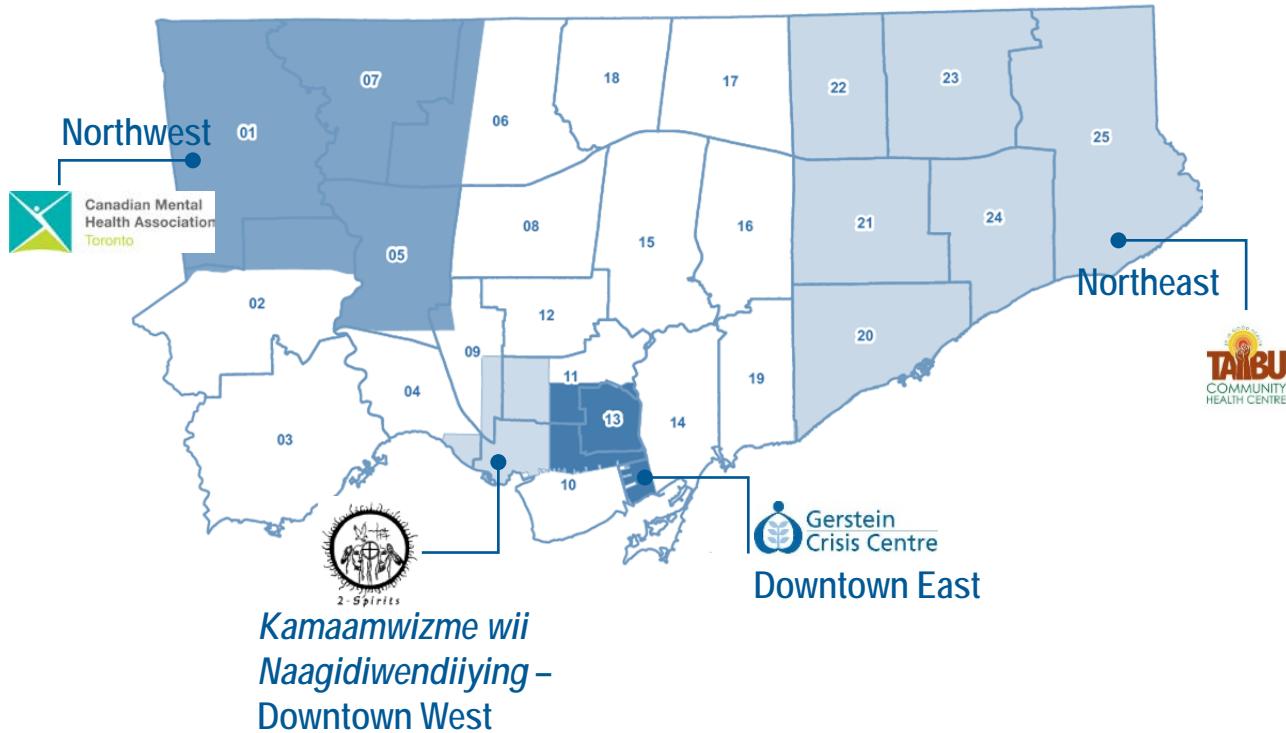


# Energy from waste

- 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 m<sup>3</sup> RNG annually – open since Nov 2022
- Disco Road Organics Facility
  - Expected to produce 4.6mil m<sup>3</sup> annually – open in 2024
- Council approved Solid Waste Management Services to explore and develop other renewable energy outputs



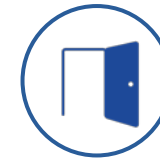
# Community-based approach to mental health calls



**Toronto  
Community  
Crisis Service**



24/7 service



“No wrong door” approach that leverages multiple intake channels



Voluntary, consent-based



Mobile crisis teams



Serves clients 16+



Post-crisis follow-up, case management & service navigation



Trauma-informed care & harm-reduction



Culturally relevant services & referral network

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

**THE GLOBE AND MAIL**

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



'New deal' working group with city and provincial staff now meeting

**CityNews**  
Everywhere



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

**TORONTO STAR**



**CityNews**

# Thank you.

Paul Johnson

City Manager, City of Toronto

