

# 2024 Budget Notes

## Toronto Community Housing Corporation and Toronto Seniors Housing Corporation

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### Description

Toronto Community Housing Corporation (TCHC) and Toronto Seniors Housing Corporation (TSHC) deliver an essential frontline service providing housing stability and social supports for low income and equity deserving Torontonians. Together with the City of Toronto (the City), TCHC and TSHC help make it possible for tens of thousands of individuals and families to live in affordable homes, supporting the wellbeing of people and communities.

Our overall priorities are to provide a positive tenant experience, maintain quality homes and build safe and vibrant communities. These priorities underscore our continued focus on delivering clean, well-maintained buildings where all tenants have the opportunity to thrive in their communities. We are committed to ensuring that service delivery meets high standards consistently across the organization.

### Why We Do It

TCHC's mission is to provide clean, safe, well-maintained, affordable homes for residents. TSHC's vision is to provide safe, diverse, and vibrant communities where tenants have a sense of inclusion and well-being. Our portfolio of social housing buildings is an efficient and effective way to provide homes to Torontonians who are most in need. Our role is critical to ensuring that tenants can live well in an environment that is significantly more enriching and minimizes the impact on other parts of the housing and healthcare system.

We serve a diverse population that requires a wide range of supports that help tenants maintain successful tenancies. We connect residents to services and organizations that support tenant needs; as well, through the development and delivery of community programs we foster safe, healthy, and vibrant communities.

*The City of Toronto aims to deliver these outcomes equitably, efficiently and with excellent customer service to help improve the lives of Torontonians and work to earn their trust and confidence.*

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## What Service We Provide

### **Deeply Affordable Housing**

Around 110,000 people call TCHC and TSHC home, with 89% of households benefiting from the Rent-Geared-to-Income (RGI) program that offers deeply affordable housing for as little as \$85 per month.

Renters at TCHC and TSHC are diverse and united by a need to access affordable housing. Half of the households have a member with a disability, sixty-percent are female-led, thirty-percent primarily speak a language other than English, and seventy-five percent rely on government funding as their main or only source of income with the average RGI annual income at \$16,300.

### **Long-Term Stewardship of a Critical Public Asset**

Together, TCHC and TSHC manage and maintain 2,100 buildings, worth over \$10.0 billion. Our capital repair and community revitalization programs are focused on ensuring that these public assets are maintained in a state of good repair into the future.

### **Housing and Support for Seniors**

TSHC is committed to supporting seniors, allowing them to live independently and to age in their homes and communities while enjoying a better quality of life. This support includes a focus on providing clean and well-maintained buildings and improved health, wellness, and social supports for tenants 59 years of age and better.

TSHC manages a portfolio of 83 buildings with approximately 14,000 units, for approximately 15,000 low and moderate-income seniors.

**How Much Resources (gross 2024 operating budget):** \$749.9 million

## Budget at a Glance

2024 OPERATING BUDGET <sup>1</sup>				2024 - 2033 10-YEAR CAPITAL PLAN <sup>1</sup>			
\$Million	2024	2025	2026	\$Million	2024	2025-2033	Total
Revenues	\$403.5	\$415.5	\$421.0	<b>Gross Expenditures</b>			
City Base Funding	\$312.8	\$312.8	\$312.8	Building Repair	\$332.8	\$1,957.0	\$2,289.8
City One-Time Funding	\$ 33.6			Development	\$135.4	\$ 956.4	\$1,091.8
Gross Expenditures	\$749.9	\$771.5	\$806.0	IT	\$ 8.6	\$ 0	\$ 8.6
Net Expenditures	\$ 0	\$ 43.2	\$ 72.2	<b>City Funding</b>			
Approved Positions	2,653	2,663	2,663	Building Repair <sup>2</sup>	\$142.8	\$1,457.2	\$1,600.0
				Development*	\$ 46.6	\$ 152.2	\$ 198.8
				IT	\$ 8.6	\$ 0	\$ 8.6

\*Does not include City S37/Infrastructure funding

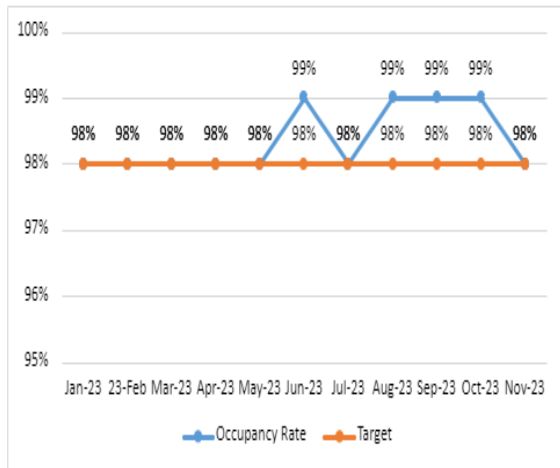
**Notes:**

- 1) TCHC and TSHC are presenting a consolidated 2024 Budget, as agreements between the two organizations are still under review.
- 2) City funding of \$1.600 billion for repair capital is included in the TCHC's 10-Year Capital Plan as an ongoing amount to reach industry standard FCI. Building Repair Capital funding requirements will be revisited and confirmed in future years along with ongoing Provincial and Federal funding.

## How Well We Are Doing – TCHC Behind the Numbers

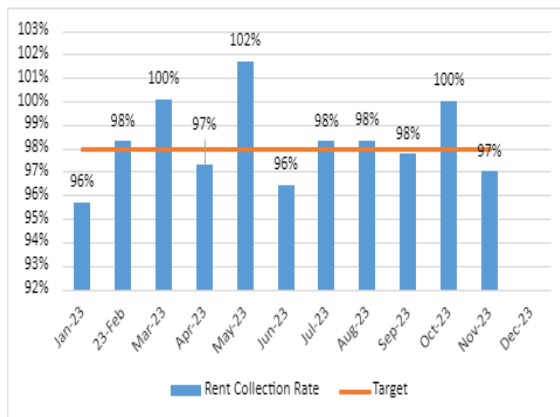
### Outcome Measures

#### Deeply Affordable Housing – Housing Occupancy Rate



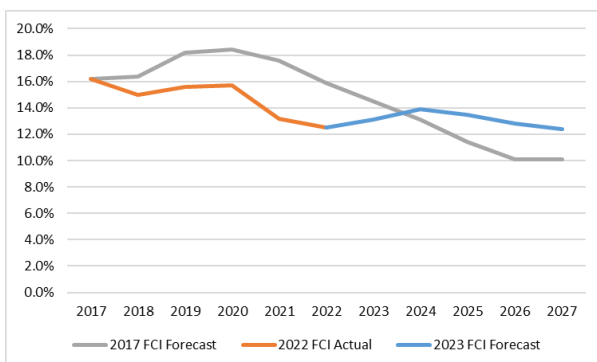
- The average TCHC vacancy rate from 2021 to 2023 (November) is in line with the service manager 2% vacancy rate target. The housing occupancy rate at the end of November is 98.5%.
- TCHC is monitoring the vacancy rate closely to ensure rentable RGI units are available to be responsive to tenants' needs and support movement on the Centralized Waiting List, including programs such as Crisis Transfer (internal) and Rapid Rehousing (City).
- Multiple strategies such as the City's Choice-Based and Rapid Rehousing are starting to become stabilized and have helped to consistently occupy units.
- In partnership with the City's Shelter and Support Services and the Housing Secretariat, TCHC ensures that those facing homelessness receive the necessary assistance to secure stable housing quickly.

#### Deeply Affordable Housing – Rent Collection Rate



- The YTD average rent collection rate is 98.1%.
- During the initial three quarters of 2023, TCHC consistently maintained high rent collection rates, with an average of 98%.
- Focus on compliance with the rent collection process ensures that payments are consistently monitored and managed. In addition, prioritizing early intervention, TCHC is working to identify potential issues and offering support to tenants at the earliest signs of financial difficulty.
- TCHC is undertaking revisions to the Arrears Collection Process to streamline and simplify the process, and training staff to equip them with the skills needed to engage with tenants to proactively address arrears as soon as possible.

#### Stewardship of Public Asset – Facility Condition Index (FCI)

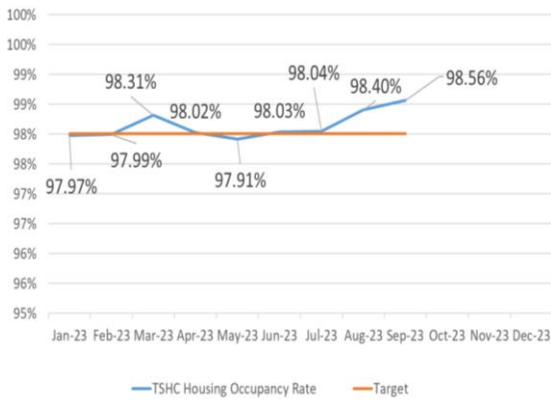


- FCI is the industry standard to measure the condition of buildings and physical infrastructure. The metric is obtained by aggregating the values of deferred repairs or building upgrades required and comparing against the asset replacement values of buildings and/or the building portfolio.
- The FCI represents the number of building components reaching or exceeding the end of their useful life.
- An FCI of 10% or less is the industry standard for a state of good repair.
- Due to inflation and other factors causing price and demand escalations, it is becoming increasingly challenging to meet and maintain a 10% FCI target. This has impacted previous year FCI projections that had TCHC on target to achieve 10% FCI by 2027. TCHC is currently working on addressing shortfalls.

## How Well We Are Doing – TSHC Behind the Numbers

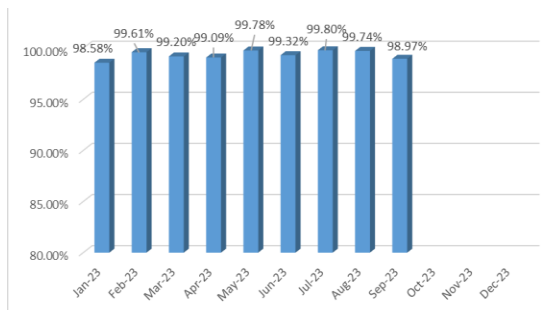
### Outcome Measures

#### Deeply Affordable Housing – Housing Occupancy Rate



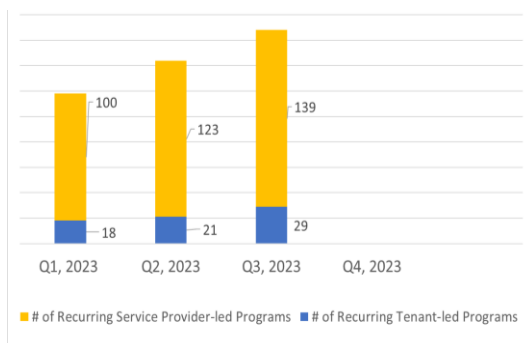
- Maintaining a high housing occupancy rate is essential to ensure rentable RGI units are available and to support movement on the Centralized Waiting List.
- The average housing occupancy rate in the first three quarters of 2023 was 98.14%, surpassing the target rate of 98%. The housing occupancy rate at the end of September stood at 98.56%.
- The average unit turnover days in Q3 was at 65 days, well below the YTD sector average of 98.9 days.
- TSHC will continue to monitor results and process efficiencies as well as work with the Service Manager to ensure service reporting and service targets are met.

#### Deeply Affordable Housing – Rent Collection Rate



- Compliance in rent collection enables TSHC to maintain and improve housing quality while supporting senior tenants effectively.
- During the initial three quarters of 2023, TSHC has consistently maintained high rent collection rates, with an average of 99.34%.

#### Support for Seniors – Recurring Programs for Seniors



- Programs are vital for senior tenants as they cater to seniors' unique needs and contribute to seniors' overall quality of life.
- Over the last three quarters, there has been a consistent increase in recurring programming offered to seniors living in TSHC, including an expansion in the number of recurring tenant-led programs.
- A variety of activities are being organized in seniors' buildings, covering themes such as food security and nutrition, health and wellness, personal development and learning, social recreation, and faith-based activities.

## How Well We Are Doing - TCHC

Service	Measure	2021 Actual	2022 Actual	2023 YTD (Nov)	2023 Target	2023 Projection	Status	2024 Target	2025 Target
<b>Outcome Measures</b>									
Deeply affordable housing	TCHC Occupied units	98%	98%	98%	98%	98%	●	98%	98%
	TCHC Rent and fees collected	99%	98%	98%	98%	98%	●	98%	98%
Stewardship of Public Asset	Facility Condition Index (FCI)	13.2%	12.5%	N/A	13.1%	13.5%	●	13.9%	13.5%

2023 Projection to 2023 Target Comparison  
 | 100% (MET TARGET)      | 70 – 99% (LOW RISK)      | 69% and Under (REQUIRES ATTENTION)

The Facility Condition Index (FCI) increase in 2023 is driven by the following pressures:

- Significant increase in on demand capital repairs resulting from prior years' lower volume due to impacts of the pandemic and reluctance of tenants to allow entry into units.
- Cost escalations driven by market conditions; primarily inflationary pressures and supply chain issues.

## How Well We Are Doing – TSHC

Service	Measure	2021 Actual	2022 Actual	2023 YTD (Sept)	2023 Target	2023 Projection	Status	2024 Target	2025 Target
<b>Outcome Measures</b>									
Deeply affordable housing	TSHC Occupied units	n/a	96% (June 2022)	98%	98%	98%	●	98%	98%
	TSHC Rent and fees collected	n/a	99%	99%	98%	98%	●	98%	98%

2023 Projection to 2023 Target Comparison  
 | 100% (MET TARGET)      | 70 – 99% (LOW RISK)      | 69% and Under (REQUIRES ATTENTION)

## EXPERIENCES, CHALLENGES AND PRIORITIES

### Our Experience and Success

#### TCHC

- TCHC continues to work closely with tenants, external partners, and service agencies to ensure tenants have successful tenancies and remain housed. Successful tenancies are supported by the improvements made to the arrears management, rent collection and vacancy management strategies as outlined below.
  - TCHC continued to see a steady decrease in vacancy rate and associated increase in the occupancy rate of RGI units. At the end of November 2023, the vacancy rate was 1.5% (occupancy rate is 98.5%), putting the program on track to reach the lowest annual vacancy rate (highest occupancy rate) experienced in the past five years. This steady increase is attributable to improvements in the vacancy management process related to the implementation of the Choice-Based offer process managed through Access to Housing, and to focused efforts from front line staff who ensure vacancies are filled as quickly as possible.
  - Management of outstanding arrears continues to be a key focus area in 2023, with the lowest percentage increase in arrears in the last five years. As of the end of November, TCHC has a 5% increase in arrears from 2022 numbers, which reflects the work done to keep arrears growth down. Staff continue to focus on arrears management, prioritizing repayment agreements with tenants as early as possible to reduce the accumulation of arrears. Proactive arrears management strategies are the best way to keep arrears growth down and to support households in maintaining their tenancies in good standing.
- As part of the continued implementation of the Customer Service Delivery model that rolled out in 2020, TCHC is reviewing the number of tenant service hub office locations to ensure that effective service continues to be delivered to tenants who access these spaces. A continuous improvement review is underway, with a review of relevant data and feedback from staff and tenants on the service experience in the hub offices. Following this review, changes in the service delivery model will be implemented following Board review and approval.
- TCHC continues to experience higher than average work orders and capital needs in buildings that were previously managed by third parties. Within the regional teams, TCHC underwent a review of budget allocations to ensure that the appropriate resources are available to manage the higher workload required to bring the buildings/communities in line with overall TCHC standards.
- TCHC continues to focus on fostering partnerships with community agencies and the private sector to support delivery of Community Economic Development and active living programs, which provide supports for vulnerable tenants. For example, in 2023 a strengthened partnership between TCHC and the Furniture Bank was developed, with furnishings provided to 500 households entering TCHC from the shelter system through the Rapid Rehousing Program.
- Ernst & Young (EY) developed a Strategic Financial Sustainability Report in collaboration with the City, TCHC, and TSHC based on an independent financial review, which identified future funding requirements to maintain current service levels and recommended a series of business opportunities that could reduce costs and benefit service delivery over time. Implementation of the Strategic Financial Sustainability Report launched in the summer of 2023, with several business and cost efficiency initiatives now underway.
- A complete delivery of the State of Good Repair program for \$2.290 billion has been implemented with a flexible capital planning approach to account for ongoing inflation, supply, and labour impacts to ensure the delivery of projects, which will enhance living conditions of tenants across the city.
- Currently, 525 TCHC units are under construction across the revitalization portfolio including 71 in Lawrence Heights, 138 at Don Summerville, 213 in Regent Park, and 103 in Alexandra Park.
- TCHC has made progress in transferring the scattered homes portfolio to the non-profit sector, enabling TCHC to focus fully on the multi-residential portfolio and to protect the transferred units as social housing in perpetuity, helping to maintain these as affordable homes across the City.
- Employee turnover has been reduced through augmented non-union compensation and improved benefits, and learning and development opportunities that are more competitive with our comparator market, enhancing TCHC's ability to retain employees and attract new top talent.
- In consultation with the City's Office of the Chief Information Security Officer (CISO), TCHC embarked on a multi-year program focused on improving cybersecurity resilience. The Information Technology Services



team continues to replace end-of-life technologies. Most notably completing the implementation of Microsoft 365, which brought improved collaboration tools to both TCHC and TSHC.

- In 2023, leveraging the new HoMES solution and its data, TCHC has started to implement business intelligence tools and dashboards to support greater insights into the organization and improve organization wide decision-making.

## TSHC

- Developed Interim Strategic Directions, setting key strategic objectives and enablers, key performance indicators and a workplan for the corporation.
- Developed Community Connect+ as a new way to work with tenants with goals to increase tenant-led activities, increase volunteerism and improve tenant health and well-being. Tenants, staff, community partners and service providers all participated in the design process where tenant voices were part of decision making.
- Continued operational performance improvements in Housing Occupancy, Rent Collection and Arrears, Unit-Turn Over, exceeding industry average in all categories. As well as, improved Work-Order backlog being addressed and reduced times with Office of the Commissioner of Housing Equity (OCHE) referrals.
- Completion of several deliverables within three quality improvement projects on (1) Safety & Security, (2) Pest Management and (3) Staff and Tenant Relations with over 100 recommendations under review.
- Placed 100 tenants from the Rapid Rehousing Initiative and 196 tenants through the TSHC Complex Tenancy team to stabilize vulnerable tenancies.
- Established a new partnership with Baycrest to support tenants in North Toronto and expanded the Naturally Occurring Retirement Communities (NORC) Ambassador program.
- With tenant input, TSHC has created a new approach to encourage tenant-led activities, and the Community Activities Fund Policy, which will launch in 2024.
- Completed an Employee Engagement survey with a 79% response rate.

## Key Challenges and Risks

- TCHC and TSHC continue to implement the Strategic Financial Sustainability Report to address long-term financial precarity resulting from structural challenges, misaligned funding, inflationary pressures, cost increases and an evolving operating environment. Despite ongoing investment from the City, the limited ability to increase revenues requires ongoing subsidy support and organization-wide cost control measures.
- TCHC and TSHC have benefited from a significant 10-year co-investment from the City and the Canadian Mortgage and Housing Corporation (CMHC), however, the federally funded National Housing Co-Investment Fund (NHCF) program will expire in 2027. TCHC will explore new capital funding approaches and opportunities to maintain assets, fund the 10-year Capital Plan post 2027, and meet FCI, climate resiliency and net zero targets.
- TCHC continues to manage community safety concerns through collaboration with the City, Toronto Police Services, TSHC and various community partners. Crime prevention continues to be a key component of community mobilization, and with TSHC, TCHC will continue to work with community partners to implement community safety and well-being programs and initiatives as a priority in meeting tenant safety needs.
- TCHC and TSHC continue to address the increasing complexity in housing and support needs of tenants by advancing opportunities for continuous improvement which ensures services are delivered effectively, efficiently, compassionately, and enables tenants to maintain successful tenancies in healthy and vibrant communities.

## TCHC

- While progress has made to attract and retain non-union staff, TCHC will continue to monitor compensation levels, benefits, and learning and development opportunities to remain competitive with the comparator market.
- TCHC continues to modernize data governance, collection, and management processes to collect and ensure accuracy and integrity of data required to deliver work plans efficiently and measure performance quality. Additionally, cyber-security continues to be a priority with planned initiatives encompassing both technical and process modernization.

## TSHC

- As TSHC has recently separated portfolio management from TCHC, TSHC is still in the process of establishing an administrative structure that will effectively manage the administration of the portfolio. To mitigate, TSHC will continue to rely on support from TCHC to manage current work plans and deliver administrative reporting. TSHC will continue to develop a separate administrative framework using existing resources as they work through staffing requirements.

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## Priority Actions

### TCHC

1. Support the rights of every tenant to have reasonable enjoyment of their homes and empower and support frontline leadership and employees in resolving issues and challenges locally in support of tenant needs.

- Continuation of the scheduled review of TCHC's customer service model, ensuring that service is delivered effectively and efficiently through skilled and compassionate staff teams who work in the communities where tenants live.
- Refinement of the vacancy management and Rapid Rehousing processes, in partnership with the City's Housing Secretariat and Toronto Shelter and Support Services to maximize the number of Torontonians who can access subsidized units.
- Streamlining of the arrears management and rent collection processes to ensure that all tenants are provided with support to remain housed and have successful tenancies.
- Management of maintenance and cleaning processes with increased oversight of work orders, and continued investment in the maintenance and cleaning needs of the previously contract managed buildings to align with the standard of other directly managed buildings.
- Execution of TCHC's Capital Plan and strive to bring its building portfolio into a state of good repair by 2026. In 2024, TCHC will focus on aligning building repairs with energy efficiency upgrades and explore the funding requirements needed to meet net-zero targets.
- Execution of TCHC's Revitalization Plan, including construction in Lawrence Heights Phase 1, Don Summerville, Regent Park Phase 3, and Alexandra Park Phase 2, as well as preliminary planning, design and development work in Lawrence Heights Phase 2, Regent Park Phase 4/5, Firgrove and Swansea Mews.
- Transform the way work is done through the implementation of effective and efficient tenant service processes, systems, and tools.
- Develop a business intelligence foundation that enables timely decision making and identifies tenant service success measures.

2. Build high performing teams that bring to life a culture of tenant service

- Attract and retain employees through competitive compensation, benefits and learning and development that aligns with the City and the broader employment market.
- Continued investment in ongoing key initiatives of the Equity Diversity and Inclusion and Confronting Anti-Black Racism strategies that will influence corporate change and enhance both tenant and staff service delivery and the customer service model.

3. Work with the City to support and enable City led initiatives

- Work with the City's Development & Growth Services to support the "Generational Transformation of Toronto's Housing System to Urgently Build More Affordable Homes" initiative (2023.EX7.2), which conveys the City response to Toronto's affordable housing needs and its efforts to address the housing crisis.
- As one of the last remaining deliverables of the Tenant's First Plan, continue to support the full transition of the scattered homes portfolio, enabling TCHC to fully focus on the multi-residential portfolio.
- Continue the development and implementation of agreements with TSHC to enable the organization to deliver services to senior households to age in place.
- Support the City's ModernTO plan and continue to prepare and plan for TCHC's relocation to Metro Hall in mid-2025.



**TSHC**

TSHC's priority is the Interim Strategic Directions, Objectives and Enablers roadmap of actions to:

- Provide safe, clean, and well-maintained buildings and stable tenancies.
  - Enhance tenant engagement and inclusion in their communities and provide opportunities for tenants to have a voice.
  - Facilitate access to services and programs that tenants need and want.
  - Develop and promote innovation and leading practices which contribute to seniors' well-being.
  - Strive for organizational excellence to ensure effective and efficient delivery of our mandate.
  - Be an employer of choice by fostering a culture of innovation that engages, empowers, and supports staff.
  - Continue to work towards establishing and stabilizing corporate functions in Finance, People and Culture, Policy Planning and Quality Improvement, and Partnerships, Engagement and Communication.
  - Continue to implement the Integrated Service Model which is now embedded in our strategy and operations.
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**CITY STAFF PREPARED BUDGET**

City funding for TCHC and TSHC are reflected in the City's Budget within the Housing Secretariat and Corporate Accounts and include:

- \$312.795 million in base operating subsidy reflected in 2024 Staff Prepared Operating Budget for Housing Secretariat, an increase of \$40.0 million from 2023.
- \$33.580 million in one-time funding to offset operating pressures reflected in Corporate Accounts, an increase of \$10.553 million from 2023.
- \$198.796 million towards development capital reflected in Housing Secretariat's 10-Year Capital Budget and Plan over the 10-year period from 2024 to 2033.
- \$8.605 million towards IT & corporate capital projects reflected in Housing Secretariat's 10-Year Capital Budget and Plan over the 10-year period from 2024 to 2033.
- \$1.600 billion towards building repairs (SOGR) over the 10-year period from 2024 to 2033 reflected in the 10-Year Capital Budget and Plan for Housing Secretariat.

# **2024 OPERATING BUDGET**

## 2024 OPERATING BUDGET OVERVIEW

Table 1: 2024 Operating Budget by Service

By Service	2022	2023	2023	2023 Budget	2024	Change v. 2023	
	Actual	Budget	Projection*	excl COVID	Budget	Budget excl COVID	
	\$	\$	\$	\$	\$	\$	%
<b>Revenues</b>							
<b>City Funding</b>							
City Base Subsidy	278,777	272,795	272,795	272,795	312,795	40,000	14.7%
City One-Time Funding	2,456	23,027	23,027	23,027	33,580	10,553	45.8%
City One-Time Funding from 2022			22,040				N/A
<b>Total City Funding</b>	<b>281,233</b>	<b>295,821</b>	<b>317,861</b>	<b>295,821</b>	<b>346,375</b>	<b>50,553</b>	<b>17.1%</b>
Residential Rent - RGI	264,847	265,076	269,961	265,076	272,499	7,423	2.8%
Residential Rent - Market	87,961	88,821	90,159	88,821	91,582	2,760	3.1%
Other	36,820	39,462	38,322	46,369	39,408	(6,961)	(15.0%)
<b>Total Revenues</b>	<b>670,861</b>	<b>689,180</b>	<b>716,303</b>	<b>696,087</b>	<b>749,863</b>	<b>53,776</b>	<b>7.7%</b>
<b>Expenditures</b>							
Operating Expenses	669,545	699,934	695,743	696,087	747,863	51,776	7.4%
Swansea Mews	15,099		8,104		2,000	2,000	N/A
<b>Total Gross Expenditures</b>	<b>684,644</b>	<b>699,934</b>	<b>703,847</b>	<b>696,087</b>	<b>749,863</b>	<b>53,776</b>	<b>7.7%</b>
<b>Net Expenditures/(Surplus)</b>	<b>13,783</b>	<b>10,754</b>	<b>(12,456)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>N/A</b>
<b>Approved Positions**</b>	<b>2,504</b>	<b>2,649</b>	<b>N/A</b>	<b>2,649</b>	<b>2,653</b>	<b>4</b>	<b>0.2%</b>

\*2023 Projection based on 9 Month Variance

\*\*YoY comparison based on approved positions

### KEY DRIVERS

**Total 2024 Budget** expenditures of \$749.863 million gross reflecting an increase of \$53.776 million in spending above 2023 budget, predominantly arising from:

- An increase in non-discretionary costs of \$22.020 million driven by utility, insurance, municipal taxes, and service contract rate increases, as well as the impact of contractual salary and benefit increases primarily related to collective agreements of \$19.878 million.
- Offset through increases in Residential Rent revenue (\$10.183 million), and balancing actions, along with a \$40.000 million increase to base City subsidy and a further one-time City funding of \$33.580 million, which is an increase in one-time funding of \$10.553 million from 2023.
- Swansea Mews carrying cost of \$2.000 million for ongoing safety and security measures until demolition begins.
- Net increase of four positions which are part of the \$3.292 million ongoing project costs to support two permanent positions for the Tenant Human Rights Unit to address Ombudsman recommendations and two permanent positions for financial sustainability strategy initiatives.

### EQUITY IMPACTS OF BUDGET CHANGES

**No significant equity impacts:** The changes in the Organization's 2024 Operating Budget do not have any significant equity impacts.

## 2024 OPERATING BUDGET KEY COST DRIVERS

The 2024 Net Operating Budget for TCHC/TSHC of \$346.374 million, prior to City funding is \$50.553 million or 17% greater than the 2023 Net Budget, when reversing 2023 pandemic costs and applying a zero-base budget approach to all prior year COVID-19 related financial impacts. Table 2 below summarizes the key cost drivers for the 2024 Budget.

**Table 2: 2024 Key Cost Drivers**

(In \$000s)	2024				2025 Annualized impact (Net)
	Revenues	Gross	Net	Positions**	
<b>2023 Budget</b>	<b>393,359</b>	<b>699,934</b>	<b>306,575</b>	<b>2,649</b>	<b>N/A</b>
<b>2023 Projection*</b>	<b>694,264</b>	<b>703,847</b>	<b>9,583</b>	<b>N/A</b>	<b>N/A</b>
<b>2023 Budget (excl. COVID)</b>	<b>400,266</b>	<b>696,087</b>	<b>295,821</b>	<b>2,649</b>	<b>N/A</b>
<b>Key Cost Drivers:</b>					
<b>Prior Year Impacts</b>					
Recurring Cost Pressures Funded by Bridging Strategy in 2023		3,522	3,522		
<b>Salary &amp; Benefits</b>					
Collective Agreement, COLA, Merit Increase		19,878	19,878		
<b>Non-Salary Inflation</b>					
Service Contracts		17,243	17,243		
Insurance		3,266	3,266		
Utilities		1,169	1,169		
Municipal Taxes		342	342		
<b>Other Changes</b>					
Mortgage P&I		9,331	9,331		
Repairs & Maintenance Backlog		2,850	2,850		
TCHC Ongoing Projects		3,292	3,292	4	
<b>Subtotal - Key Cost Drivers</b>		<b>60,893</b>	<b>60,893</b>		<b>N/A</b>
<b>Affordability Measures:</b>					
Interest Savings from SOGR Funding Advance		(1,200)	(1,200)		
Energy Savings		(3,996)	(3,996)		
Line-by-Line Review Savings		(1,920)	(1,920)		
Revenue Increase	3,223		(3,223)		
<b>Subtotal - Affordability Measures</b>	<b>3,223</b>	<b>(7,116)</b>	<b>(10,339)</b>		<b>N/A</b>
<b>Total 2024 Budget w/o City Funding</b>	<b>403,489</b>	<b>749,864</b>	<b>346,374</b>	<b>4</b>	<b>N/A</b>
<b>Change from 2023 Budget (\$)</b>	<b>3,223</b>	<b>53,777</b>	<b>50,553</b>	<b>4</b>	<b>N/A</b>
<b>Change from 2023 Budget (%)</b>	<b>0.8%</b>	<b>8%</b>	<b>17%</b>		<b>N/A</b>
<b>City Funding:</b>					
2023 City Funding	295,821		(295,821)		
Reversal of One-Time 2023 Funding	(23,027)		23,027		
Base Subsidy Increase	40,000		(40,000)		
One-Time Funding	33,580		(33,580)		
<b>Total City Funding</b>	<b>346,374</b>	<b>0</b>	<b>(346,374)</b>		<b>N/A</b>
<b>Change from 2023 City Funding (\$)</b>	<b>50,553</b>	<b>0</b>	<b>(50,553)</b>		<b>N/A</b>
<b>Change from 2023 City Funding (%)</b>	<b>17%</b>	<b>0%</b>	<b>17%</b>		<b>N/A</b>
<b>Total 2024 Budget</b>	<b>749,863</b>	<b>749,864</b>	<b>0</b>	<b>2,653</b>	<b>N/A</b>
<b>Change from 2023 Budget (excl. COVID) (\$)</b>	<b>53,776</b>	<b>53,777</b>	<b>0</b>	<b>N/A</b>	<b>N/A</b>
<b>Change from 2023 Budget (excl. COVID) (%)</b>	<b>13%</b>	<b>8%</b>	<b>0%</b>	<b>N/A</b>	<b>N/A</b>

\*Based on 9 Month Variance

\*\*YoY comparison based on approved positions

### Key Base Drivers:

#### Prior Year Impacts:

- Increase of \$3.522 million in recurring operating costs funded through one-time strategy of TCHC reserve withdrawals in 2023. This bridging strategy is unavailable for 2024.

- One-time City funding of \$23.027 million used in 2023 to fund utilities, mortgage payments, service contract rate increases, and municipal taxes as one-time bridging strategy. As these expenditures are recurring in nature, they contribute to part of the ongoing cost pressure in 2024.

#### Salaries & Benefits:

- Increase of \$19.878 million due to cost-of-living adjustments, collective bargaining, post-retirement obligations, merit increases, and retiree allowances.

#### Non-Salary Inflation:

- Increase of \$22.020 million mainly due to non-discretionary inflationary and rate increases in service contracts, utilities cost, and insurance premiums upon renewal.

#### Other Changes:

- Increase of \$15.473 million mainly due to mortgage principal and interest payments, deferred in-flight projects reinstated in 2024, as well as addressing the repairs and maintenance backlog for buildings that were previously contract managed.
- The mortgage payments & interests include 1) mortgages from lenders such as Infrastructure Ontario; 2) the low interest repayable loans from CMHC's National Housing Co-Investment Fund which partially funds TCHC's state of good repairs program, the committed total loan amount is \$813.0 million over the 10-year plan. As of 2023, the loan balance is \$358.0 million, with the average interest rate of 2.69%. TCHC takes on new CMHC loans on a quarterly basis when the capital repairs programs are complete each year. Since the CMHC funding are claim-based, TCHC incurs interest expenses from the Line of Credit to pay the vendors and is subsequently reimbursed by the funders.
- Four net new positions will be added to the workforce to support Tenant Human Rights work and implement financial sustainability strategy initiatives.

### Affordability Measures and City Funding:

Table 3: Offsets and Efficiencies

(In \$000s)								
Recommendation	Savings Type	2024				2025 (Incremental)		
		Revenue	Gross	Net	Positions	Gross	Net	Positions
Interest Savings from SOGR Funding Advance	Other		(1,200.0)	(1,200.0)				
Energy Savings	Other		(3,996.0)	(3,996.0)				
Line-by-Line Review Savings	Line By Line		(1,920.0)	(1,920.0)		1,920.0	1,920.0	
Revenue Increase	Revenue Increase (Inflationary)	3,223.0		(3,223.0)				
Base City Subsidy Increase	Revenue Increase (Other)	40,000.0		(40,000.0)				
One-Time Funding Increase	Revenue Increase (Other)	33,580.0		(33,580.0)		33,580.0	33,580.0	
<b>Total Affordability Measures</b>		<b>76,803.0</b>	<b>(7,116.0)</b>	<b>(83,919.0)</b>	<b>-</b>	<b>35,500.0</b>	<b>35,500.0</b>	<b>-</b>

- **Interest Savings from SOGR Funding Advance:** Interest savings from updating the funding arrangement with the City to provide a quarterly advance on City building repair capital funding, reducing the use of the operating line of credit.
- **Energy Savings:** Energy savings from energy efficiency measures.
- **Line-by-Line Review Reductions:** Align salary and benefits budget with actual experience arising from higher staff turnover and anticipated hiring plans that result in less than full year salaries and benefits.
- **Base City Subsidy Increase:** Increase in City base subsidy of \$40.000 million to offset inflationary pressures and other non-discretionary costs.



- **One-Time City Funding Increase:** One-time City funding of \$33.580 million as a bridging strategy to cover both one-time costs in 2024 and costs with future expected savings opportunities in future years, as identified from the EY financial review.
- **Revenue Increase:** Mainly from increases in RGI and market rents year over year.

## 2025 & 2026 OUTLOOKS

Table 5: 2025 and 2026 Outlooks

(\$000s)	2024 Budget	2025 Incremental Outlook*	2026 Incremental Outlook*
<b>Revenues</b>			
Revenue Changes		5,539.0	5,484.0
TCHC Reserve City Repayment		6,500.0	
One-time City Funding		(33,580.3)	
<b>Total Revenues</b>	<b>749,863.3</b>	<b>(21,541.3)</b>	<b>5,484.0</b>
<b>Gross Expenditures</b>			
Hiring Plan		1,437.0	1,472.9
Inflationary Impacts		19,187.6	15,603.4
Utilities		7,322.0	7,478.0
Mortgage P&I		1,535.8	3,177.6
Swansea Mews		(2,000.0)	
Procurement Modernization		(250.0)	
EY Financial Strategy Initiatives		(150.0)	
Asset Retirement Obligation Review		(100.0)	
Bridging Strategies		6,268.0	
Deferred Projects		8,741.8	9,322.6
<b>Total Gross Expenditures</b>	<b>749,863.3</b>	<b>41,992.2</b>	<b>37,054.5</b>
<b>Net Expenditures</b>		<b>63,533.5</b>	<b>31,570.5</b>
<b>Potential Savings (EY Internal &amp; External Efficiencies)</b>		<b>(20,345.0)</b>	<b>(2,565.0)</b>
<b>Net Expenditures after Potential Savings</b>		<b>43,188.5</b>	<b>29,005.5</b>
<b>Approved Positions</b>	<b>2,653.0</b>	<b>2,663.0</b>	<b>2,663.0</b>

\*Modern TO, Mayor's New Affordable Rental Homes Initiative, completion of the TSHC transition, and TCHC hiring plan to be determined

## Key Outlook Drivers

The 2025 Outlook with total gross expenditures, including potential savings, of \$771.510 million reflects an anticipated \$21.647 million or 2.89% increase in gross expenditures above the 2024 Operating Budget. The 2026 Outlooks expects a further increase of \$34.490 million or 4.47% above 2025 gross expenditures.

These changes arise from the following:

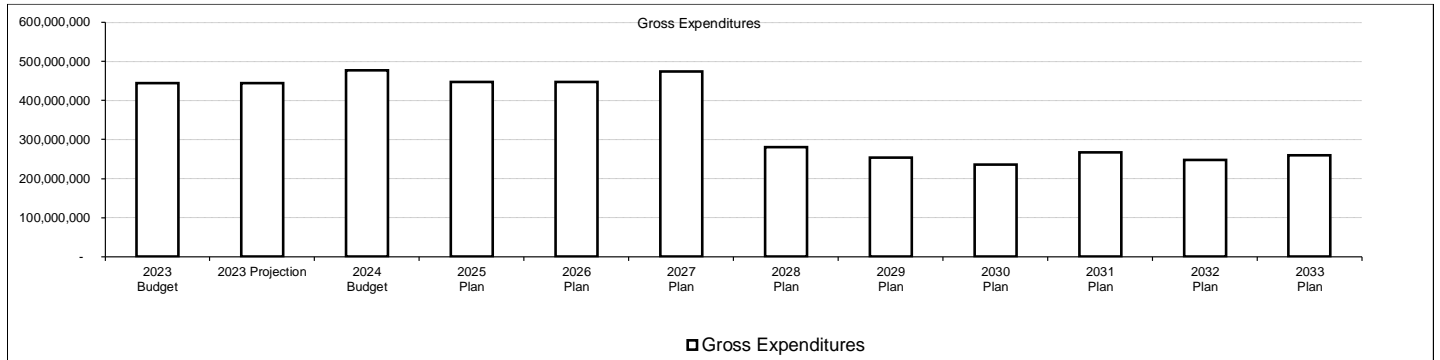
- **Hiring Plans (impacts from 2024 Decisions):** Ten TSHC corporate positions originally deferred from 2023 have further been deferred from 2024.
- **Inflationary Impacts:** Labour cost increases of 3.5% and 2.5% for TCHC and TSHC, respectively. Non-labour cost increases of 4% for service contracts for TCHC. General inflationary pressures of 2.3% in 2025 and 2.0% in 2026 for both TCHC and TSHC.
- **Utilities:** Electricity cost increases of 4.5% in 2025 and 4.3% in 2026, gas price increases of 8.0% in 2025 and 8.2% in 2026, and water price increases of 3.0% in both years. This is offset by overall usage decrease of 1.0% each year for all utilities.
- **Swansea Mews:** Demolition is expected to begin in 2025, which results in incremental savings of \$2.000 million annual carrying costs.

- 
- **Revenue Changes:** RGI and market residential rent revenue is projected to increase by 1.0% to 2.5%, along with a moderate increase in commercial rents, parking, and laundry revenue streams.
  - **Bridging Strategies:** Reinstate one-time 2024 budget savings for deferred projects and hiring plans.
  - **Deferred Projects:** Includes projects such as tenant customer experience strategy, training programs, tenant programs, tenant air conditioning programs, and professional fees deferred from 2024.
  - **Internal & External Cost Efficiencies:** Includes net cash efficiencies of \$20.345 million for 2025 and \$22.910 million for 2026 to be realized from various opportunities such as natural gas and water expense savings, data analytics and procurement transformations, improvements in arrears collections, and establishing a charitable foundation for strategic fundraising initiatives.
-

# **2024 – 2033 CAPITAL BUDGET AND PLAN**

**2024 2033 CAPITAL BUDGET & PLAN OVERVIEW**

**Chart 1: 10-Year Capital Plan Overview**



In \$000's	2023		2023 Capital Budget and 2024 - 2032 Capital Plan										Total 10 Year Plan
	Budget	Projected Actual	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
	<b>Gross Expenditures by Project Category:</b>												
Building Capital Repair	350,000	380,000	332,815	340,000	342,000	343,185	160,000	152,783	153,000	153,000	153,000	160,000	2,289,783
Development Capital	88,540	94,863	135,436	107,335	105,057	130,748	120,352	101,626	82,785	113,651	94,648	100,200	1,091,837
IT/Corporate Capital	5,190	5,190	8,605										8,605
<b>Total by Project Category</b>	<b>443,730</b>	<b>480,053</b>	<b>476,856</b>	<b>447,335</b>	<b>447,057</b>	<b>473,933</b>	<b>280,352</b>	<b>254,409</b>	<b>235,785</b>	<b>266,651</b>	<b>247,648</b>	<b>260,200</b>	<b>3,390,225</b>
<b>Financing:</b>													
<b>Building Repair Capital</b>													
City Funding*	131,783	131,783	142,815	170,000	176,000	179,402	160,000	152,783	153,000	153,000	153,000	160,000	1,600,000
Provincial Funding													
Federal Funding	173,947	173,947	166,001	166,471	165,061	146,769							644,302
TCHC/Other Funding	44,270	74,270	23,999	3,529	939	17,014							45,481
<b>Development Capital</b>													
City Funding**	15,860	13,605	46,605	43,053	37,253	89,005	92,984	88,222		82,566	26,970		198,796
City Repayment									127,538			180,324	
Other City Funding (S37/Infrastructure)	2,120	6,613	12,999	5,308	7,205	4,250	3,400	800	745				34,707
Provincial Funding	2,960												
Federal Funding <sup>1</sup>				19,000	17,300	21,000							57,300
Other Revenue - Development Capital	67,600	74,645	75,832	39,974	43,298	16,493	23,967	12,604	209,578	31,085	67,678	280,524	801,035
TCHC Funding													
<b>IT &amp; Corporate Capital</b>													
City Funding***	5,190	5,190	8,605										8,605
<b>Total Financing</b>	<b>443,730</b>	<b>480,053</b>	<b>476,856</b>	<b>447,335</b>	<b>447,057</b>	<b>473,933</b>	<b>280,352</b>	<b>254,409</b>	<b>235,785</b>	<b>266,651</b>	<b>247,648</b>	<b>260,200</b>	<b>3,390,225</b>

<sup>1</sup>Development Capital federal funding in 2025 to 2027 is subject to the approval of a 2024 CMHC funding application for net new affordable units in Phases 4/5

\*Annual City funding of \$152.783 million to \$160.000 million has been included for capital each year from 2028 to 2033 as an estimate of the ongoing amount required to maintain the steady state of FCI index. Building Repair Capital funding requirements will be revisited and confirmed in future years along with ongoing Provincial and Federal funding.

\*\*Development costs reflect the \$198.796 million funding for in-flight projects from 2024-2033 including \$46.605 million in 2024. Additional funding requirements for in-flight projects are included in capital needs constraints (Appendix 8). The City Repayment line reflects the net cash inflows anticipated from completed TCHC development projects that will be used to reimburse the City's reserve for upfront cashflows provided, of which the timing and the amount of the projected City Repayment line will be assessed at each budget cycle






\*\*\*In addition, the City is providing \$8.605 million towards the capitalized IT costs related to cybersecurity from Auditor General recommendations (AU10.4 Auditor General's Cybersecurity Review), other critical IT and corporate infrastructure needs.

**Note:**

For additional information, please refer to [Appendix 5](#) for a more detailed listing of the 2024 and 2025-2033 Capital Budget & Plan by project; [Appendix 7](#) for Capacity to Spend Review; and [Appendix 8](#) for Capital Needs Constraints, [Appendix 9](#) for Capital Program Provincial/Federal Funding Streams by Projects, respectively.

**2024 – 2033 CAPITAL BUDGET AND PLAN**

**\$3.390 Billion 10-Year Gross Capital Program**

				
Planned Capital	Demand Capital	Additional Energy Programs	Capital Other	Development Capital
\$1,169.7 M 34.5% <input checked="" type="checkbox"/>	\$796.3 M 23.5%	\$54.2 M 1.6% <input checked="" type="checkbox"/>	\$278.2 M 8.2% <input checked="" type="checkbox"/>	\$1,091.8 M 32.2% <input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>Envelope</li> <li>Grounds</li> <li>Emergency generators</li> <li>HVAC</li> <li>Plumbing</li> <li>Roofing</li> <li>Structural</li> <li>Large scale holistic energy retrofits</li> <li>Common area accessibility upgrades</li> </ul>	<ul style="list-style-type: none"> <li>Accessibility upgrades</li> <li>Waste equipment repairs</li> <li>Risk management</li> <li>Appliances and equipment</li> <li>Local move-outs</li> <li>MLS Issues</li> </ul>	<ul style="list-style-type: none"> <li>Energy initiatives</li> <li>Water conservation</li> <li>Energy retrofits</li> </ul>	<ul style="list-style-type: none"> <li>Project management</li> <li>Building condition audits</li> <li>Overall Capital Contingency</li> <li>IT &amp; Corporate capital projects</li> </ul>	<ul style="list-style-type: none"> <li>In-flight revitalization projects</li> </ul>

- Project supports Climate Resiliency and / or Greenhouse Gas (GHG) Reduction\*

- Project includes workforce development requirements as outlined in the City's Social Procurement Program

\*Information above includes full project / sub-project 2024-2033 Capital Budget and Plan cash flows. Does not break out the climate component costs separately.

### How the Capital Program is Funded

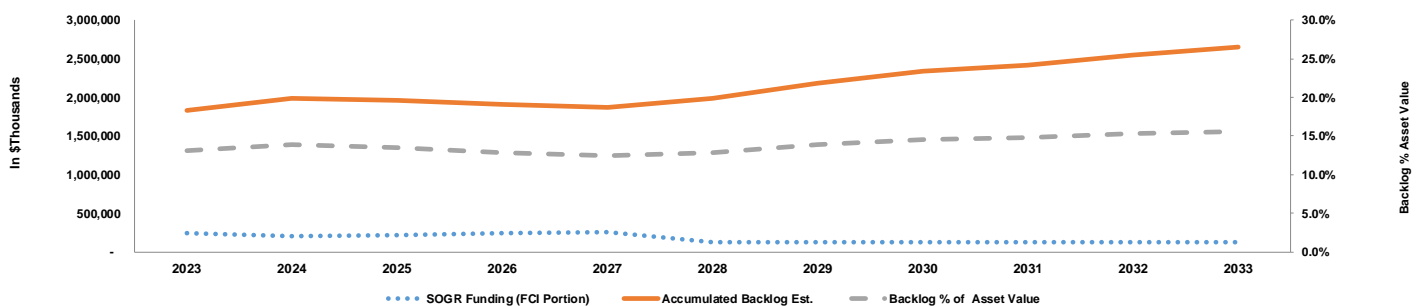
City of Toronto		Federal Funding		Other Funding	
<b>\$1,842.1 M 54.3%</b>		<b>\$701.6 M 20.7%</b>		<b>\$846.5 M 25.0%</b>	
City Funding for Building Repair Capital	\$ 1,600.0 M	National Housing Co-Investment Fund Loan (Capital Repair Stream)	\$ 414.5 M	Other Revenue from Development	\$ 801.0 M
City Funding for Development Capital	\$ 198.8 M	National Housing Co-Investment Fund Grant (Capital Repair Stream)	\$ 229.8 M	TCHC/Other Funding	\$ 45.5 M
Other City Funding for Development Capital (S37/Infrastructure)	\$ 34.7 M	National Housing Co-Investment Fund (New Construction Stream) *	\$ 57.3 M		
City Funding for IT & Corporate Capital	\$ 8.6 M				

\*Development Capital federal funding in 2025 – 2027 is subject to the approval of a 2024 CMHC funding application for net new affordable units in Regent Park Phases 4 & 5.

### STATE OF GOOD REPAIR (SOGR) FUNDING & BACKLOG

TCHC and TSHC manage and maintain 2,100 buildings, worth over \$10.0 billion. Our capital repair and community revitalization programs are focused on ensuring that these public assets are maintained in a state of good repair into the future. The chart below depicts the SOGR funding and accumulated backlog estimates over the 10-year period:

**Chart 2: Total SOGR Funding & Backlog**



\$ Thousands	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
<b>SOGR Funding (FCI Portion)</b>	245,000	199,689	221,000	239,400	257,389	128,000	122,226	122,400	122,400	122,400	128,000
<b>Accumulated Backlog Est.</b>	1,834,155	1,984,719	1,955,090	1,904,162	1,873,747	1,986,281	2,180,099	2,334,990	2,416,268	2,550,754	2,649,713
<b>Backlog % of Asset Value</b>	13.1%	13.9%	13.5%	12.8%	12.4%	12.9%	13.9%	14.6%	14.8%	15.3%	15.6%
<b>Total Asset Value</b>	13,967,687	14,247,040	14,531,981	14,822,621	15,119,073	15,421,455	15,729,884	16,044,481	16,365,371	16,692,679	17,026,532

\*\* CMHC may advance cash flow of \$17.18M from future years to 2024 which has not been reflected in this table  
 \*\* Total Asset Value is indexed @ Statistics Canada Building Construction Price Index for long term average rate of 2%, in alignment with the City's LTFP planning assumptions

- TCHC includes approximately \$2.290 billion for its building capital repair over the 10-year planning period. Based on the current funding level of FCI portion, the accumulated backlog is anticipated to increase from \$1.834 billion



in 2023 to \$2.649 billion in 2033, representing 15.6% of the total replacement value estimated to be \$17.026 billion by 2033.

- A linear annual growth rate of 2% has been applied to the total asset base value in 2024 and the subsequent years.
- CMHC National Housing Co-Investment Fund Repair and Renewal Stream funding will end 2027, which includes forgivable loans and low-interest repayable loans. This will result in unfunded capital SOGR commencing in 2028.
- TCHC assets under Building Capital Repair are aging while the cost to maintain the steady state of FCI index is escalating significantly. Pressures affecting the accumulated backlog are attributable to the following:
  - Significant volume increases in on demand for capital spending in the areas of tenant unit interiors (e.g. kitchens and bathrooms) and building mechanical systems. Entry into tenant units was limited during the pandemic resulting in a significant increase in in-suite repairs in 2023.
  - TCHC continues to manage the repair backlog of the formerly contract managed buildings, which experience higher than average work orders and capital needs to bring the buildings/ communities in line with overall TCHC SOGR standards.
  - Price escalations from market conditions, inflationary pressures, supply chain issues, and rising capital costs mean that it is more expensive to deliver the same work. This has led to an increase in the capital expenditures required to fund repairs that did not significantly reduce FCI but continue to meaningfully enhance tenants' living conditions. This also impacted the FCI outlook from previous years where FCI projections were in line with the corporate target of 10% FCI by the end of 2027.
- The threshold at which on demand repair and maintenance work becomes part of the capital budget is \$1,500, which is significantly lower than industry standard (\$5,000 - \$10,000). Raising this threshold will reduce demand capital spend by \$30 million to \$40 million annually which will provide more available funds to be spent on reducing the SOGR backlog. This means more of the capital budget is spent on maintenance and minor repair work.
- TCHC will continue to refine estimates based on planned building condition assessments and SOGR backlog analysis, including asset values, and will work to reduce the backlog as asset management practices advance.

# APPENDICES

## Appendix 1

### 2024 Operating Budget by Category

Category (In \$000s)	2021 Actual	2022 Actual	2023 Budget	2023 Projection*	2024 Budget	2024 Change from 2023 Budget		2024 Change from 2023 Projection	
	\$	\$	\$	\$	\$	\$	%	\$	%
City Base Subsidy	246,392	281,233	272,795	272,795	312,795	40,000	14.7%	40,000	14.7%
City - One-Time Funding			23,027	23,027	33,580	10,553	45.8%	10,553	45.8%
City - One-Time Funding from 2022				22,040				(22,040)	(100.0%)
<b>Total City Funding</b>	246,392	281,233	295,822	317,862	346,375	50,553	17.1%	28,513	9.0%
Residential rent - RGI	257,617	264,847	265,076	269,961	272,499	7,423	2.8%	2,538	0.9%
Residential rent - Market	91,976	89,368	88,821	90,159	91,582	2,760	3.1%	1,423	1.6%
Other	38,645	44,574	46,369	42,857	41,466	(4,902)	(10.6%)	(1,391)	(3.2%)
COVID-19 Impact - Revenue	20,225	(9,161)	(6,907)	(4,535)	(2,059)	4,848	(70.2%)	2,476	(54.6%)
<b>Total Revenues</b>	<b>654,855</b>	<b>670,861</b>	<b>689,180</b>	<b>716,303</b>	<b>749,863</b>	<b>60,683</b>	<b>0</b>	<b>33,560</b>	<b>4.7%</b>
Utilities	146,389	152,127	152,440	146,905	149,614	(2,827)	(1.9%)	2,708	1.8%
Mortgage	132,750	136,530	140,016	142,034	148,146	8,131	5.8%	6,112	4.3%
Front Line Operations	236,437	242,699	249,660	257,222	271,216	21,556	8.6%	13,994	5.4%
Back Office Support	62,608	70,434	82,400	74,906	88,127	5,727	7.0%	13,221	17.7%
Seniors Housing	29,027	35,938	41,495	43,501	43,480	1,985	4.8%	(21)	(0.0%)
Other	27,524	23,615	43,075	41,683	47,280	4,205	9.8%	5,598	13.4%
Swansea Mews		15,099		8,104	2,000	2,000		(6,104)	(75.3%)
Contribution from Reserves			(13,000)	(13,000)		13,000	(100.0%)	13,000	(100.0%)
COVID-19 Impact - Expenditures	20,119	8,201	3,847	2,492		(3,847)	(100.0%)	(2,492)	(100.0%)
<b>Total Gross Expenditures</b>	<b>654,855</b>	<b>684,644</b>	<b>699,934</b>	<b>703,847</b>	<b>749,863</b>	<b>49,929</b>	<b>0</b>	<b>46,016</b>	<b>6.5%</b>
<b>Net Expenditures/(Surplus)</b>	<b>0</b>	<b>(13,783)</b>	<b>(10,754)</b>	<b>12,456</b>	<b>0</b>	<b>10,754</b>	<b>(0)</b>	<b>12,456</b>	<b>100.0%</b>

\* 2023 Projection based on 9 Month Variance

## **Appendix 2**

### **Summary of 2024 Service Changes**

N/A

## **Appendix 3**

### **Summary of 2024 New / Enhanced Service Priorities Included in Budget**

N/A

## **Appendix 4**

### **Summary of 2024 New / Enhanced Service Priorities Not Included in Budget**

N/A

## Appendix 5

### 2024 Capital Budget; 2025 - 2033 Capital Plan Including Carry Forward Funding

(In \$ Millions)	2024 Budget	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	2024 - 2033 Total
<b>SOGR Capital</b> <span style="float: right;">☑</span>	332.8	340.0	342.0	343.2	160.0	152.8	153.0	153.0	153.0	160.0	2,289.8
<b>Development Capital</b> <span style="float: right;">☑*</span>	135.4	107.3	105.1	130.7	120.4	101.6	210.3	113.7	94.6	280.5	1,091.8
City Repayment							127.5			180.3	
<b>IT &amp; Corporate Capital</b>	8.6										8.6
<b>Total Expenditures (including carry forward from 2023)</b>	<b>476.9</b>	<b>447.3</b>	<b>447.1</b>	<b>473.9</b>	<b>280.4</b>	<b>254.4</b>	<b>235.8</b>	<b>266.7</b>	<b>247.6</b>	<b>260.2</b>	<b>3,390.2</b>

☑ - Project supports Climate Resiliency and / or Greenhouse Gas (GHG) Reduction

☑\* - Project includes workforce development requirements as outlined in the City's Social Procurement Program

\*Applicable to Alexandra Park Phase 2, Don Summerville, Lawrence Heights Phases 2 & 3, Firgrove, Regent Park Phase 4 & 5, Swansea projects only

\*\*Information above includes full project / sub-project 2024-2033 Budget and Plan cash flows. Does not break out the climate component costs separately.

## **Appendix 5a**

### **2024 Cash Flow and Future Year Commitments Including Carry Forward Funding**

N/A

## **Appendix 5b**

### **2025 - 2033 Capital Plan**

N/A

## **Appendix 6**

### **Reporting on Major Capital Projects: Status Update**

N/A



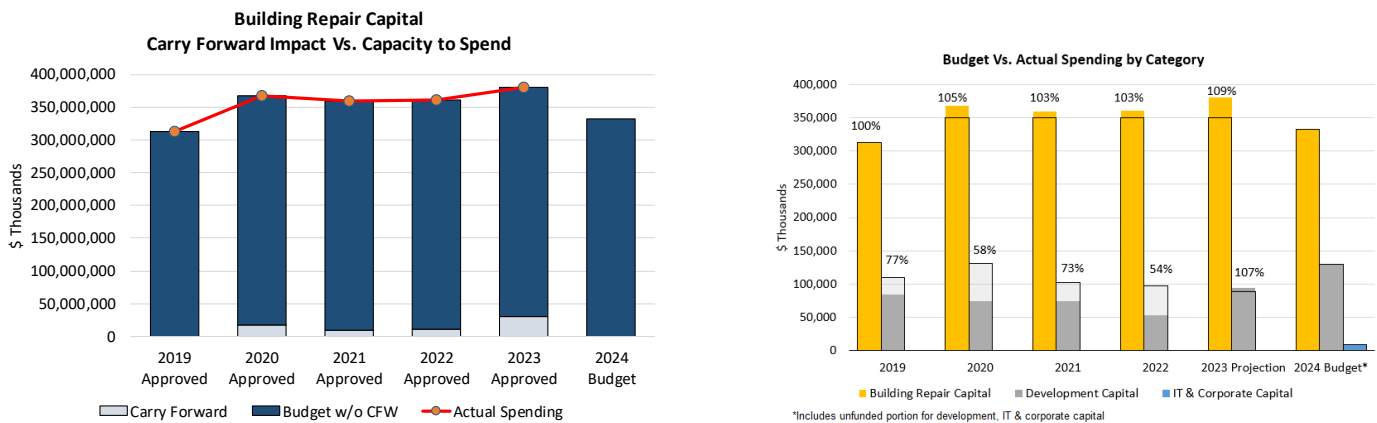
## Appendix 7

### Capacity to Spend Review

The 10-Year Capital Plan has been developed with consideration of historical demonstrated ability to spend within any given year of the 10-year capital plan. A review was undertaken to ensure budgets align with TCHC/TSHC’s ability to spend and the markets capacity to deliver.

A key component in determining an appropriate level of annual cash flows includes historical capacity to spend reviews by project categories (Chart 3 below) as well as the level of projected 2023 underspending that will be carried forward into 2024 to complete capital work.

**Chart 3 – Capacity to Spend**



### Capacity to Spend Review Impact on the 10-Year Plan

- TCHC/TSHC’s actual spending over the previous five years, from 2019 to 2023, has averaged \$356.311 million per year.
- The projected spending for 2023 is \$150.578 million or 98.5% of the 2023 Council Approved City Funding portion of the Capital Budget.
- 105% spending in 2020 reflects a Board approved acceleration of spending to use up available Provincial funding by the deadline; 103% spending in 2021 and 2022 was due to advanced spending from the following year due to guaranteed capital funding from the City.
- Development capital was underspent in 2022 due supply chain issues and labour shortages.
- IT & Corporate capital was included as part of the Operating budget prior to 2024.

## Appendix 8

### Summary of Capital Needs Constraints

Project Description	Total Project Cost	Cash Flow (In \$ Millions)									
		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
<b>Building Repair Capital</b>											
Net Zero (80% target)*	2,990.0	50.0	50.0	100.0	150.0	340.0	340.0	340.0	540.0	540.0	540.0
Unfunded SOGR (per EY projection)	478.2					75.0	82.2	82.0	82.0	82.0	75.0
<b>Total Building Repair Capital</b>	<b>3,468.2</b>	<b>50.0</b>	<b>50.0</b>	<b>100.0</b>	<b>150.0</b>	<b>415.0</b>	<b>422.2</b>	<b>422.0</b>	<b>622.0</b>	<b>622.0</b>	<b>615.0</b>
<b>Development Capital</b>											
Not In Flight Projects	999.3	-	8.5	36.5	260.9	114.7	58.9	50.0	162.7	223.2	83.7
<b>Total Development Capital</b>	<b>999.3</b>	<b>-</b>	<b>8.5</b>	<b>36.5</b>	<b>260.9</b>	<b>114.7</b>	<b>58.9</b>	<b>50.0</b>	<b>162.7</b>	<b>223.2</b>	<b>83.7</b>
<b>Total Needs Constraints (Not Included)</b>	<b>4,467.5</b>	<b>50.0</b>	<b>58.5</b>	<b>136.5</b>	<b>410.9</b>	<b>529.7</b>	<b>481.1</b>	<b>472.0</b>	<b>784.7</b>	<b>845.2</b>	<b>698.7</b>

\*Net Zero investments goes beyond 2033, total investment required until 2040 is \$6.1 Billion

\*\*IT & Corporate Capital of \$1.6M lower priority projects have been deferred into 2025

\*\*\*Future Budget submission of the 10 Year Capital Plan will be adjusted to changes to inflation

In addition to the prepared 10-Year Capital Plan of \$3.390 billion, staff have also identified \$4.468 billion in capital needs constraints for TCHC as reflected in the table above.

- TCHC contributes to Net Zero targets through CMHC funding which requires energy efficiency upgrades. TCHC will work with the City to develop cost estimates and funding requirements to achieve the targets set out by the Net Zero initiative in future budget processes.
- The unfunded SOGR Capital Plan (2028-2033 – NHCf funding ends in 2027) is impacted based on the EY Financial Sustainability projections, including:
  - Market conditions, inflationary pressures, supply chain issues and rising capital costs resulting in higher expenditures to deliver the same work.
- The total Development Capital Plan (2024-2033) of not in-flight projects constraints amounts to \$999.3 million.
  - \$131.7 million of City funding was added to the capital plan to address the 10-Year (2024 to 2033) in-flight development project needs. The City will continue to work with TCHC to address capital requirements for the not in-flight development projects as part of the 2025 and future year budget processes.

## Appendix 9

### Capital Program Provincial/Federal Funding Streams by Project

(In \$000s)	Intergovernmental Funding Program	Provincial Funding	Federal Funding	Total Funding
SOGR Capital			644,302	644,302
Development Capital*			57,300	57,300
<b>Total Funding</b>			<b>701,602</b>	<b>701,602</b>

\*Development Capital federal funding in 2025 to 2027 is subject to the approval of a 2024 CMHC funding application for net new affordable units in Phases 4/5

## Appendix 10

### Inflows and Outflows to/from Reserves and Reserve Funds

N/A

## Appendix 11

### Glossary

**Approved Position:** Permanent or temporary positions that support the delivery of City services and service levels as approved by Council.

**Actuals:** An actual financial amount paid (or received) for the delivery of City services (these exclude any commitments to be paid in the future).

**Capacity to Spend:** Ability to spend money along with the capacity to deliver projects as demonstrated by historic spending patterns and approved contractual obligations.

**Capital Budget:** A Capital Budget is the City's plan to acquire / build assets or extend the useful life of existing assets; an example of a capital expenditure is the construction of a new community centre.

**Capital Needs Constraints:** The capital needs that cannot be accommodated within the capital plan that the Division or Agency have the capacity to deliver.

**Complement:** Positions that support the delivery of City services and service levels as approved by Council.

**Efficiencies:** Reductions in the cost of delivering a service without a reduction in service level.

**New / Enhanced Service Priorities:** New and enhanced service changes resulting in an increase in service levels from what was previously approved by Council.

**Operating Budget:** An Operating Budget is the City's annual plan to provide services to the residents of Toronto; the budget includes all revenues and expenses needed to provided services; an example of an operating cost would be the cost to run the TTC subways.

**Operating Impact of Completed Capital Projects:** The additional expense (or savings) and positions needed to operate or maintain a new asset; an example would be the additional expense and staff needed to operate a recently completed community centre.

**Rate Supported Budget:** Budget fully funded by user fees such as Solid Waste, Toronto Water and Toronto Parking Authority

**State of Good Repair (SOGR):** The cost of maintaining assets to ensure they are able to support the delivery of City services and meet service outcomes.

**Tax Supported Budget:** Budget funded by property taxes.

**User Fees:** Program generated fee and rental revenue for the use of its services (such as the TTC fare, ice rental fees and various City permits).