TORONTO

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July 22, 2020

Standing Committee on Finance and Economic Affairs
c/o Julia Douglas, Clerk of the Committee
99 Wellesley Street West
Room 1405, Whitney Block
Queen's Park
Toronto, ON M7A 1A2

Dear Standing Committee Members:

Re: Study of the recommendations relating to the Economic and Fiscal Update Act, 2020 and the impacts of the COVID-19 crisis on certain sectors of the economy

The City of Toronto is pleased to provide the attached submission which describes the immediate and ongoing impacts of the COVID-19 pandemic on the City. The submission represents a summary overview and synthesis of information that has been documented to date by City staff. It should be noted that the full scale impact of the pandemic is not yet known. City staff continue to review the impacts, adapt to the pandemic, and report to Toronto City Council regularly on individual programs and services as well as the overall budget impacts.

The submission is organized into six sections:

1. Public health impacts of COVID-19 and the City of Toronto's response to date.
2. Financial impacts – Description of the immediate financial pressures on the City's operating budget due to revenue loss and added costs in response to the emergency.
3. City service impacts – Overview of impacts on various programs and services provided to City of Toronto residents.
4. Local economic impacts – Overview of the impacts of the pandemic on local businesses.
5. Recovery and rebuild engagement strategy and analysis.
6. Summary

Sincerely,

Chris Murray

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City Manager

Impacts of COVID-19 on the City of Toronto

City of Toronto Submission to the
Standing Committee on Finance and Economic Affairs
July 22, 2020

1. Public Health Impact of COVID-19 and City of Toronto's Response

The City of Toronto including Toronto Public Health (TPH) continues to respond to the COVID-19 pandemic in Toronto. During the initial phase of the pandemic, the City focused on a response strategy that included enforcing strict physical distancing, temporarily closing certain programs, facilities, and services, and recommending hygiene measures in order to force down the peak of the epidemic curve. As we move towards the gradual re-opening of the City, the objectives of the City of Toronto's response continue to be preventing loss of life, preserving the capacity of the healthcare system, and minimizing the social and economic impacts of the pandemic. As the City progresses through containment of the virus to recovery, the balance between these three objectives is assessed and adjusted.

As of July 21, 2020, there were 15,185 cases of COVID-19 diagnosed in Toronto, 113 people in hospital, 25 people in intensive care, and tragically, 1,140 deaths. Daily COVID-19 case counts continue to go up and down, but overall, at this time the number of new COVID-19 cases has shown a downward trend throughout July 2020. Toronto Public Health will continue to carefully monitor COVID-19 activity in the community and in institutional and congregate settings. We are prepared to respond quickly, when additional cases are observed.

On June 12, 2020, TPH launched the COVID-19 Monitoring Dashboard. The Dashboard summarizes the current local situation using a core set of indicators that aligns with the Province's Framework for Reopening, and was endorsed by Medical Officers of Health from around the Province. The four monitoring indicators focus on: virus spread and containment, laboratory testing, health system capacity, and public health system capacity. To date, TPH has investigated over 15,185 cases of COVID-19, redeployed over 1,000 staff to critical services and led additional recruitment to ensure a strong response to COVID-19. TPH has introduced innovative solutions to meet provincial targets for case and contact management, and is actively working with provincial partners on process improvements and short-term policy changes. The ability to ramp up these solutions depends on strong partnerships between the City and the Province, and the City recognizes provincial efforts to increase the collection of disaggregated data and to stabilize funding in 2020 to public health units as they fight COVID-19. TPH and the City continue to be in a strong position to protect the public's health and respond to COVID-19.

To support re-opening efforts and through the advice of the Medical Officer of Health, the City also implemented a by-law on July 7, 2020 to require all indoor public spaces to have a mask policy requiring their use in these spaces. This step was taken as an additional public health measure to reduce the spread of COVID-19 as the City continues to open. It will be important for TPH to work with City partners to understand the compliance with the by-law and the public health benefits that are observed as a result of its implementation. Additional detail on TPH's response to COVID-19 including status of recovery planning and a potential second wave outbreak in 2020 were provided to Toronto's Board of Health on June 19, 2020 under HL18.1 – Toronto Public Health's Response to COVID-19: Context, Status Update, and Next Steps (https://www.toronto.ca/legdocs/mmis/2020/hl/bgrd/backgroundfile-148074.pdf).

On June 29, 2020, Toronto's City Council adopted a report from the City Manager regarding the City's ongoing COVID-19 emergency response activities and an overview of the process underway to restart City services and support the reopening of Toronto's businesses. The report also outlined many of the prevention and mitigation strategies being undertaken by the City to limit the spread of COVID-19 and preparations to protect the people of Toronto in the event of a second and/or future waves of the virus (https://www.toronto.ca/legdocs/mmis/2020/cc/bgrd/backgroundfile-148201.pdf).

2. Financial Impacts – Immediate Financial Pressures on the City's Operating Budget

Since mid-March, the City of Toronto, consistent with other major Canadian and GTHA municipalities has been experiencing significant financial impacts, both in the form of added costs and revenue losses as a direct result of the COVID-19 pandemic. COVID-19 related financial impacts are anticipated to total $2.055 billion by year-end for the City's Tax Supported Programs. Financial impacts predominantly reflect losses to budgeted revenues accounting for 83% of financial impacts experienced as of June 28, 2020.

With the intent to offset COVID-19 related financial impacts, staff have implemented a series of mitigation strategies aimed at achieving cost savings and cost avoidance focusing on workforce and spending restraints. These actions are expected to collectively generate $547.8 million in total offset by year-end, resulting in a projected year-end shortfall of $1.5 billion. The majority of these offsets ($513.7 million) stem from spending and workforce restraints, including:

Spending restraints

- matching transit service capacity to demand;
- reducing discretionary spending;
- reviewing all services for criticality (prioritizing critical, essential and priority services); and
- cost avoidance arising from expenditure management and tracking and forecasting COVID-19 related savings.

Workforce restraints

- redeployment of staff to critical and essential service areas;
- implementing emergency and seasonal / part-time staff layoffs – 9,980 City employees were impacted through a combination of direct employee layoffs, voluntary layoffs; and seasonal hires that did not occur. A further 2,020 staff have

also been impacted within City agencies. This includes an estimated 300 seasonal hires that were not filled.
- implementation of a hiring slowdown; and
- savings generated from labour negotiations.

The City's projected shortfall for this year resulting from COVID-19 financial impacts is primarily driven by losses to budgeted revenue with the greatest impacts experienced by the Toronto Transit Commission (TTC) and within corporate revenues such as Municipal Land Transfer Tax and Municipal Accommodation Tax. Increased emergency social support costs have also been experienced as a result of COVID-19, most notably for Shelters, Seniors Services and Long Term Care. Full details are available in the attached report, which was considered by the City's Executive Committee on July 21, 2020 (EX15.8 Operating Variance Report for the Five Months Ended May 31, 2020).

The City appreciates that the recently announced federal-provincial-territorial Safe Restart Agreement will include direct support for municipalities and public transit, and eagerly await further details. Given the severity of the City's financial situation – the projected shortfall related to tax supported programs alone amounts to 11.6% of the City's 2020 tax supported operating budget - supports will need to be extensive, with significant provincial matching funding, and be swiftly delivered. The extent and timeliness of this support will play a large role in determining whether the City is able to meet the immediate budget challenges arising from the pandemic, or whether additional mitigation options would need to be considered by City Council in the fall. The City also requests that funding to municipalities under the Safe Restart Agreement be provided in an equitable manner using solely ridership to determine allocations for transit funding, and a per capita allocation for municipal support. Toronto is optimistic that we will receive Safe Restart Agreement funding but there is uncertainty on the amounts that will be allocated to the City. If this funding is not adequate, the City will need to consider reductions to capital infrastructure spending, funding toward municipal services as well as other considerations (i.e. sale of assets and revenue measures).

The budget pressures identified above are only estimates to the end of this year, based on the City's experience during the pandemic, and these will vary with the rate of recovery and restart and any resurgence of COVID-19 infection rates. While the economy is beginning to open up, some of the City's revenue pressures are expected to diminish. This will also have the effect of increasing the City's costs - a mitigation strategy that relies on layoffs cannot be sustained through a restart and recovery period where the City needs to bring its services back and adapt them to the new reality.

Economic recovery is expected to be gradual, vulnerable to fluctuations (e.g. if successive outbreaks occur which result in additional lockdowns) and many of the increased costs incurred by the City will persist into the future (e.g. physical distancing in shelters), while key revenue streams remain uncertain and dependent upon broader economic recovery (e.g. farebox revenue from transit ridership). There will also be ongoing effects from the economic shock of COVID-19, with many sectors important to Toronto's economy (e.g. hospitality, entertainment and tourism) facing long-term uncertainty, which in turn will have downstream effects on the City's ability to collect business property taxes. Residents' ability to return to work will also be tied to availability of child care and re-opening of schools. While the complexity and interdependency of the system makes it difficult to estimate the long-term financial impacts for the City with accuracy, it is clear that this year's projected budget shortfall is not a one-time event or "blip", and the City is likely to face serious budget challenges for the next few years that will require support from other orders of government.

3. City Service Impacts

Effects of the COVID-19 pandemic have been severe across a broad range of services provided by the City of Toronto. On March 23, 2020, Mayor John Tory declared an Emergency in Toronto as part of the City's ongoing efforts to slow the spread of COVID-19 and ensure the City can act and respond quickly to the pandemic and any other events. Based on recommendations from Toronto’s Medical Officer of Health, City-operated programs and access to City facilities were modified. Throughout the pandemic, services have been (and continue to be) offered in the context of current emergency parameters. In many cases, service were delivered online-only or by staff who are teleworking with limited or no impact to delivery. In other cases, services have resumed, but on a modified basis and there may be limitations, delay or backlog to resolve. Below is an overview of the impacts on service areas most directly impacted by the COVID-19 pandemic, as well as an overview of how these impacts have been felt most acutely by the city's vulnerable communities.

Housing and Homelessness

Supporting People Experiencing Homelessness

Toronto has the largest shelter system in Canada with the City providing overnight accommodation to more than 7,000 people experiencing homelessness every night prior to the pandemic. Since 2015, the City has increased the capacity of the emergency shelter system by 76% adding approximately 3,000 spaces yet shelter occupancy remains at capacity.

The onset of COVID-19 caused considerable strain on the emergency shelter system, largely due to requirements around physical distancing and isolation. Due to this, the average cost to operate a shelter bed in Toronto was $3,347 per month pre-COVID-19. This cost has now grown to approximately $6,667 per bed per month as a result of the increased response required to protect clients. Further pressures resulting in increased demand for access to shelters have resulted from the closure of provincial services (such as detox and crisis beds) and discharges from correctional facilities of individuals directly into homelessness without adequate housing plans in place.

The City has implemented a three-tier approach to protect people experiencing homelessness that has focused on prevention, mitigation, and recovery. The aim of the response has been to stay one step ahead of the pandemic and continue to adapt and evolve as the situation has continued to change over the past three months. Actions that have been taken have included:

- Implementing enhanced infection prevention and control practices across all of the City's 75 existing shelter locations.
- Screening and testing for COVID-19 for shelter clients.
- Adding up to 3,000 spaces to create physical distancing in the shelter system.
- Establishing and operating recovery and isolation programs for people experiencing homelessness, with wrap around health, harm reduction and case management supports.

Many of the City's efforts have been actively supported by the Province of Ontario, including through additional funding under the Social Services Relief Fund and direct supports provided through Ontario Health. Further, ongoing collaboration between the Province and the City has mitigated a number of operational pressures that emerged during the emergency phase.

To date, the City has opened more than 30 temporary facilities and moved over 3,500 people into temporary community centre programs, hotels, interim and permanent housing to achieve physical distancing in the shelter system and provided spaces for people to move indoor from encampments. This includes:

- Over 1,900 clients into 18 hotel and interim housing sites.
- 300 spaces created in 7 temporary shelter/respite sites for physical distancing.
- Over 1,300 people moved into housing through the Rapid Access to Housing Initiative, housing allowances, and rent-geared-to-income.

As of July 14, there have been 630 positive COVID-19 cases linked to all shelter outbreaks. City-Provincial collaboration has resulted in positive outcomes and continued partnership is necessary as we fight COVID-19. Support for Toronto's homeless population during COVID-19 continues to require a significant expansion of the shelter system to ensure physical distancing and isolation of those undergoing testing or who are diagnosed as positive with COVID-19, and this is anticipated to continue throughout the next phase of the pandemic.

Protecting Vulnerable Populations

Beyond the impacts to the shelter system, the City mobilized resources to ensure that those facing housing instability and those most vulnerable would be protected during the pandemic. This includes:

- Mobilizing a COVID-19 response strategy for outreach and encampments that includes: access to safe indoor space, shelter and housing; education and infection prevention; and harm reduction and encampment health and safety. An interim housing program as noted above, and securing additional hotel rooms to ensure people have access to safe indoor space.
- Provided funding to shelters who were not operating 24/7 so they could extend their hours and remain open during the day.

- Opened 11 City-operated facilities with showers, washrooms and drinking water for individuals experiencing homelessness.
- An additional investment of $2 million to the Toronto Rent Bank has been provided that along with changes to program rules (i.e. increased maximum loans, deferred loan repayment, etc.), will support approximately 750 households in rental arrears with no-interest loans of up to $4,000 to remain in their homes.

Building Permanent Affordable and Supportive Housing

The most effective solution to addressing chronic homelessness is increased investments in affordable and supportive housing. The pandemic has shown that the lack of access to affordable, suitable and adequate housing is as much of an individual health risk, as it is a larger public health risk. The pandemic has also highlighted the fundamental interdependencies of our housing, health, social and economic systems.

Throughout the pandemic the City continued to pursue its aggressive agenda to build 40,000 affordable housing units, including 18,000 supportive housing units, as outlined in the City's 10-year HousingTO Action Plan 2020-2030.

This work has accelerated planning for the following key projects, despite the need to adapt approval and engagement processes to ensure physical distancing:

- Continued implementation of Housing Now Phase 1, which seeks to activate 11 City owned sites, with financial incentives from the City, to create approximately 10,000 new residential units with approximately 3,700 affordable rental units.
- Launched Housing Now Phase 2, to add 6 additional sites estimated to yield up to 1,710 new residential units, including up to 620 affordable rental units.
- Continued work on 48 other active affordable rental housing projects with over 3,900 units under development.
- Accelerated progress to achieve 250 modular housing units in one year, in collaboration with the Government of Canada and the Province of Ontario.

Looking Ahead – Housing and Homelessness

The pandemic has quickly exposed the pre-existing gaps in our systems including those related to housing and homelessness. To emerge stronger from the COVID-19 pandemic, protect residents against future waves of COVID-19 and other shocks, and build our resilience, government efforts must include a clear housing focus, focused on supporting our most vulnerable and marginalized populations, including Black, Indigenous and People of Colour.

To do this, governments must take strategic action and make proactive investments to build new affordable housing supply and ensure more people are housed quickly in permanent rental housing. Investments in affordable housing would also create much-needed employment opportunities and help get people back to work.

All governments need to have a comprehensive look at how we approach shelters and homelessness, assess housing needs, prevent entry into homelessness and create new affordable and supportive housing supply including through the provision of land, property and land acquisition. Rapidly re-housing individuals during and after the pandemic requires not only capital investments but a scale up of housing benefits and significant community and health supports (in supportive housing) so that our most vulnerable and marginalized can be successfully transitioned back into housing.

Toronto City Council's HousingTO Action Plan 2020-2030 serves as a foundation and a guide to action that can be accelerated through new partnerships, and the City looks forward to further conversations between governments including under the National Housing Strategy.

To make effective and long lasting changes moving forward, a cross-government approach to bring together resources and expertise from housing, infrastructure, health, and social service ministries will be required. If done right, and in collaboration with the City, we can reduce chronic homelessness meeting City and Provincial targets, significantly improve the housing and health outcomes of individuals, reduce the costs to governments and strain on the health care system, and help stimulate economic recovery.

Long-Term Care Homes

Seniors Services and Long-Term Care (SSLTC) Division, with Toronto Public Health, has been focused on stopping the spread of COVID-19 to ensure a safe and secure environment for the more than 2,600 residents in the City's 10 directly-operated long-term care homes (LTCH).

In an attempt to stop the virus from entering its homes, the City introduced enhanced active screening early, including taking and recording temperatures of all staff. Masking protocols were enforced, and all non-essential visits were suspended. Enhanced infection, prevention and control practices and procedures, including staff education, high-touch cleaning and disinfection, were all done to help prevent the spread of COVID-19. Mitigation efforts were enacted, including active surveillance and precautions, testing residents and staff, isolation, physical distancing, meals served on trays rather than in dining rooms, and use of personal protective equipment (PPE), such as masks, isolation gowns, gloves and eye protection when caring for residents.

Despite best efforts, the virus has been extremely difficult to contain as seen throughout long-term care settings across Ontario. At one point during the pandemic, all City long-term care homes reported residents and/or staff with the virus. 234 residents tested positive (9% of total population) and unfortunately, there have been 69 deaths (3% of total). However, as of July 17, 2020, there are no positive resident cases of COVID-19 in City LTCHs.
City LTCHs have benefited from internal collaboration including measures such as:

- Redeployment of staff to assist with screening, cleaning, feeding and social engagement.

- 89% of staff declared the City as their single employer when required under Ministry Order that prevented individuals from working for more than one Health Service Provider or retirement home until the Order is lifted.
- PPE supplies and equipment coordinated through the City's Emergency Operations Centre (EOC).
- Close partnerships with Toronto Public Health that enhanced operational response.
- Secured new devices and expanded public Wi-Fi access to connect over 2,600 residents.

Staffing is a serious issue across the long-term care sector. In response, SSLTC reassigned divisional and management staff to support essential operations; maximized frontline staffing and overtime hours; expedited hiring for key positions (e.g. nursing students for PSWs), redeployed staff from other Divisions and used external agency staff to support frontline operations.

Moving forward, the City's LTCHs will include extra health and safety measures, based on guidance from Toronto Public Health, the Ministry of Long-Term Care and Ontario Health that include:

- Maintaining screening of staff, essential visitors and residents.
- Ensuring physical distancing throughout the home.
- Maintaining infection prevention and control leading practices.
- Resuming communal dining for residents, while maintaining physical distance.
- Resuming resident programs with limits on number of participants per group.
- Resuming medical and other service appointments, while continuing to focus on virtual consults where appropriate.
- Admitting returning residents and new residents that test negative 24 hours prior to admission.

City staff made 16 recommendations in a report based on experiences and learning from the pandemic; staff's detailed report on management of the COVID-19 pandemic in the City of Toronto's long-term care homes can be found at the following link: https://www.toronto.ca/wp-content/uploads/2020/06/97d7-ssltc-covid-19-response.pdf.

As the City moves into a recovery phase, staff will complete a comprehensive review, examining all areas of its operational response, with a view to identifying short and long-term strategies for improvement and change, considering key issues including:

- Infection prevention and control measures
- Resident admissions/transitions
- Use of technology to support resident care
- Connections to acute care
- Long-term care home governance
- Funding and staffing
- Physical environment construction of long-term care homes

This comprehensive and systemic review will inform the City's next steps as we, with federal and provincial governments reflect on the impact of the virus and the future of long-term care homes in Ontario and Canada. The new reality for LTC homes may include additional staffing resources (i.e. to facilitate active screen requirements), additional supplies (i.e. PPE for staff and indoor visitors), additional space (i.e. to ensure physical distancing) and new staffing resources (i.e. single employer) to provide for the complex care needs of residents, especially those with cognitive impairment.

On June 29, 2020, City Council also made a series of requests to other orders of government to support immediate and transformational change to Ontario's long-term care homes, including the following:

Request the Province to:

- Provide additional supports including:
    - Increase the direct care staffing levels from 3.5 to 4 hours of care per resident per day;
    - Implement and fully evaluate an emotion-centred approach to care;
    - Invest (80:20) level of care hours from 3.5 to 4 hours; and
    - Fully fund construction costs of building new long-term care beds.
- Conduct an independent, objective and impartial inquiry into the long-term care sector in Ontario and actively engage City staff, the City of Toronto Home Advisory Committees, and Residents' Council and Family Council in the review.
- Incorporate an emotion-centred approach to care.

Request the Federal government to:

- Provide additional supports.
- Create a National Long-Term Care Strategy.

The City was encouraged to see that the Province has announced an Independent Commission into Long-Term Care and looks forward to fully engaging with provincial counterparts.

Child Care

On March 16, 2020, the Province declared a state of emergency and, among other measures, ordered the closure of all licenced child care centres. On March 28, 2020 the Province authorized the provision of emergency child care for children of essential and critical service workers. The City launched an on-line application that same day. Between March 31 and May 26, 2020, Toronto's Children's Services Division opened eight emergency child care centres for children (birth to 12 years old) of eligible, essential and critical workers. Emergency child care centres closed on June 26th. As of June 29th, the City reopened 11 child care centres for all families. Front line health care workers and first responders who had been using emergency child care were given priority to keep their child care spaces. Additional City child care centres will continue to open gradually over the coming weeks.

As social distancing is difficult when caring for young children, additional measures have been implemented to maintain a healthy and safe environment as child care centres reopen. These measures, including daily screening of children and families prior to admission, increased cleaning, and reduced group sizes, training for staff, use of PPE and changes to the physical layout of rooms to enable distancing. Infection control practices were developed in consultation with, and approved by Toronto Public Health and Occupational Health and Safety.

Following the direction from the Province, emergency child care for essential and critical workers closed on June 26 to allow for the phased reopening of Toronto Early Learning & Child Care Services centres. On June 29, the City began a phased approach to reopening City-operated child care centres with lower capacity and other restrictions. 11 of 47 City-operated child care centres have opened, and the remaining City-operated child care centres will open in phases under current restrictions laid out by the Ministry of Education.

Initially child care cohort sizes were restricted to 10 persons per room (children and staff). Effective July 27th cohort size will be expanded to 15 children per room plus required staff on top of that. In Toronto, the expanded cohort size will bring the child care system back to 72% capacity once all centres are open. As child care centres across the sector gradually reopen, families have an increased access to child care spaces. It is expected that child care cohort sizes will increase back to full capacity over time and all families will be able to return to care if they choose to do so. Currently, families are choosing to return gradually and demand has not exceeded available spaces.

In the short term, Toronto's Children's Services Division is supporting the reopening of more than 700+ child care centres across the city in order to return child care to its previous capacity. In the long term the City will continue to lead the Growth Strategy which strives to increase licensed child care spaces, improve affordability for families and support the child care workforce.

Committed and ongoing provincial and federal funding is required to ensure the sustainability of the child care sector, and to support access for parents and families during the reopening and recovery period. Access to child care is key to the reopening of the Toronto economy. Given the significant role the City plays in coordinating and supporting the restart and sustainability of the child care and early years sector and the increased staffing needed to meet public health and other requirements, the City would request that the Province consider deferring its planned reductions to administrative cost-share funding for child care in 2021 and 2022.

Public Transit

The TTC is an essential service that pre-pandemic averaged up to 1.8 million rides per day connecting customers to work, school, social events, and other activities. The pandemic has had a significant impact on public transit. In short, the TTC has experienced a significant decline in ridership and associated revenue of approximately $21 million per week since emergency orders were initiated in mid-March.

Even with ridership down 86% at times, the TTC continued to carry approximately 300,000 daily revenue rides with customers making trips to access essential work, groceries, pharmacies and care. For many, public transit is the primary mode of mobility. The TTC will play an important role in the restart and recovery from COVID-19.

The TTC prepared a plan to prepare the organization to transition from response to restart and recovery, with consideration to the following realities:

- Ridership demand is dependent on the pace of reopening by the Province, the City, and sectoral plans for resumption of activity and remote work arrangements.
- Public confidence in the safety of public transit will factor into decisions to return to transit for customers with access to alternative modes.
- Evidence that customers most reliant on the TTC are from some of Toronto's lower income and most vulnerable communities.
- As ridership increases, the current capacity of the system will make physical distancing guidelines difficult to meet.
- Ridership and revenues are not expected to recover to pre-COVID-19 levels by year end; while continued cost containment may further help mitigate revenue loss these actions alone will not address the fiscal pressure projected to year end.

The TTC Board on June 17th adopted the plan to coincide with further reopening by the Province which included a range of measures in the interest of customer and employee safety. Some examples are outlined below:

- Continued implementation of the Demand-Responsive Service Plan by providing 85% normal service and Run-As-Directed (RADs) buses to enhance service to specific routes with higher demand and observed crowding.
- Continue health and safety measures put in place to contain the spread of COVID-19 during the response phase: equipped buses with operator barriers/enclosures; enhanced cleaning and disinfection schedules; installed hand sanitizer in all subway stations and streetcars; provided PPE kits to operators; and exploring innovative solutions/technology to make the system safer.
- Effective July 2, 2020, face coverings became mandatory for customers on the TTC, with some exceptions. The TTC is also distributing one million disposable non-medical masks in select areas of the system with a focus on neighbourhood improvement areas.
- Continue rollout of customer education and awareness campaign and direct stakeholder reach out to share information on riding the TTC safely; and
- Enhanced Customer Flow and Stations Management throughput in case of delays or emergency, amongst other measures.

The TTC has identified an estimated $27.5 million in known incremental restart and recovery expenses that will be incurred by Labour Day, with further costs anticipated in the event of a second wave and prolonged requirements for enhanced safety measures. The City and TTC is appreciative of provincial funding identified of $7.3 million for cleaning costs incurred and further support of incremental costs associated with this pandemic would be appreciated.

The TTC's financial pressures will primarily be driven by revenue ridership levels, and the TTC is therefore actively monitoring ridership in relation to the reopening of the economy. Since the city has started to reopen, the TTC has seen ridership start to increase. Weekly ridership has increased by 45% from the COVID-19 low experienced in late April, with the TTC bus network seeing the greatest increase over other modes. As of last week, TTC ridership and revenue is down approximately 70%.

City staff have estimated the financial impact on TTC Conventional Service could be up to $699 million at year-end primarily due to ridership revenue continuing to be significantly impacted by COVID-19. The City and TTC appreciate contributions that will be provided to transit systems across the country as announced in the federal-provincial-territorial Safe Restart Agreement, and look forward to further details on how this new funding will address the significant financial pressures facing Toronto's public transit system.

Key TTC reports – Impacts of COVID-19 & TTC Response:

https://www.ttc.ca/About_the_TTC/Commission_reports_and_information/Commission_meetings/2020/June_17/Reports/Staff_Presentation_COVID_19_Transitioning_from_Response_to_R.pdf

https://www.ttc.ca/About_the_TTC/Commission_reports_and_information/Commission_meetings/2020/July_14/Reports/1_Chief_Executive_Officer_Report_July_2020_Update.pdf

Courts

On March 16, 2020, in response to the COVID-19 pandemic, the Ontario Court of Justice suspended the operation of all municipal courts dealing with Provincial Offences Act (POA) matters. The Ontario Court of Justice has recently indicated that, with the exception of judicial pre-trials and early resolution guilty plea hearings to be held remotely, no POA proceedings would be heard until September 14, 2020.

As a result of this suspension of proceedings, the pandemic has significantly affected the City's collection of fine revenues which are relied upon to offset POA program costs. Revenues that will not be realized in 2020 will likely not be recovered until 2022 or beyond. Court revenues are projected to have a shortfall of $24.5 million (32.5%) due to COVID-19 impacts in 2020. Future revenue outcomes will also be affected due to the delay of cases for 6 months.

While the initial closure and temporary measures were necessary to protect the public and court staff from exposure and spread of COVID-19, this has now created a significant backlog of matters to be rescheduled for hearing. As the courts remain closed, this backlog is growing. Individuals are being charged and have no way to engage the justice process to dispute their charges which has left some members of the public frustrated as they feel they have no ability to access justice. As we look forward to resumption of the courts, it can be assumed that the POA courts will not continue to operate as they had pre-pandemic, given the need to ensure appropriate physical distancing and other health measures. It can no longer be assumed that the POA courts can proceed by way of in-person hearings where hundreds of people pack busy courtrooms. This will in turn will add to the current backlog and continue to increase the already existing pressures for the courts to ensure that the public has access to justice. This is especially true in POA courts in the City of Toronto. In 2019, almost half a million hearing events occurred in POA courts in Toronto (approximately 1/3 of all hearings in Ontario).

In order to ensure that POA courts can continue to offer service to the public while protecting the public from exposure to COVID-19, there is a need to facilitate the expanded use of technology for remote hearings or steps in a proceeding. City staff were pleased to see that legislative amendments have been tabled to support this as part of Bill 197, COVID-19 Economic Recovery Act, 2020, and are supportive of its speedy passage. Staff note that additional investment by the Province will also be necessary to enable the technology to support remote hearings and digital processes.

Toronto City Council has made a number of requests to the Province, which if implemented, would help to alleviate the workload and financial pressures of the Provincial Offences courts, including:

- To alleviate pressure on the Provincial Offences courts, the City requested the Province to move forward quickly with amendments to the Highway Traffic Act and regulations under this statute to permit the City to use an Administrative Penalty System for offences enforced through the use of an automated speed enforcement system and red light camera system as well as to ensure revenue from these offences would be payable to the City to recover program costs.
  http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.IE6.9

- To assist with the recovery of program costs through the collection of defaulted POA fines, the City requested the Province to consider additional sanctions and penalties where defendants commit offences and fail to pay the related fines. These sanctions and penalties include: requesting all Provincial Ministries to assist in encouraging the payment of Provincial Offences Act Fines through enforcement tools such as licensing or permit requirements conditions that require payment of outstanding fines; expanding the application of single-plate denials where fines for offences involving a company owned vehicle are not paid for all offences related to Highway Traffic Act or Compulsory Automobile Insurance Act offences; and, to enact legislative change to enable the collection of defaulted fines through the property tax rolls for jointly owned property while permitting the City to access the Province's electronic land records database to improve the ability to match City debtors with owners of real property in Ontario.
  http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.AU12.1

- The City also requested the Province to pass regulations to allow a defendant to apply to a justice to reduce or expunge a defaulted POA fine where the defendant meets the criteria for inability to pay defined in the regulations. http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.AU12.1

Impact on Vulnerable Communities

Data collected to date on the City's most vulnerable populations suggests that these populations have been made more vulnerable as a result of the COVID-19 pandemic, and are bearing its impacts disproportionately. For example the challenges of a single parent keeping her job when her childcare is ordered closed, or the complications of how a homeless individual uses a washroom when all drop-ins, libraries, community centres, coffee shops and service providers are closed to name a few. COVID-19 has amplified underlying systemic vulnerabilities and inequities. Many community-based agencies that support these communities had to close during COVID-19, or shift to on-line service only, hence the City had to take proactive steps to ensure populations most at-risk were supported.

As noted in the City's Poverty Reduction Strategy and Resilience Strategy, systemic poverty makes Toronto susceptible to these kinds of shocks. One in five adults and one in four children continue to live in poverty in Toronto, and the City of Toronto’s poverty rate is 1.5 times higher than the greater Census Metropolitan Area, 1.7 times higher than the provincial rate, and 1.8 times the national rate. Poverty is disproportionately experienced by Indigenous People, Black Torontonians, and other equity-seeking communities such as racialized youth, people with disabilities, vulnerable seniors, people experiencing homelessness, newcomers, LGBTQ2S people and socially isolated individuals.

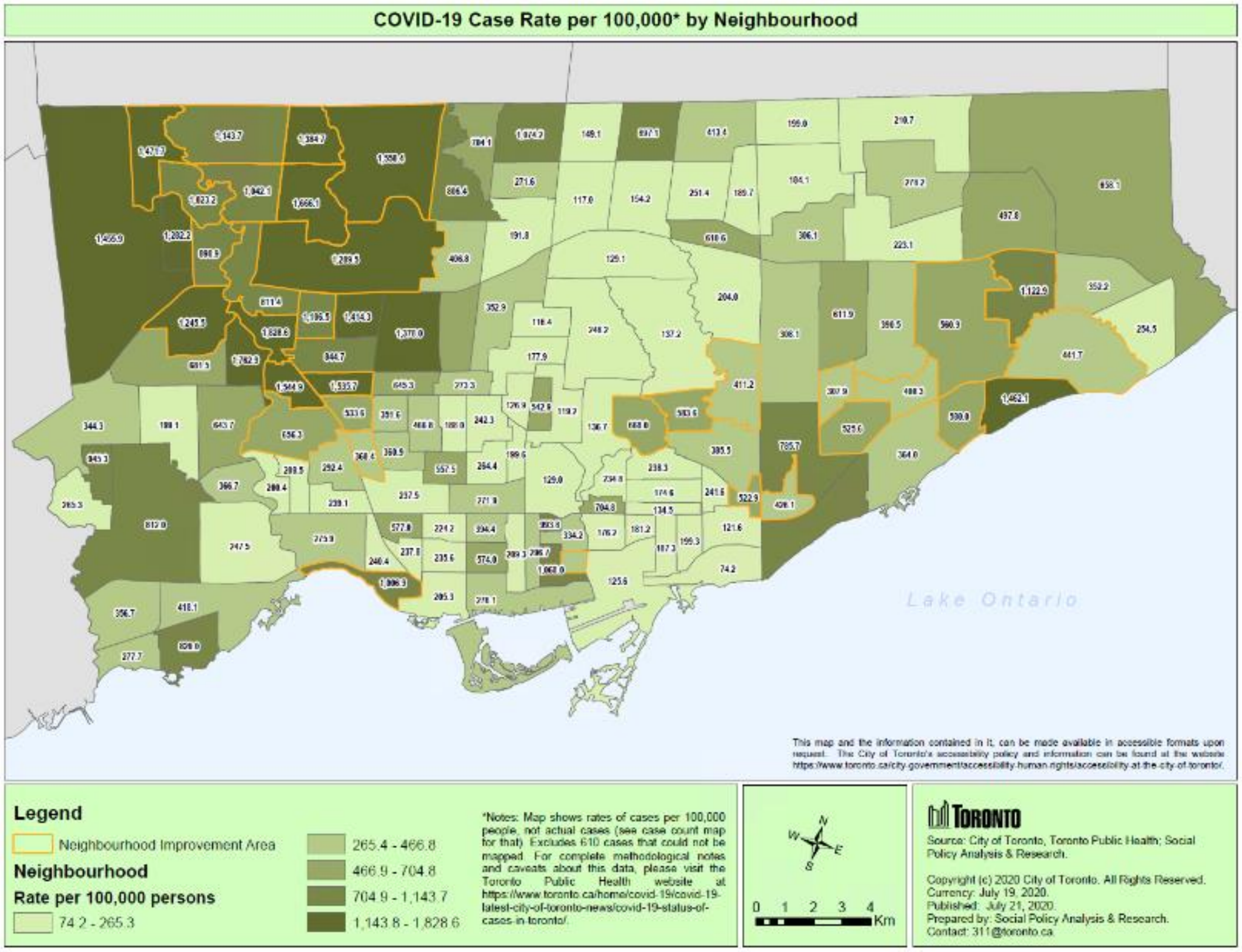
Emergency food interventions including temporary food banks, food hamper delivery, meal preparation and delivery to people in COVID-19 isolation were coordinated and supported by the City and over 220 community partners. Over 12,000 grocery hampers have been delivered between April 27th and July 16th, over 228,000 prepared meals between May 4th and July 16th. This work continues now and will have to recommence in the case of a second wave.

The City of Toronto has developed a mental health support strategy to support the mental health needs of residents during the COVID-19 pandemic. Measures put in place to slow the spread of COVID-19 have created stress and anxiety for many individuals, which may be compounded by financial loss and loss of critical supports. This strategy continues to operate and since its launch, over 12,000 residents, including frontline workers, have received mental health support of counselling services. The service complements, not replaces existing mental health support models. Hotlines and agencies have seen an increase in calls regarding: crisis, isolation, depression, intimate partner violence and child abuse, financial support and strain, as well as employment related anxiety. For all Torontonians, there is a bi-directional relationship between mental health and wellness and the social determinants of health. For those that have been struggling or lacking financial resources, housing, access to food and transportation during COVID-19, have had their mental health and wellbeing disproportionately impacted.

The City led initiatives to support internet access and connectivity of vulnerable residents by: providing free access to Wi-Fi for a year to residents of 25 residential towers located in low-income neighbourhoods; the Toronto Public Library provided 200 internet access kits to low income families as well as 1,000 Wi-Fi hotspots to low income families with no internet access.

A Community Coordination Plan, a joint City/United Way of Greater Toronto initiative that provides support to 400 front-line agencies across Toronto was established to focus specifically on supporting the needs of vulnerable population groups. Through ten geographic clusters and three additional clusters focused on city-wide organizations, Indigenous-serving agencies and Black Resilience, the City was able to respond quickly to local service issues as they surfaced.

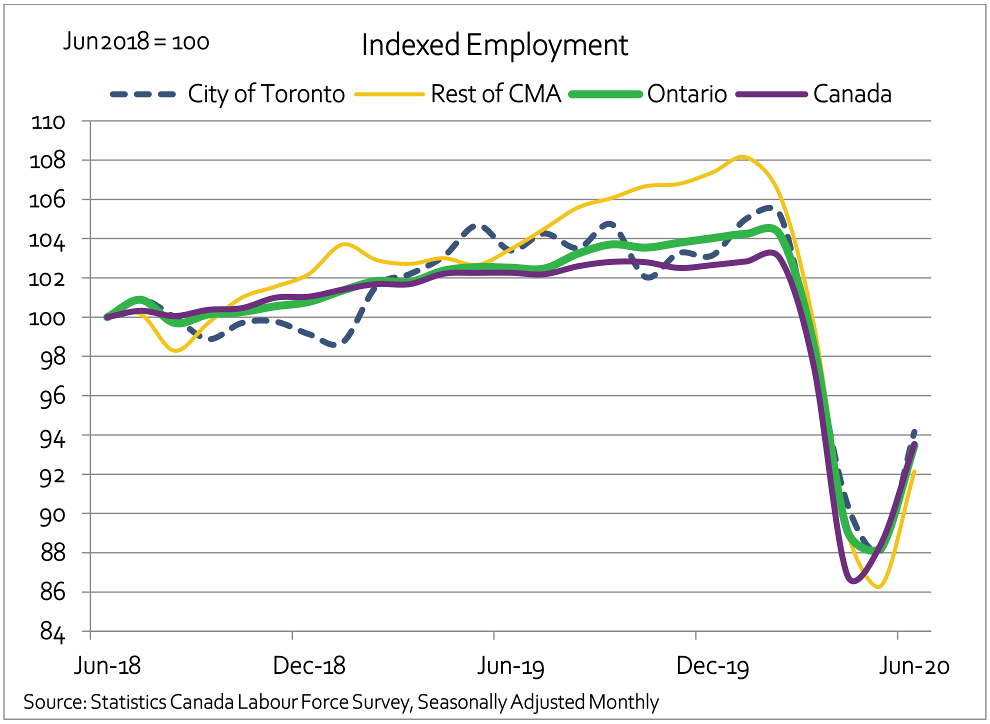
With regard to COVID-19, Toronto Public Health has found that income, access to housing, and employment are key determinants in neighbourhoods that show higher case numbers. This suggests that we can expect to see a higher incidence of COVID-19 within these communities, and this is being borne out by the data. The table below shows the COVID-19 case rate per 100,000 people, by neighbourhood in Toronto; it is notable that of the 11 neighbourhoods with the highest case rates, 7 are "Neighbourhood Improvement Areas", which were explicitly designated as such almost 10 years ago based on the social determinants of health.



To inform longer term COVID-19 rebuild efforts, City staff will be working to identify the social supports and economic opportunities needed to support vulnerable residents and communities, and will need support from the other governments to implement. As data on the City's most vulnerable is collected, and using social determinants of health framework, staff will conduct an in-depth analysis to more fully understand how these populations have been impacted by the COVID-19 pandemic and to address inequities. Addressing the needs of the most vulnerable populations will be critical to recovering from the pandemic, preparing for a second wave, and preventing long-term structural problems.

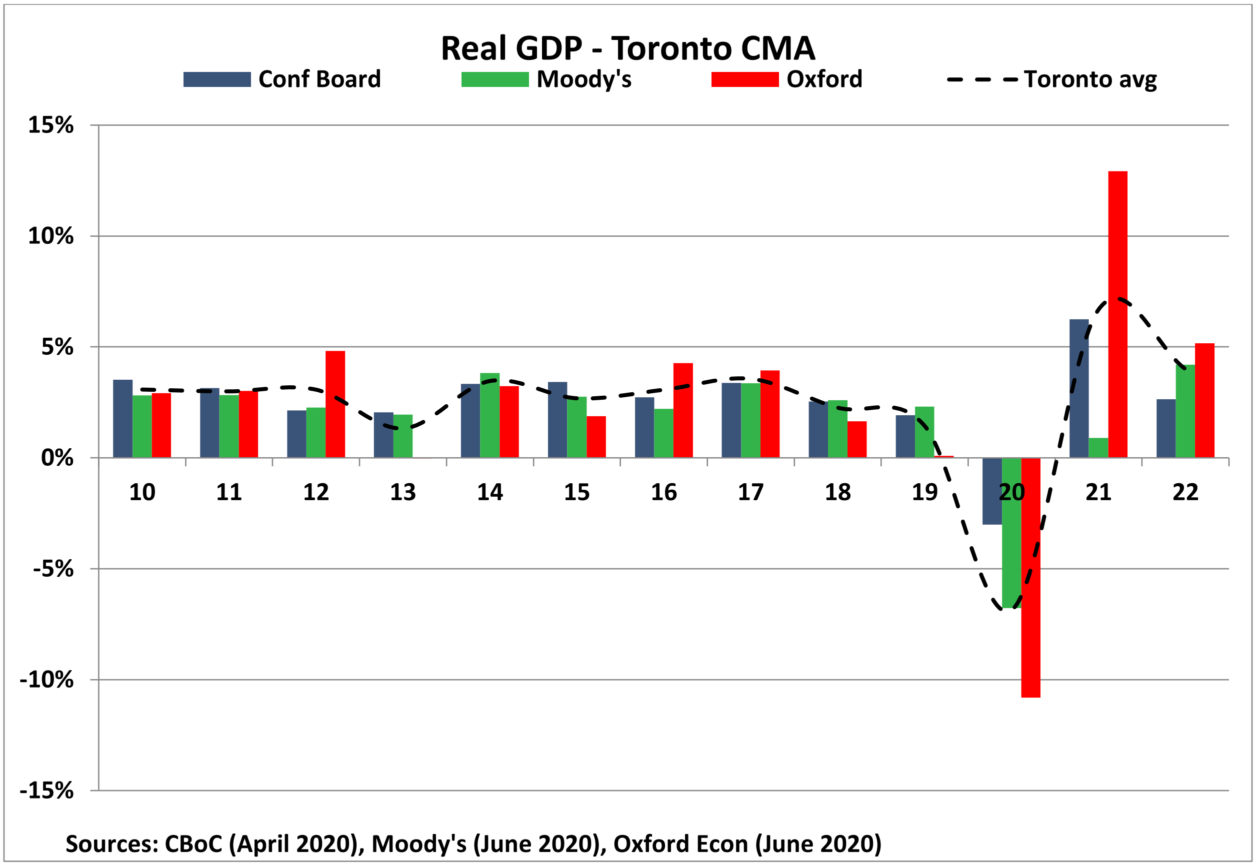
4. Local Economic Impacts

Toronto is facing an unprecedented economic shock amid the global COVID-19 pandemic. Between February 2020 and June 2020, total employment across the city of Toronto declined by 224,650. The unemployment rate more than doubled from 6.1% to 14.2% over this period. The increase would be higher if laid off workers not currently looking for work were counted as unemployed. Additionally, many employed Toronto residents are working reduced hours. Among the hardest hit have been workers in accommodation and food services, and information, culture and recreation sectors.



Many other economic indicators have also shown a steep contraction. For example, manufacturing shipments across the Toronto Census Metropolitan Area tumbled 34% month-over-month in April as many plants shuttered. Retail sales fell 36% month-over-month in April.

A survey of three prominent forecasters – the Conference Board of Canada, Oxford Economics and Moody's Analytics – predict that real GDP for the Toronto CMA will contract by 6.9% in 2020, before rebounding by 6.7% in 2021. These forecasts align with estimates for the broader Canadian economy as a whole, including recent projections from the Bank of Canada.



Recovery is getting underway as restrictions gradually ease and more businesses reopen. Total employment for the city increased by 89,700 in June. This recoups just over a third of the jobs lost from February through May. Toronto manufacturing shipments rebounded 20% month-over-month in May, reversing half of the prior month's decline. According to the Canadian Federation of Independent Business's weekly survey of members, sentiment among Ontario small businesses is rebounding. Some areas are expected to bounce back more quickly, including retail and manufacturing, while other sectors, notably tourism and culture, could face a prolonged adjustment phase. Output in the finance, insurance and real estate sector – Toronto's largest industry – is expected to emerge relatively unscathed. Resale housing activity as of June was largely back to pre-pandemic levels.

Toronto's economy may continue to look different, as physical distancing becomes the new normal. The shift toward e-commerce is showing signs of becoming more entrenched, challenging traditional brick-and-mortar retailers. Telework is likely to become more prominent for many workers, forcing changes to traditional office and commuting dynamics.

For example, the Conference Board of Canada estimates that pre-pandemic, 9 in 10 organizations had less than 20% of their workforce working remotely. Currently, nearly two thirds report at least 60% working remotely. Over the medium-term, 55% of employers will be keeping at least half their workforce remote. Longer term, the survey suggests many employees can expect to be called back to the workplace.

Statistics Canada estimates that about 40% of Canadian workers are in jobs that can be performed from home. Roughly that percentage were teleworking during the last week of March, compared with approximately 13% pre-COVID, suggesting the economy is currently operating at maximum "telework capacity". Industries with a high telework capacity include finance, education, professional services, information, and public administration.

Durable trends such as remote work, increased digitization of certain sectors and the growth of precarious work could significantly reshape the nature of the Canadian and Toronto economy. These trends have significant potential downstream effects for municipal finances and the delivery of key services such as public transit and tourism, culture and recreation. They also raise questions about which groups and individuals will bear disproportionate economic and social burdens arising from the pandemic and how best to mitigate those burdens.

Among the many City of Toronto initiatives to combat the impacts of COVID-19, over 25 innovative new programs have been launched or are in the works to support Toronto businesses in mitigation, recovery and rebuild efforts. Many of these programs have a specific focus on main street businesses and the small business sector. All projects being advanced are being carefully considered to ensure there will be opportunities to support equity and inclusion objectives.

Financial support from the federal and provincial governments will be a key factor in determining how effectively Toronto can rebuild its economy coming out of the pandemic. Direct supports, or devolved revenue authority, targeting specific sectors, workers and infrastructure (i.e., physical, digital and social) will be vital to ensure that the City and its businesses can thrive post-pandemic and continue to be the key engine of the Province's and Canada's economy moving ahead.

5. Recovery and Rebuild

As the city starts to reopen, recovery and rebuilding offer an opportunity to suggest ways to change the city for the better. The City has established the Toronto Office of Recovery and Rebuild (TORR) with a mandate to undertake engagement and research, the findings and recommendations of which will support decision-making by the Office, the City's senior leadership and City Council. The TORR's engagement strategy was developed to support timely, purposeful, accessible and informed engagement, with a diversity of stakeholders. The TORR, with the assistance of City subject matter experts and Theme Leads has engaged with community partners and groups, Indigenous communities, residents and businesses to seek input on recovery and rebuild. TORR has been actively seeking feedback, ideas and information from individuals, groups, communities and businesses and has created an online survey and Discussion Guide to help facilitate this conversation.

TORR is also leveraging and building upon engagements and consultations conducted since the beginning of the COVID-19 pandemic, e.g. the Mayor's Economic Support and

Recovery Task Force and various roundtables, including ones on Business and Community Contributions; Children and Youth; Cultural and Arts Communities; Recovery and Restart; Small Business BIAs; Social Services and Housing; Upper Education and Industry (including Green Industries & Academics Roundtables); and Workers and Labour.

In addition, TORR is receiving and analyzing input from:

- Members of Council
- Divisions, Agencies and Corporations
- Council Advisory Bodies
- Prior City consultations e.g. resilience, governance, retail main streets
- Issue and jurisdictional research
- Engagements and consultations by TORR theme, including vulnerable communities, business, culture, climate change and resilience, strategic alliances, government and financial renewal and issues such as Indigenous reconciliation, intergovernmental relations, public engagement, and the social determinants of health including equity.

Analysis is underway on the significant input and data collected to date, and work is starting to identify themes and review connections across themes and related issues for a report to the City Manager expected in September 2020.

6. Summary

Since the onset of the COVID-19 pandemic, the impacts to residents, businesses, communities and institutions in Toronto and across Ontario and Canada have been profound. The City of Toronto, like other Ontario municipalities has and continues to face financial and operational challenges as it protects public health and safety.

Federal, provincial and municipal actions taken to date have been able to slow the spread of the virus, support residents and businesses cope financially, provide shelter to those most in need, and quickly change the way in which services are delivered. The City appreciates the ongoing and effective collaboration with the Province of Ontario in managing the impacts of this pandemic, and commends the Province on the recently announced Safe Restart Agreement that will provide direct financial support to municipalities. While this is a good start, there are additional actions from a financial, operational and public policy standpoint that the City would like the Province to consider as outlined within this submission.

As with the response to COVID-19, recovery and rebuilding will require a long-term strategy across governments, far beyond 2020.