

2025 Budget Notes

Toronto Community Housing Corporation

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Description

Toronto Community Housing Corporation (TCHC) delivers 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) we help make it possible for nearly 93,000 individuals and families to live in affordable homes, supporting the wellbeing of people and communities.

Toronto Community Housing Corporation is home to over 41,000 households, with 86% of households benefiting from the Rent-Geared-to-Income (RGI) program that offers deeply affordable housing for as little as \$85 per month.

Toronto Community Housing Corporation owns and operates over 1,300 buildings including high-rises, mid-rises, low-rises, townhouses, walk-up apartments, single-family homes, and rooming houses. Toronto Community Housing Corporation also owns approximately 14,000 units operated by the Toronto Seniors Housing Corporation (TSHC).

Why We Do It

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

Our portfolio of social housing buildings represent the most cost-effective way to provide homes to Torontonians who are the most in need. We are part of a system, our role is critical to ensuring that people can live well in an environment that is significantly more cost effective and enriching, minimizing the cost burden on other parts of the housing system.

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.

For further information about TCHC, please visit: <https://torontohousing.ca>

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What Service We Provide

Deeply affordable housing services (core housing management services)

What We Deliver: Toronto Community Housing Corporation plays a critical role in the housing and social services continuum, providing access to deeply affordable housing. We provide tenants with core housing management services including tenancy management and rent collection, building and property maintenance, janitorial and building cleanliness, and community safety.

Stewardship of a public asset

What We Deliver: Toronto Community Housing Corporation manages and maintains 1,300 buildings, worth over \$13.9 billion. Our capital repair and community revitalization programs are focused on ensuring that these public assets are in good condition now and for the future. We lead the housing sector in modernizing our buildings through innovative energy solutions, green initiatives and conservation efforts.

Supporting tenant needs

What We Deliver: We serve a population with complex care needs and chronic vulnerabilities that require a wide range of supports to help them have successful tenancies. We connect residents to services and organizations to support these needs and their overall well-being, while also directly delivering a range of programs that tenants may require to maintain successful tenancies.

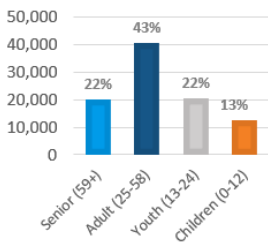
The level of vulnerability and need for social supports has been rising dramatically. These additional needs put pressure on all Toronto Community Housing Corporation service areas and underscores the value and importance of ensuring tenants can access the supports they need to live fully and independently.

How Much Resources (gross 2025 operating budget): \$801.8 Million for TCHC and TSHC Consolidated; \$656.3 Million for TCHC only.

Who We Serve

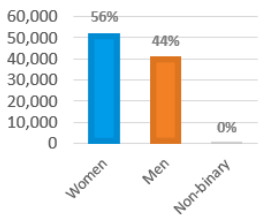
Tenants

92,985 Total Tenants



Age Group	Total Count
Senior (59+)	19,958*
Adult (25-58)	40,310
Youth (13-24)	20,270
Children (0-12)	12,447

Average Tenant Age: 37.75 years
*note: TSHC serves an additional 15,000 tenants

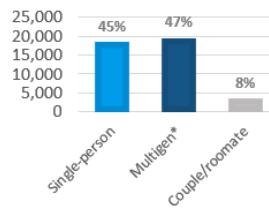


Gender	Total Count
Woman*	52,130
Man*	40,833
Non-binary	22

*Woman include Cis Woman and Trans Women
**Man includes Cis Man and Trans Man

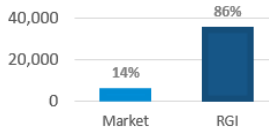
Household

41,108 Total Households



Household Type	Total Count
Single-person households	18,294
Multigenerational households	19,457
Couple/roommate households	3,357

*multigenerational households include parent/child relationship of all ages



Household Type	Total Count
Market households	5,874
RGI households	35,234

12.6

Average Tenancy Length

\$19,262

Average RGI household income

\$448

Average RGI household rent

44%

RGI households' income source is OW/ODSP

53%

Households are female-led households

22%

Households with a mental health disability

37%

Households that speak a language other than English

53%

Households that have a member with at least one type of disability

1,635 (as of June 2024)

Households housed through the Rapid Rehousing Initiative

35% of units or **28%**

of tenants belong to a high-needs community

Budget at a Glance

2025 OPERATING BUDGET

<u>\$Million</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Revenues	\$328.8	\$333.5	\$339.3
City Base Funding	\$325.5	\$325.5	\$325.5
City New/Enhanced Funding	\$ 2.0	\$ 2.2	\$ 3.4
City Reserve Repayment		\$ 6.5	\$ 6.5
Gross Expenditures	\$656.3	\$694.1	\$722.2
Net Expenditures	\$ 0	\$ 26.4	\$ 47.6
Approved Positions	2,386	2,414	2,422

Note:

1. This table reflects 2025 Operating Budget for TCHC only.
2. Revenues total includes rent revenues, other revenues, and the one-time bridging strategy.

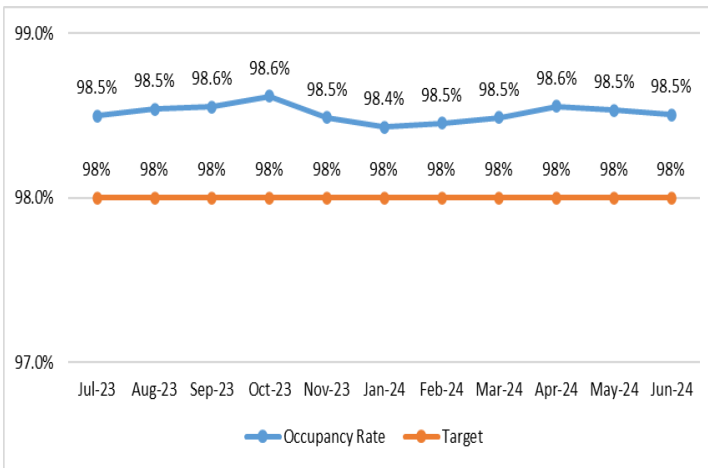
2025 - 2034 10-YEAR CAPITAL PLAN

<u>\$Million</u>	<u>2025</u>	<u>2026-2034</u>	<u>Total</u>
Gross Expenditures			
Building Repair	\$379.9	\$1,930.7	\$2,310.6
Development	\$175.5	\$ 930.7	\$1,106.2
Tenant Support	\$ 0.7	\$ 10.6	\$ 11.3
Carbon/RPEI	\$ 38.5	\$ 16.1	\$ 54.6
IT/Corporate Capital	\$ 17.0	\$ 7.5	\$ 24.5
Total Expenditures	\$611.6	\$2,895.6	\$3,507.2
City Funding			
Debt	\$134.0	\$1,518.0	\$1,652.0
Debt Recoverable	\$160.0	\$ 160.0	\$ 320.0
Reserves	\$ 63.5	\$ 83.4	\$ 146.9
Total City Funding	\$357.5	\$1,761.4	\$2,118.9

Note: Includes 2024 carry forward funding

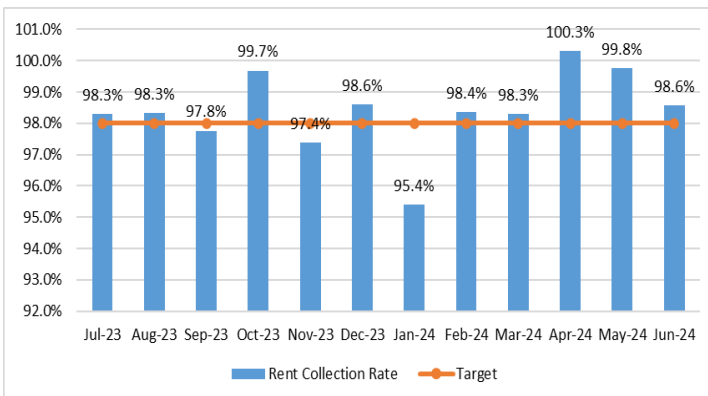
How Well We Are Doing – Behind the Numbers

Deeply affordable housing services - Occupied units



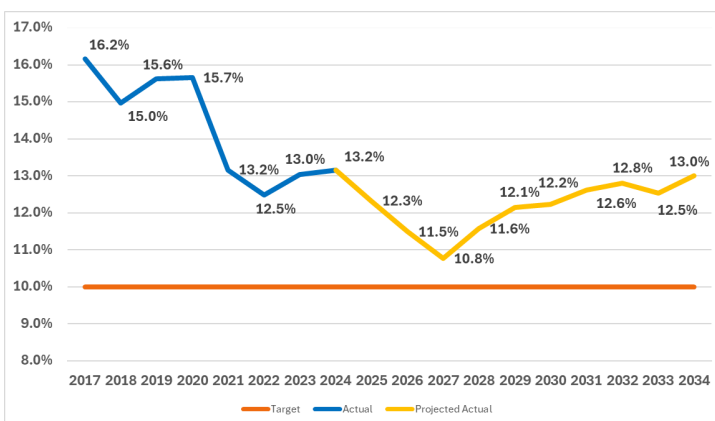
- The average vacancy rate in 2023 was 1.54% and year-to-date 2024 (January – June) was 1.44%, below the Service Manager 2% vacancy target. The housing occupancy rate at the end of June 2024 was 98.5%.
- Continue several initiatives already underway to focus on filling vacant units.
- Continue to collaborate with the City to streamline procedures and reporting for units deemed permanently out of circulation.
- Review unit allocation procedures to better support internal programs like Priority Transfers and Rapid Rehousing.
- Enhance the Move-Out program to reduce turnaround time for preparing units for new tenants.

Deeply affordable housing services – Rent and fees collected



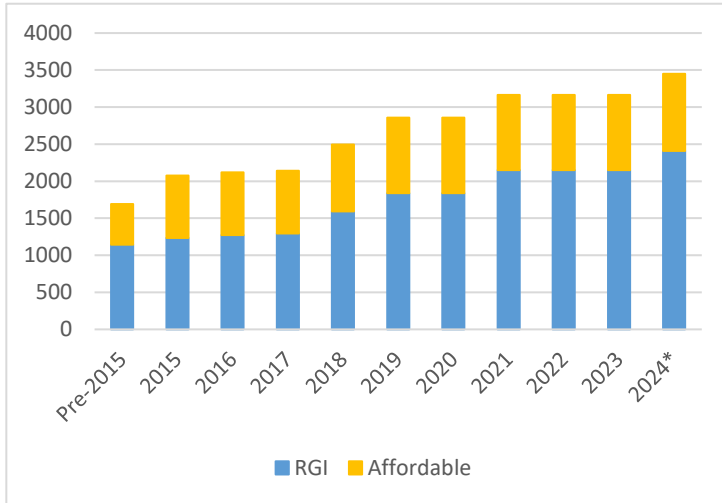
- The average year-to-date rent collection rate is 98.6%, against the target of 98%.
- At the start of the first quarter of 2024, the rent collection rate was below target, but has surpassed the target by the end of the second quarter of 2024.
- Implementation of a new Arrears Collection Process, scheduled for the third and fourth quarters in 2024 was to proactively prevent the accumulation of tenant arrears. This process is designed to enhance TCHC's ability to monitor and manage rent arrears repayment, ensuring strict adherence to the arrears collection process.

Stewardship of a public assets - Facility Condition Index (FCI)



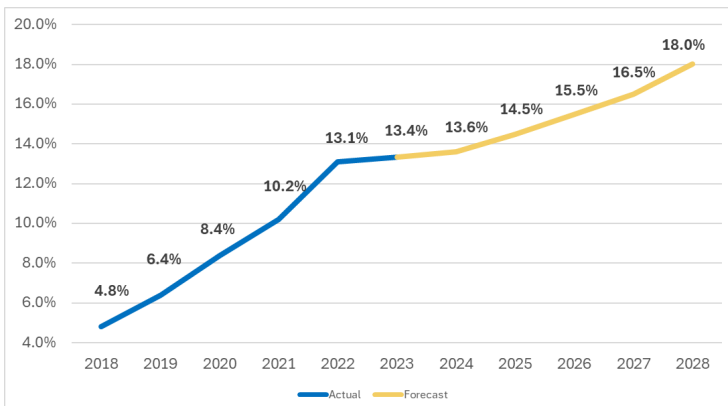
- FCI is the industry standard to measure the condition of buildings and physical infrastructure. The metric is calculated by aggregating the values of deferred repairs or building upgrades required and comparing against the asset replacement values of buildings and/or building portfolio.
- FCI represents 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.
- TCHC is projected to reach an FCI of 13.2% in 2024, a slight increase from 13.0% in 2023.
- Due to inflation and the growing pressure from increased demand maintenance repairs, it is becoming challenging to meet and maintain the 10% FCI target originally set out in the 2017 10-year building capital renewal plan.
- TCHC continues to closely monitor the impact of inflation, construction cost escalations, and the emergency repair needs on FCI.

Stewardship of a public assets - Number of completed units (by year)



- On TCHC sites, the Revitalization Program has delivered over 10,838 units prior to 2025.
- TCHC’s 10-year development plan of in-flight and not-in-flight projects aims to deliver over 10,071 (including market condo, refurbished, rent-geared-to-income, and affordable) new units by 2035. This includes 1,975 RGI replacement units and the potential for 934 affordable units.
- In alignment with the Urgently Building More Homes mandate, TCHC is looking to add 981 additional housing units within its inflight and not inflight projects. Furthermore, pre-development analysis on several potential new redevelopment and infill sites could create additional net new housing to be developed in the future.
- Cost escalations are continuing to track high but early trending costs in 2024 suggest costs will come down in 2025. Profits are affected by low sales projections, high construction costs, and high interest rates.

Stewardship of public asset - Energy Savings



Energy savings

- TCHC has achieved 13.4% energy savings to the end of 2023 versus the 25% target for 2028, one of the requirements of the Canada Mortgage and Housing Corporation contribution agreement.
- Due to several extenuating circumstances (i.e. construction inflation and typical diminishment of energy conservation measures), the energy reduction trend is estimated to reach 18% by 2028.

Net-zero

- TCHC and Toronto Atmospheric Fund commissioned a net-zero report from an external energy consultant in 2024, which concluded an estimated investment required in the range of \$6-\$7billion to decarbonize the entire building portfolio.
- TCHC will continue to work with the City and other levels of government to secure net-zero funding
- For the City’s 2025 carbon budget TCHC has submitted a funding request to deep retrofit two archetypical buildings, which are representative of the larger portfolio.

How Well We Are Doing

Service	Measure	2022 Actual	2023 Actual	2024 Target	2024 Projection	Status	2025 Target	2026 Target
Outcome Measures								
Deeply affordable housing services	Occupied units	97.5%	98.4%	98.0%	98.5%	●	98.0%	98.0%
	Rent and fees collected*	98.0%	98.1%	98.0%	98.4%	●	98.0%	98.0%
Stewardship of a public asset	Facility condition index (FCI)	12.50%	13.03%	13.10%	13.43%	●	12.35%**	11.97%**
	Number of completed affordable and RGI units (cumulative from the start of the revitalization program)	3,166	3,166	3,450 (284 completed in 2024)	3,450 (284 completed in 2024)	●	2025-2034 Target*** In flight 1,373	Not in-flight 2,517****
	Number of completed unlocked market ownership housing units (cumulative from the start of the revitalization program)	5,674	6,722	6,748	6,802	●	4,518	1,406
	Energy efficiency (baseline year is 2017)	13.1%	13.3%	13.6%	13.5%	●	14.5%	15.5%

2024 Projection to 2024 Target Comparison

● **80-100% (MET TARGET)** ● **70 - 79% (LOW RISK)** ● **69% and Under (REQUIRES ATTENTION)**

*Rent collection rates capture all rent-related payments made to TCHC in any given month. This includes payments that tenants are making towards repaying outstanding arrears.

**Estimated re-forecasted FCI based on 2023 actual results.

***Targets are set as a 10-year plan for Development projects.

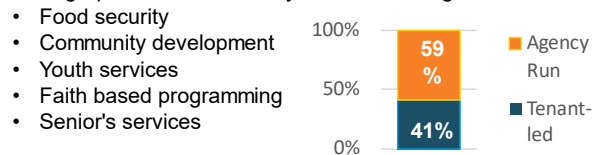
****Includes rent-controlled market rent.

How well we are doing

Supporting Tenant Needs

Partnerships

TCHC partners with 120 agencies and tenant-led groups to offer community specific programs that align with building demographics and community needs, focusing on:



Centralized community economic and social development programs

TCHC works with agencies and the City, to offer economic, employment and social development opportunities to tenants. Portfolio-wide programs include:

- YouthWorx (summer jobs for youth)
- Apprenticeship /internship programs
- Scholarships
- Rookie League (camp)
- Midnight basketball (basketball program)

Community Economic Development (CED) Program Summary (2023)

- 1,792 applicants for 2023 initiatives, including Youthworx, apprenticeship programs, scholarships, etc.
- 1,143 youth were engaged through partnership programs
- 200 youth participated in Midnight Basketball and 25 girls engaged in League of HER
- 151 tenants employed in 4 employment programs
- 7 aspiring businesses and 2 tenant vendors supported
- \$147k spent on CED initiatives; \$18K+ paid to tenant vendors
- 37 scholarship recipients received a total of \$148,000
- Support from 80 partner agencies/firms
- 82% of participants report satisfaction with CED opportunities

Example: Rookie League

- 417 registered children across the City with
- 170 children on the waitlist
- 60 Program leaders (youth program staff)
- 15 youth program staff from the 'Focus on Youth' partnerships with Toronto Catholic District School Board

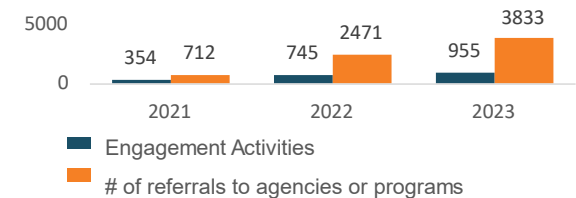
Referral and head lease agreements

TCHC enters into agreements with third -party agencies to bring supports directly to tenants, in their buildings and units. These agreements ensure tenants who require additional supports can live independently through the provision of services. TCHC partners with 20 agencies that provide direct services to 391 units in 54 buildings, focusing on areas such as:

- Mental health supports and addiction services
- Accessibility services
- Other services provided by agencies

Community safety and violence reduction through community development

TCHC has an integrated approach to community safety that exceeds traditional safety measures, focusing on prevention programming and community development activities that are person - and-place based.



EXPERIENCES, CHALLENGES AND PRIORITIES

Our Experience and Success

- Continue to meet the complex and growing needs of vulnerable tenants through innovative programs and partnerships that bring programming and supports to tenants where they live. This includes the award-winning Next Surgeon Program which empowers and supports young tenants seeking medical careers, and the opening of two pilot iHelp centres working with the West Toronto Ontario Health Team to bring individual and community health services within TCHC buildings by offering personal health plans, referral assistance, and technical/multilingual support.
 - Responded to the worsening socioeconomic and housing affordability crisis that is being reflected in more tenants requiring greater supports to maintain successful tenancies by focusing our existing resources in communities with concentrated high-needs and by conducting analysis to understand the full impact and depth of support required. To fully improve the situation, TCHC has developed a plan, will provide a long-term solution and specially dedicated resources.
 - Adopted a new district-based model for building services teams and organization operations into three districts per region, each managed by a District Supervisor. This shift integrates cleaning, maintenance, and building services staff within local teams, fostering stronger connections with their communities while improving resource allocation, workload distribution, and accountability.
 - Implemented a triage program for demand maintenance work orders to optimize fiscal oversight and service delivery. Urgent repairs addressing health, safety or security risks are prioritized, while non-urgent repairs are queued and reviewed by management before vendor dispatch. This approach ensures critical repairs are completed promptly while optimizing resource allocation for non-urgent needs.
 - Delivered a comprehensive pest management audit and cleanout initiative targeting 21 high-needs buildings and over 6,200 units. Using a data-informed approach, the initiative included in-suite and common area treatments alongside tenant support programs to connect residents with necessary internal and external services, enhancing pest control effectiveness and tenant well-being.
 - Faced by the emerging challenges including inflation, increased demand maintenance, and unforeseen emergency spending, TCHC continues to successfully deliver its full \$350 million State of Good Repairs Plan for the year by conducting critical building improvements that enhance living conditions for tenants across the city. TCHC continues to make progress in retrofitting and replacing older inefficient building systems to newer more energy efficient solutions by upgrading boilers, HVAC, and windows systems that not only reduce utilities spending but help improve tenant comfort.
 - Working on its newest satellite energy plant that connects to the Regent Park District Energy System and our leadership in sustainable urban development.
 - Delivered over 10,000+ units of housing through its development and revitalization program by leading development projects through collaborations with the City of Toronto, our tenants, local communities and industry/development partners.
 - Responding proactively to heightened cybersecurity risks, TCHC is in the second year of its multi-year program to plan for, identify, mitigate and prevent information and cybersecurity threats to the organization including developing its Business Continuity and IT Disaster Recovery Plan.
 - Actively monitoring and aligning progress with recommendations in the E&Y Financial Sustainability report and implementing quality improvements and efficiency opportunities. The report was developed per an independent financial review, which identified future funding requirements to maintain current service levels. One of the key recommendations was to shift to a cost-based funding approach that aligns with the actual cost drivers, service requirements and tenant outcomes. TCHC and the City have transitioned towards a cost-based funding approach, which aligns more closely with the true cost to deliver tenant centric service. As we continue to establish a permanent funding model, TCHC is working to develop clear performance indicators to ensure accountability under this new approach.
- Two major notable continuous quality improvement initiatives include the corporate-wide data strategy and the procurement transformation. The data strategy will prioritize the near-term and high-impact KPIs to enhance TCHC's data-based decision-making capacity and to advance TCHC's strategic priorities. The procurement modernization initiative will aim to implement the value-creation opportunities identified by the procurement transformation road map and achieve the intended outcome including cost efficiencies.

Key Challenges and Risks

- Meet reasonable standards of service: TCHC faces pressure to address urgent issues while maintaining its core services, particularly as it provides housing for tenants with complex needs.
- Capital funding and sustaining our assets: There is a risk in the ability for TCHC to access additional federal or provincial funding needed to maintain our assets, to fund our 10-year Capital Plan and meet building condition and climate change targets.
- Financial stability and sustainability: TCHC faces long-term financial instability resulting from misaligned funding, structural challenges, inflationary pressures, cost increases, enhanced tenant support needs, and an increasingly difficult operating environment. TCHC is constrained by its limited ability to increase revenues and requires ongoing subsidy support and organization-wide cost control measures.
- Cybersecurity and integrity of critical systems: The risk of a cyber attack and a data breach are always evolving, and actions are needed to mitigate that risk.
- Compliance: As a heavily regulated institution, compliance requires a significant investment, and TCHC has not always been resourced to effectively prioritize all compliance requirements.
- Community safety and security: TCHC communities experience increasing safety and emergency incidents affecting the security of residents, staff, and contractors. TCHC accounts for approximately one quarter of the city's gun violence incidents, with most incidents concentrated within a small subset of TCHC communities.

Priority Actions

- Meeting our standards of service: Deliver necessary maintenance and work order completion, provide responsive and localized services to TCHC's high needs tenants and enhance its capacity to empower tenants and communities to deliver locally developed initiatives that directly impact their communities.
 - Prioritizing building assets state of good repair, revitalization and climate action: Continue to successfully execute on our 10-year Building Capital renewal priorities and Revitalization Plans and work with the City on the Urgently Building More Homes mandate to plan and deliver new opportunities for affordable housing.
 - Enhancing financial sustainability and stability: To address TCHC's long-term financial sustainability, TCHC is working to right size our capital budget and minimize costs in demand maintenance work, identify long-term building options to address the mix of rental housing types, and strengthen purchasing power through more strategic procurement.
 - Investing in cybersecurity and integrity of our systems: Modernize our IT systems and practices and continuing to implement the recommendations from the City's Auditor General's cybersecurity review report. TCHC will advance its efforts to establish a business and data intelligence foundation to enable timely data informed decision making.
 - Addressing compliance, mitigating risk and optimizing service delivery: Implement compliance initiatives, including advancing Shareholder and Council directives, mitigate known risks, address dated policies and procedures, enhance compliance monitoring capacity, and implement Internal Audit or Auditor General findings and recommendations.
 - Fostering community safety: Embed localized violence reduction programs and community supports into its service delivery model, ensuring consistent and stable resourcing for key initiatives that address specific community needs.
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CITY STAFF PREPARED BUDGET

City funding for TCHC is reflected in the City's Budget and includes:

- \$327.466 million in City funding to support the 2025 Operating Budget, representing a \$24.999 million increase from 2024. The increase in operating funding includes:
 - \$52.260 million towards the base subsidy with sustainable funding, calculated as a 87.1% share of the \$60.0 million combined TCHC and TSHC subsidy increase in the base budget.
 - \$1.988 million for new and enhanced initiatives, including \$1.279 million for ongoing initiatives and \$0.709 million for one-time initiatives to support Vulnerable Tenant Supports, Building Tenant Trust, Chronic Violence Support, and Enhanced Frontline Services.
 - Partially offset by a reversal of \$29.248 million in one-time funding which was provided as a balancing strategy in 2024.
- \$1.828 billion in City funding is allocated to the 2025-2034 Capital Budget and Plan for building assets State of Good Repair (SOGR) projects. This includes an increase of \$370.877 million to the 2024 to 2033 Capital Budget and Plan for SOGR, with \$300.0 million in funding allocated from the Gardiner and DVP upload.
- \$214.719 million, including \$210.964 million in City funding towards the 2025-2034 Development Capital Budget and Plan, representing a \$9.900 million increase from the 2024 to 2033 Development Capital Budget and Plan.
- \$80.016 million in new City funding is allocated to the 2025-2034 Capital Budget and Plan for Information Technology and Corporate Capital, Community and Tenant Support, as well as Carbon and Regent Park Energy Inc. capital projects.

2025 OPERATING BUDGET

2025 OPERATING BUDGET OVERVIEW

Table 1: 2025 Operating Budget by Service – TCHC

(In \$000s)	2023 Actual	2024 Budget	2024 Projection*	2025 Base Budget	2025 New Initiatives	2025 Budget	Change v. 2024 Budget	
By Service	\$	\$	\$	\$	\$	\$	\$	%
Revenues								
Residential Rent - RGI	185,855	189,387	194,759	195,227		195,227	5,841	3.1%
Residential Rent - Market	85,564	87,003	86,231	88,349		88,349	1,347	1.5%
City Subsidy (Base)	231,089	273,218	272,332	325,478	1,279	326,757	53,539	19.6%
City Subsidy (One-Time)	23,027	29,248	29,248		709	709	(28,539)	(97.6%)
Other***	42,868	34,135	38,549	39,768		39,768	5,633	16.5%
2025 One-Time Bridging Strategy				3,192	2,309	5,501	5,501	
Total Revenues	568,404	612,991	621,120	652,015	4,297	656,312	43,320	7.1%
Expenditures								
Total Operating Expenses	553,329	610,991	606,856	651,515	4,297	655,812	44,820	7.3%
Swansea Mews	6,378	2,000	948	500		500	(1,500)	(75.0%)
Total Gross Expenditures	559,707	612,991	607,804	652,015	4,297	656,312	43,320	7.1%
Net Expenditures	8,697		13,316					
Approved Positions**	2,142	2,330	N/A	2,365	21	2,386	56	2.4%

* 2024 Projection based on 9 Month Variance

** YoY comparison based on approved positions

*** The 2024 Budget includes a \$4.3M transfer of TCHC surplus to balance TSHC deficit position. This reflects a gross expenditure by TCHC.

KEY DRIVERS

Total 2025 Budget expenditures of \$656.312 million gross reflect an increase of \$43.320 million in spending above the 2024 Budget, predominantly arising from:

- \$19.215 million increase in non-discretionary costs from non-salary economic factors, driven by utility, insurance, municipal taxes, and service contract rate increases.
- \$11.731 million increase from salary and benefits adjustments.
- \$8.800 million increase due to building unit restoration and containment costs.
- \$6.213 million increase to support critical business processes including Development Support, Capital Management, Compliance, Cybersecurity, Data Strategy and Procurement Transformation.
- \$4.297 million increase attributable to new and enhanced initiatives, including 21 full-time positions supporting Vulnerable Tenant Supports, Building Tenant Trust, Chronic Violence Support, and Enhanced Frontline Services.
- \$12.491 million reduction was achieved through a range of affordability measures designed to balance the budget while maintaining service delivery levels. These measures include conducting detailed line-by-line reviews to identify savings, implementing efficiencies across operations, deferring non-essential costs, optimizing interest expenses, and streamlining procurement processes to achieve better value for money.
- The increase of 35 base positions is necessary to support ongoing, in-flight, and previously deferred programs to address project costs associated with maintaining existing service levels.

EQUITY IMPACTS OF BUDGET CHANGES

Toronto Community Housing Corporation's \$1.988 million investment in the 2025 Operating Budget for the, Vulnerable Tenant Supports, Building Tenant Trust, Chronic Violence Support, and Enhanced Frontline Services is expected to have a **high-positive equity impact** on racialized, low-income, women, socially isolated, and seniors living with disabilities.

2025 OPERATING BUDGET KEY COST DRIVERS

The 2025 Net Operating Budget for TCHC of \$327.466 million, prior to City funding, is \$24.999 million or 8.3% greater than the 2024 Net Budget. Table 2 below summarizes the key cost drivers for the 2025 Budget.

Table 2: 2025 Key Cost Drivers

(In \$000s)	2025 Request				2026
	Revenues	Gross	Net	Positions**	Annualized
2024 Operating Budget	310,524.6	612,991.2	302,466.6	2,330.0	N/A
Key Cost Drivers:					
<i>Prior Year Impacts</i>					
Reversal of 2024 transfer from TSHC	4,341.1		(4,341.1)		
<i>Salary and Benefits</i>					
Salary and Benefits Adjustments		11,731.9	11,731.9	(14.0)	
<i>Economic Factors - Non-Salary</i>					
Service Contracts and Building Maintenance Pressures		7,862.5	7,862.5		
Insurance, Municipal Taxes, and Other		4,382.4	4,382.4		
Utilities		6,969.5	6,969.5		
<i>Operating Impacts of Capital</i>					
Annualized Cybersecurity Costs		1,327.3	1,327.3		
<i>Other Base Expenditure Changes</i>					
Reclassification for Restoration and Containment		8,800.0	8,800.0		
Mortgage Principal and Interest		2,988.4	2,988.4		
Development Support and Improving Capital Mgmt.		853.6	853.6	10.0	
Compliance Investment		1,520.2	1,520.2	14.0	
Cybersecurity and Data Strategy		1,934.1	1,934.1	20.0	
Procurement Transformation		2,004.5	2,004.5	5.0	
Implementing New Corporate Strategic Plan		500.0	500.0		
Other Base Expenditures		639.9	639.9		
<i>Other Base Revenue Changes</i>					
Revenue Increase	8,479.0		(8,479.0)		
Other Base Revenues	0.4		(0.4)		
Sub-Total - Key Cost Drivers	12,820.4	51,514.3	38,693.8	35.0	
Affordability Measures	3,191.5	(12,490.7)	(15,682.2)	0.0	
New/Enhanced	2,309.2	4,296.8	1,987.6	21.0	
Total 2025 Request w/o City Funding	328,845.7	656,311.6	327,465.9	2,386.0	
Change from 2024 Budget (\$)	18,321.1	43,320.4	24,999.2	56.0	
Change from 2024 Budget (%)	5.9%	7.1%	8.3%	2.4%	
City Funding:					
2024 City Funding	302,466.6		(302,466.6)		
Reversal of One-Time 2024 Funding	(29,248.2)		29,248.2		
Base Subsidy Increase	52,259.8		(52,259.8)		
Base Funding for New and Enhanced	1,278.9		(1,278.9)		
One-time Funding for New and Enhanced	708.7		(708.7)		
Total City Funding	327,465.9		(327,465.9)		
Total 2025 Budget	656,311.6	656,311.6	(0.0)	2,386.0	
Change from 2024 Budget (\$)	43,320.4	43,320.4	(0.0)	56.0	
Change from 2024 Budget (%)	7.1%	7.1%	0.0%	2.4%	

*Based on 9 Month Variance

**YoY comparison based on approved positions

Key Base Drivers:

Prior Year Impacts:

- Reversal of \$4.341 million in funding transferred to TSHC to balance the 2024 Budget between TSHC and TCHC resulting from prior year decisions.

Salaries and Benefits:

- \$11.731 million increase from salary and benefit adjustments.

Economic Factors – Non-Salary:

- \$19.215 million increase in non-discretionary costs driven by utility, insurance, municipal taxes, service contract and building maintenance pressures. The increases are primarily driven by rising committed vendor contract prices, workload demands, volume increases, and general inflation. Additional factors include year-over-year insurance premium hikes, increased utility costs due to both price and consumption, and a focus on addressing a backlog of regular maintenance.

Operating Impacts of Capital:

- \$1.327 million increase in annual operating costs for the second phase of the cybersecurity related New Organizational Vision and Action (NOVA) capital project once live. It represents a business transformation initiative aimed at modernizing operations, improving tenant services, and increasing operational efficiency, to align with Auditor General recommendations from a cybersecurity audit of TCHC ([AU7.3](#)). NOVA focuses on upgrading technology, streamlining processes, and implementing new systems to enhance service delivery and improve overall performance across TCHC.

Other Base Expenditure Changes:

- \$8.800 million increase due to a Reclassification for Restoration and Containment costs, which were previously classified as SOGR capital, but have been reallocated to the operating budget as recommended by TCHC's auditors and in accordance with Public Sector Accounting Board standards.
- \$2.988 million increase in Mortgage Principal and Interest costs and the low interest loans from Canada Mortgage and Housing Corporation (CMHC) National Housing strategy co-investment programs for the building assets SOGR programs.
- \$0.854 million and 10 positions increase for Development Support and Improving Capital Management is required for due diligence and financial modeling work to support development initiatives aimed at delivering the City's 'Urgently Build More Affordable Homes' mandate. Additionally, this funding enhances capital management resources to provide better oversight of daily operations, SOGR projects, and contract management.
- \$1.520 million and 14 positions increase to enhance Compliance monitoring and risk mitigations in critical business areas, including fraud investigation, internal audit, energy conservation policy review, and energy management.
- \$1.934 million and 20 positions increase in Cybersecurity and Data Strategy is required to implement Auditor General recommendations and address audit issues, enhancing protection against growing cyber threats. Additionally, there is an investment to transform TCHC into a data-driven organization, enabling better decision-making.
- \$2.005 million and 5 positions increase in Procurement Transformation to execute on the opportunities identified by TCHC's Financial Sustainability Plan (2023 report) to transform and optimize procurement operation.

Other Base Revenue Changes:

- \$8.479 million increase in revenue due to inflation and better revenue recovery rates.

City Funding:

- In the 2024 Budget, one-time funding was provided to TCHC as a bridging strategy. Starting in the 2025 Budget, this has been transitioned to ongoing base funding as part of a multi-year approach to support TCHC's progress toward financial sustainability.
- \$53.539 million increase to the ongoing base subsidy, which includes:
 - \$52.260 million towards the base budget, calculated as 87.1% of the \$60 million combined TCHC and TSHC subsidy included in the base budget.
 - \$1.279 million towards ongoing new/enhance initiatives.
- \$0.709 million in one-time funding from the City towards one-time new/enhanced initiatives.
- Reversal of \$29.248 million in one-time subsidy from the City, which was provided as a balancing strategy in 2024. This was calculated as 87.1% of the \$33.580 million reversal of combined TCHC and TSHC one-time funding.

Affordability Measures:

Table 3: Offsets and Efficiencies

(In \$000s)								
Recommendation	Savings Type	Equity Impact	2025			2026 (Incremental)		
			Revenue	Gross	Net	Positions	Gross	Net
Line-by-Line Review	Line By Line	No Equity Impact		(4,069.2)	(4,069.2)			
Efficiency Offset	Efficiencies	No Equity Impact		(5,138.5)	(5,138.5)			
Change in Estimates and One-Time Bridging Strategy	Other	No Equity Impact	3,191.5	(3,283.0)	(6,474.5)			
Total Affordability Measures			3,191.5	(12,490.7)	(15,682.2)			

Efficiency measures are specific actions taken by TCHC that achieve cost reductions without impacting service levels for tenants. As a result of analysis undertaken, \$12.491 million in expenditure reductions was identified achieved through a range of affordability measures designed to balance the budget while maintaining service delivery levels. These measures included conducting detailed line-by-line reviews to identify savings, implementing efficiencies across operations, deferring non-essential costs, optimizing interest expenses, and streamlining procurement processes to achieve better value for money.

- \$4.069 million in identified discretionary spend and line-by-line review savings.
- \$5.139 million in realized efficiencies including the reversal of one-time costs for formerly contract managed buildings, as well as savings achieved through improved procurement process, reduced reliance on line-of-credit and energy efficiency initiatives.
- \$3.283 million from reduced estimates for post-retirement liability costs and Swansea Mews safety and security measures prior to demolition.
- \$3.192 million in additional revenues from TCHC's prior year operating surplus to support the 2025 budget and bridge the pressures over to 2026.

New and Enhanced Service Priorities:

Table 4: New / Enhanced Requests

New / Enhanced Request	2025				2026 Annualized Gross	Equity Impact	Supports Key Outcome / Priority Actions
	Revenue	Gross	Net	Positions			
In \$ Thousands							
1 Vulnerable Tenant Supports	1,462	1,462		12.5		High - Positive	<p>The funding represents 87.1% of the overall program cost, reflecting the cost-sharing ratio with TSHC. This funding will strengthen the delivery of localized and responsive services for high-needs areas, focusing on safety, staffing, and program resources. It supports key priority actions, including the High-Need Community Strategy, Rapid Rehousing Initiative, and the Anchor Agency Services and Support pilot.</p> <p>Expected outcomes include improved interventions to ensure successful tenancies, addressing growing accessibility demands due to demographic changes, and reducing the workload burden on staff.</p>
2 Building Tenant Trust	2,140	2,140		5		High - Positive	<p>The funding represents 87.1% of the overall program cost, reflecting the cost-sharing ratio with TSHC. The program aims to improve tenant engagement and foster vibrant, empowered communities by enhancing tenant capacity to participate in decision-making and lead local initiatives.</p> <p>Key outcomes include implementing recommendations from the Tenant Engagement System Review, increasing the Tenant Action Funds for tenant-led projects, and supporting community economic development programs like Toronto Fire Services Pathways, which helps tenants explore fire services careers, and Rookie League, offering summer camp experiences for 400+ children and youth employment opportunities.</p>
3 Chronic Violence Support	347	347		0.5		High - Positive	<p>The funding represents 87.1% of the overall program cost, reflecting the cost-sharing ratio with TSHC. The program seeks to transition from a temporary initiative to an ongoing strategy aimed at improving safety in TCHC communities affected by chronic gun violence. This program invests in person- and place-based violence reduction and prevention efforts, focusing on analysis, infrastructure alignment, targeted response, and community development.</p> <p>Expected outcomes include implementing best practices in violence prevention and enhancing data collection and reporting through collaboration with the City of Toronto, Toronto Police Service, Toronto District School Board, and other partners.</p>
4 Enhancing Frontline Services	347	347		3		High - Positive	<p>The funding represents 87.1% of the overall program cost, reflecting the cost-sharing ratio with TSHC. The program introduces an in-house maintenance pilot and semi-skilled training initiative to improve service delivery and reduce reliance on costly external vendors for repairs. The pilot will train frontline staff to handle licensed work in-house, addressing challenges such as delayed services, budget overruns, and poor workmanship associated with outsourcing. Additionally, a semi-skilled training program will equip staff to perform repairs in areas like plumbing, electrical, and door and lock maintenance.</p> <p>Expected outcomes include improved service delivery, enhanced tenant satisfaction, and optimized maintenance budgets.</p>
Total New / Enhanced	4,297	4,297		21	N/A		

Note:

For additional information, please refer to [Appendix 2](#) for details on 2025 Service Changes; [Appendix 3](#) for the 2025 New and Enhanced Service Priorities and [Appendix 4](#) for Operating Program Provincial/Federal Funding Streams by Funding Source, respectively.

2026 AND 2027 OUTLOOKS**Table 5: 2026 and 2027 Outlooks**

(In \$000s)	2025 Budget	2026 Incremental Outlook	2027 Incremental Outlook
Revenues			
Revenue Changes		11,374	6,956
Total Revenues	656,312	11,374	6,956
Gross Expenditures			
Inflationary Impacts		17,983	19,390
TCHC Reserve City Repayment		6,500	
Utilities		5,578	5,665
Hiring Plan		5,296	1,754
Mortgage P&I		1,174	1,934
Swansea Mews		(500)	
Annualized Impacts on Prior Year Approvals		1,758	(622)
Total Gross Expenditures	656,312	37,789	28,122
Net Expenditures		26,414	21,166
Approved Positions	2,386	28	8

Key Outlook Drivers

The 2026 TCHC Outlook with total gross expenditures of \$694.100 million reflects an anticipated \$37.789 million or 5.7% increase in gross expenditures above the 2025 Operating Budget. The 2027 Outlook reflects a further increase of \$28.122 million or 4.1% above the 2026 Outlook.

These changes arise from the following:

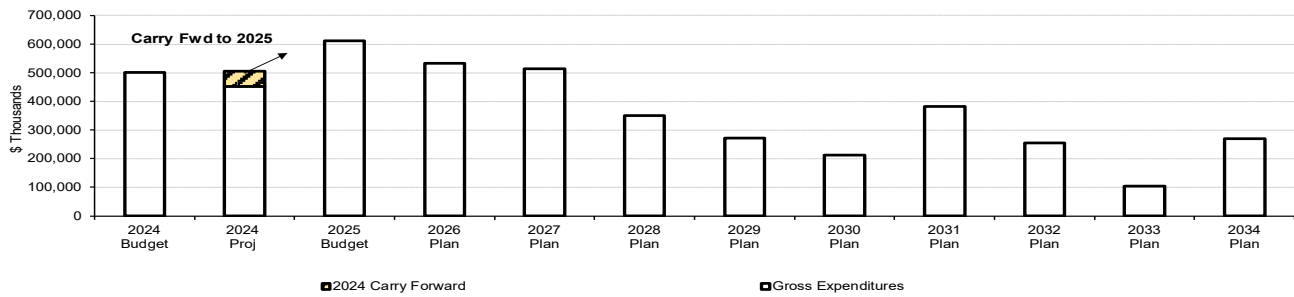
- Revenue Changes: RGI and market residential rent is projected to increase by 1% and 2% respectively, along with a moderate increase in commercial rents, parking, and laundry revenue streams.
- Inflationary Impacts: Labour costs are increasing, alongside a 5% rise in building materials and supplies and an over 10% estimated increase in insurance costs. Additionally, general inflationary pressures of 2% are projected for 2026 and 2027.
- TCHC Reserve City Repayment: City's repayment to TCHC for the \$13 million reserve withdrawals made in 2023 as a one-time bridging strategy; 50% to be made in 2026 and 2027 respectively.
- Utilities: Electricity cost increases of 3.9% in both 2026 and 2027; natural gas price increases of 7.2% in 2026 and 6.7% in 2027; and water price increases of 2.2% in both years.
- Hiring Plan: Headcount increases are planned for new/enhanced initiatives introduced in 2025, including Vulnerable Tenant Supports, Enhancing Frontline Services, and Compliance Investment. In 2026, the incremental headcount includes 28 new positions, along with the annualized impact of 21 positions that start in 2025 and associated inflationary effects. In 2027, the incremental headcount includes 8 new positions and the annualization and inflationary impacts from the positions added in 2026.

- Mortgage Principal and Interest: Projected based on loan amortization schedules and CMHC co-investment loan for SOGR building capital.
 - Swansea Mews: Demolition is expected to complete in 2025, which results in savings of \$0.500 million in annual carrying costs.
 - Annualized Impacts on Prior Year Approvals: For projects added in 2025, such as Building Tenant Trust, Enhancing Frontline Services, Cybersecurity and Vulnerable Tenant Supports with phasing strategies.
-

**2025 – 2034
CAPITAL BUDGET AND PLAN**

2025 – 2034 CAPITAL BUDGET AND PLAN OVERVIEW

Chart 1: 10-Year Capital Plan Overview



		2024 Capital Budget and 2025 - 2034 Capital Plan														
(In \$000s)	2024		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2025 - 2029	2030-2034	10 Year Plan	
	Budget	Projected Actual														
Gross Expenditures by Project Category:																
Building Capital Repair	350,000	350,000	379,904	357,360	353,360	181,360	174,143	174,360	174,360	174,360	181,360	160,000	1,446,126	864,439	2,310,564	
Development Capital	141,459	94,132	175,509	151,595	155,138	166,140	97,847	165,846	208,185	81,212	102,442	110,169	746,231	359,992	1,106,223	
City Repayment								127,538			180,324					
IT/Corporate Capital	9,323	8,530	17,000	7,412	121								24,533		24,533	
Community and Tenant Support			650	3,462	3,549	3,637							11,298		11,298	
Carbon Budget			28,470	13,380	2,670								44,520		44,520	
Regent Park Energy Inc. (RPEI)			10,115										10,115		10,115	
Total by Project Category	500,782	452,662	611,649	533,208	514,838	351,137	271,990	212,667	382,545	255,572	103,477	270,169	2,282,822	1,224,431	3,507,252	
Financing:																
Building Repair Capital																
City Funding	142,815	142,815	209,904	197,360	200,762	181,360	174,143	174,360	174,360	174,360	181,360	160,000	963,528	864,439	1,827,966	
Federal Funding	183,001	183,001	166,471	159,061	135,769								461,301		461,301	
TCHC/Other Funding	24,184	24,184	3,529	939	16,829								21,297		21,297	
Development Capital																
City Funding	52,628		105,581	37,253	89,005	92,984	88,222		82,566	26,970			413,045	198,326	214,719	
City Repayment								127,538			180,324					
Other Funding (S37/Infrastructure)	12,999	4,862	29,818	35,467	4,816	3,400	2,350	1,845					75,851	1,845	77,696	
Provincial Funding		2,997														
Federal Funding				20,325	30,000	35,516							85,841		85,841	
Other Revenue - Development Capital	75,832	86,273	40,110	58,550	31,318	34,240	7,275	164,001	125,619	54,242	102,442	110,169	171,494	556,473	727,967	
IT/Corp. Capital/Tenant Support/Other																
IT/Corporate Capital City Funding	9,323	8,530	17,000	7,412	121								24,533		24,533	
Community and Tenant Support City Funding			650	3,462	3,549	3,637							11,298		11,298	
Carbon Budget City Funding			18,020	13,380	2,670								34,070		34,070	
Carbon Budget Federal Funding			10,450										10,450		10,450	
Regent Park Energy Inc. (RPEI) City Funding			10,115										10,115		10,115	
Total Financing	500,782	452,662	611,649	533,208	514,838	351,137	271,990	212,667	382,545	255,572	103,477	270,169	2,454,315	1,224,431	3,507,252	

Project Updates

(\$220.777 Million)

The Capital Budget and Plan reflects the following changes to existing projects over the nine common years (2025-2033) due to timing, scope change or updated project costs:

- \$210.877 million in debt funding re-allocated for Building Repair Capital, supported mainly by funding from the Reallocation of Gardiner/DVP Upload
- \$9.900 million for Development, including cost escalations and additional affordable units, primarily in Regent Park.

New Projects

(\$249.673 Million)

The 2025-2034 Capital Budget and Plan includes new projects. Key projects are as follows:

- \$160.0 million in debt funding allocated for Building Repair Capital in 2034.
- \$44.520 million, including \$10.450 million in federal funding from Natural Resources Canada, for the Scarlettwood and the Sparroway Apartment Complex Green Initiative and Efficiency savings projects.
- \$16.120 million for IT projects, including "Keeping the Lights On" initiatives, cybersecurity enhancements, collaborative partnership with the Office of the Chief Information Security supported work.
- \$11.298 million for Community and Tenant Support.
- \$10.115 million for Regent Park Energy Inc.
- \$7.620 million for Corporate Capital projects.






- Building Repair Capital - The 10-Year Capital Budget and Plan includes \$1.828 billion in City funding to SOGR projects. This includes an increase of \$370.877 million to the 2025-2034 Capital Budget and Plan for SOGR, with \$300.000 million in funding allocated from the Gardiner and DVP upload.
- Development Capital -The 10-Year Capital Budget and Plan totals \$214.719 million, including \$210.964 million in City funding towards the 2025-2034 Development Capital Budget and Plan, representing a \$9.900 million increase from the 2024 to 2033 Development Capital Budget and Plan.
- IT Projects - The 10-Year Capital Budget and Plan also accounts for \$16.120 million towards IT projects, primarily addressing critical needs in cybersecurity. This funding responds to the recommendations outlined in the Auditor General's report ([AU10.4](#)) and supports the enhancement of the City's Cyber Security infrastructure. It will enable work led by the Chief Information Security Officer to strengthen protections against cyber threats and ensure compliance with best practices. In addition, this investment addresses other essential IT and corporate infrastructure requirements necessary to maintain robust and reliable systems across the organization.
- Corporate Capital – Added investment of \$7.620 million for Corporate Capital initiatives is comprised of commercial support for facility upgrades, the implementation of a new Human Resources Information System to improve organizational efficiency, and funding for compliance and frontline services.
- Community and Tenant Support - Additionally, the City is allocating \$11.298 million for Community and Tenant Support, primarily focused on assisting communities affected by chronic violence and providing Seniors Transition Services. This includes initiatives such as repurchasing Malvern co-op units when seniors move out and completing the necessary repairs and upgrades to ensure the units are ready for new occupants.
- Carbon Budget – The 10-Year Capital Budget and Plan provides a new perspective on the carbon budget totalling \$34.070 million to the specific Scarlettwood and Sparroway Deep Retrofit projects to achieve reductions in GHG emissions and enhance resilience by eliminating resident exposure to extreme heat, supported by \$10.450 million in funding from Natural Resources Canada.
- Regent Park Energy Inc. - The City is providing \$10.115 million in 2025 to support the continued build-out of a district energy system as part of the Regent Park redevelopment. Future year capital needs will be assessed in future budget cycles

Note:

For additional information, please refer to [Appendix 5](#) for a more detailed listing of the 2025 and 2026-2034 Capital Budget and Plan by project; [Appendix 6](#) for Reporting on Major Capital Projects – Status Update; [Appendix 7](#) for Capacity to Spend Review; and [Appendix 8](#) for a Summary of Capital Delivery Constraints, [Appendix 9](#) for Capital Program Provincial/Federal Funding Streams by Projects, respectively.

2025 – 2034 CAPITAL BUDGET AND PLAN

\$3.507 Billion 10-Year Gross Capital Program

				
Planned Capital	Demand Capital	Additional Energy Programs	Capital Other	Development Capital
\$1,140.2M 32.5%	\$833.2M 23.8%	\$94.6M 2.7%	\$333.0M 9.5%	\$1,106.2M 31.5%
<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
<ul style="list-style-type: none"> • Envelope • Grounds • Emergency Generators • HVAC • Plumbing • Roofing • Structural • Large Scale holistic energy retrofits • Common area accessibility upgrades 	<ul style="list-style-type: none"> • Accessibility upgrades • Waste equipment repairs • Appliances and equipment • Local move-outs • MLS issues • SOGR demand maintenance low value repairs 	<ul style="list-style-type: none"> • Energy initiatives • Water conservation • Energy Retrofits • Building energy deep retrofit 	<ul style="list-style-type: none"> • Building Condition Assessments • IT & Corporate Capital • Community Safety & Security capital needs • Cybersecurity & Integrity of Critical Systems 	<ul style="list-style-type: none"> • In flight development projects

- 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 2025-2034 Capital Budget and Plan cash flows. This includes the \$53.421 million carry forward from Development and IT/Corporate Capital. There is no breakout of the climate component costs separately.

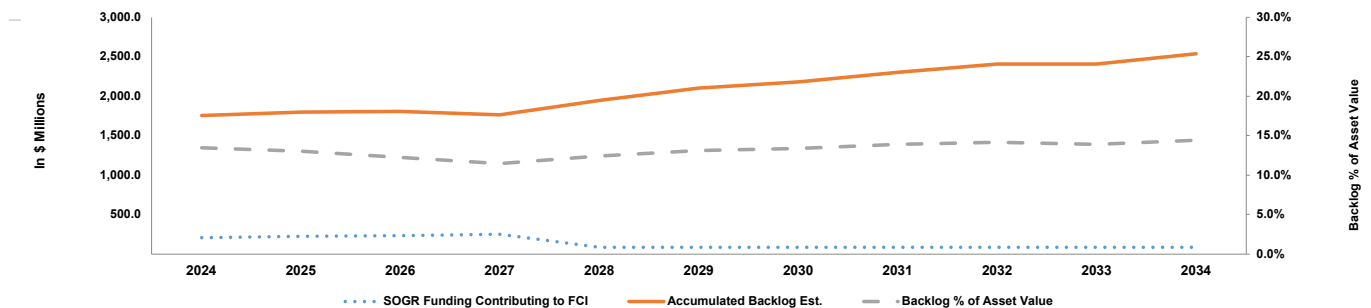
How the Capital Program is Funded

City of Toronto		Federal Funding		Other Funding	
\$2,122.7M 60.5%		\$557.6M 15.9%		\$827.0M 23.6%	
City Funding for Building Repair Capital	\$1,828.0M	National Housing Co-Investment Fund (Capital Repair Stream)	\$461.3M	TCHC/Other Funding	\$21.3M
City Funding for Development Capital	\$214.7M	National Housing Co-Investment Fund (New Construction Stream)*	\$85.8M	Other Revenue from Development	\$728.0M
City Funding for IT/Corporate Capital, Community and Tenant Support, Carbon Budget, Regent Park Energy Inc.	\$80.0M	Natural Resources Canada (NRCAN) Grant	\$10.5M	Other Funding for Development Capital (S37/Infrastructure)	\$77.7M

STATE OF GOOD REPAIR (SOGR) FUNDING AND BACKLOG

The chart below depicts the SOGR funding and accumulated backlog estimates TCHC.

Chart 2: Total SOGR Funding and Backlog



Values in Millions	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
SOGR Funding Contributing to FCI	210.0	221.0	235.0	249.0	88.0	84.0	84.0	84.0	84.0	88.0	88.0
Accumulated Backlog Est.	1,752.0	1,797.0	1,809.0	1,762.9	1,948.2	2,098.5	2,175.0	2,304.7	2,402.7	2,400.7	2,539.5
Backlog % of Asset Value	13.4%	13.0%	12.2%	11.5%	12.4%	13.1%	13.3%	13.8%	14.1%	13.9%	14.4%
Total Asset Value	13,044.3	13,853.1	14,808.9	15,356.9	15,694.7	16,008.6	16,328.8	16,655.4	16,988.5	17,328.2	17,674.8
SOGR Funded from the Reallocation of Gardiner/DVP		30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0

TCHC manages and maintains 1,300 buildings, worth over \$13.9 billion. The capital repair and community revitalization programs focus on ensuring that these public assets are maintained in a state of good repair into the future. The chart presented above depicts the steady state investment plan of SOGR funding and accumulated backlog estimates over the 10-year period.

- Despite the continued investment of \$1.828 billion in City funding to SOGR projects, the accumulated backlog is anticipated to increase from \$1.752 billion (or 13.4% of total asset value) in 2024 to \$2.540 billion by 2034, representing 14.4% of the total replacement value estimated to be \$17.675 billion by 2034.
- Adjustments to the SOGR backlog estimates reflect significant construction cost escalations, high priority SOGR needs identified by new condition assessments, feasibility studies and timing of potential building infrastructure/stimulus projects.

- Canada Mortgage and Housing Corporation (CMHC) National Housing Co-Investment Fund Repair and Renewal Stream funding will end in 2027, which includes forgivable loans and low-interest repayable loans. This will result in unfunded capital SOGR commencing in 2028.
- TCHC buildings are aging while the cost to maintain them has escalated significantly. Pressures affecting the accumulated backlog are attributable to the following:
 - Significant volume increases in demand for capital spending in the areas of tenant unit interiors (e.g. kitchens and bathrooms) and building mechanical systems.
 - TCHC continues to manage the repair backlog of the formerly contract managed buildings in 2025, which experience higher than average work orders and capital needs to bring the buildings and 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.
- 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

2025 Operating Budget by Category TCHC

Category (In \$000s)	2024 Budget	2024 Projection*	2025 Budget	2025 Change from 2024 Budget		2025 Change from 2024 Projection	
	\$	\$	\$	\$	%	\$	%
City Subsidy - (Base)	273,218	272,332	325,478	52,260	19.1%	53,146	19.5%
City Subsidy - (New/Enhanced)			1,988	1,988		1,988	
City - One-Time Funding	29,248	29,248		(29,248)	(100.0%)	(29,248)	(100.0%)
Total City Funding	302,467	301,580	327,466	24,999	8.3%	25,885	8.6%
Residential rent - RGI	189,387	194,759	195,227	5,841	3.1%	468	0.2%
Residential rent - Market	87,003	86,231	88,349	1,347	1.5%	2,118	2.5%
Other**	34,135	38,549	39,768	5,633	16.5%	1,219	3.2%
2025 One-Time Bridging Strategies			5,501	5,501		5,501	
Total Revenues	612,991	621,120	656,312	43,320	0	35,192	5.7%
Utilities	126,573	123,773	132,796	6,223	4.9%	9,023	7.3%
Mortgage	120,233	115,282	121,820	1,587	1.3%	6,538	5.7%
Front Line Operations	248,379	245,273	267,554	19,175	7.7%	22,282	9.1%
Back Office Support	66,169	74,830	77,181	11,012	16.6%	2,351	3.1%
Other	49,638	47,698	56,460	6,822	13.7%	8,761	18.4%
Swansea Mews	2,000	948	500	(1,500)	(75.0%)	(448)	(47.3%)
Total Gross Expenditures	612,991	607,804	656,312	43,320	7.1%	48,507	8.0%
Net Expenditures/(Surplus)	\$0	\$13,316	\$0	\$0	\$0	(\$13,316)	(\$0)

* 2024 Projection based on 9 Month Variance

** \$1.988M is TCHC portion of the Shared \$2.28M New and Enhanced Subsidy

Appendix 2

Summary of 2025 Service Changes

N/A

Appendix 3

Summary of 2025 New / Enhanced Service Priorities Included in Budget



**2025 Operating Budget - New and Enhanced Service Priorities
Summary by Service (\$000's)**

Form ID		Development & Growth Services	Adjustments			2026 Plan	2027 Plan
Category	Equity Impact	Agency - Toronto Community Housing Corporation	Gross Expenditure	Revenue	Net	Approved Positions	Net Change
N/A		Vulnerable Tenant Supports					
74	Positive	Description:					
<p>Enhance support for high-needs communities and areas where there are higher levels of vulnerabilities and complex tenancies. This includes delivering responsive and localized services with intensified staff, safety, and program resources at the community and building level. This funding will support our high-need community strategy, Rapid Rehousing Initiative supports program, the Anchor Agency Services and Support pilot. The funding represents 87.1% of the overall program cost, reflecting TCHC's cost-sharing ratio with Toronto Senior's Housing Corporation (TSHC).</p> <p>Service Level Impact:</p> <p>This funding will strengthen the delivery of localized and responsive services for high-needs areas, focusing on safety, staffing, and program resources. It supports key priority actions, including the High-Need Community Strategy, Rapid Rehousing Initiative, and the Anchor Agency Services and Support pilot. Expected outcomes include improved interventions to ensure successful tenancies, addressing growing accessibility demands due to demographic changes, and reducing the workload burden on staff. Without this funding, communities will face extended wait times for accessibility repairs, limited support for vulnerable buildings, and increased instability. Additionally, TCHC's ability to expand the Anchor Agency pilot and strengthen partnerships with Housing Stability Services and Coordinated Access will be significantly hindered.</p> <p>Equity Statement:</p> <p>This initiative promotes inclusion and fairness by improving accessibility infrastructure, addressing demographic shifts, and reducing service gaps that disproportionately impact marginalized populations. Additionally, it fosters economic and social equity through the Anchor Agency Services and Support pilot, which collaborates with community partners to deliver targeted resources and build tenant capacity.</p> <p>Service: Tenancy Support</p>							
Total Staff Prepared Budget Changes:			1,461.9	1,461.9		12.5	
Staff Prepared New/Enhanced Service Priorities:			1,461.9	1,461.9		12.5	



**2025 Operating Budget - New and Enhanced Service Priorities
Summary by Service (\$000's)**

Form ID		Development & Growth Services	Adjustments			2026 Plan Net Change	2027 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net		
		Agency - Toronto Community Housing Corporation			Approved Positions		
N/A		Building Tenant Trust					
74	Positive	Description: Execute on opportunities to improve tenant engagement and build more enjoyable communities by investing in programs that enhance tenant capacity to engage with the organization, make decisions about the communities in which they live, and to deliver locally developed and tenant-led initiatives that directly impact their own communities. The funding represents 87.1% of the overall program cost, reflecting TCHC's cost-sharing ratio with Toronto Senior Housing Corporation (TSHC).					
		Service Level Impact: Program aims to improve tenant engagement and foster vibrant, empowered communities by enhancing tenant capacity to participate in decision-making and lead local initiatives. Key outcomes include implementing recommendations from the Tenant Engagement System Review, increasing the Tenant Action Funds for tenant-led projects, and supporting community economic development programs like Toronto Fire Services Pathways, which helps tenants explore fire services careers, and Rookie League, offering summer camp experiences for 400+ children and youth employment opportunities. Without this funding, TCHC risks reduced service levels, limited community and economic development opportunities, and ongoing tenant dissatisfaction and disengagement.					
		Equity Statement: The initiative advances equity by empowering tenants, particularly those from underserved and vulnerable communities, to actively participate in decision-making and lead initiatives that impact their lives. By implementing the Tenant Engagement System Review recommendations and increasing Tenant Action Funds, the program addresses systemic barriers, fostering inclusion and tenant leadership. It also promotes workforce equity through initiatives like the Toronto Fire Services Pathways, which supports career development for equity-seeking groups, and the Rookie League, providing over 400 children with summer camp experiences and creating employment opportunities for TCHC youth.					
		Service: Tenancy Support					
		Total Staff Prepared Budget Changes:	2,140.4	2,140.4		5.0	
		Staff Prepared New/Enhanced Service Priorities:	2,140.4	2,140.4		5.0	



**2025 Operating Budget - New and Enhanced Service Priorities
Summary by Service (\$000's)**

Form ID		Development & Growth Services	Adjustments				2026 Plan Net Change	2027 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		
		Agency - Toronto Community Housing Corporation						
N/A		Chronic Violence Support						
74	Positive	Description:						
<p>Transform the violence reduction program from temporary support to on-going program as a long-term strategy to improve community safety. This includes investments in person-and-place based violence reduction and prevention programming in specific Toronto Community Housing Corporation (TCHC) properties/communities that are experiencing chronic gun violence. The strategy identifies four key work streams: analysis & monitoring, infrastructure alignment, focused response and community development. Despite having a comprehensive plan in place, crucial components remain unfunded, including essential partnership and program funding. The funding represents 87.1% of the overall program cost, reflecting TCHC's cost-sharing ratio with Toronto Seniors Housing Corporation (TSHC).</p>								
Service Level Impact:								
<p>The program seeks to transition from a temporary initiative to an ongoing strategy aimed at improving safety in TCHC communities affected by chronic gun violence. This program invests in person- and place-based violence reduction and prevention efforts, focusing on analysis, infrastructure alignment, targeted response, and community development. Expected outcomes include implementing best practices in violence prevention and enhancing data collection and reporting through collaboration with the City of Toronto, Toronto Police Service, Toronto District School Board, and other partners. Without this funding, critical components such as partnerships, programming, and staffing will remain unfunded, limiting the program's ability to support tenants impacted by or at the center of violence.</p>								
Equity Statement:								
<p>Supports equity by addressing systemic inequities faced by residents in TCHC communities disproportionately affected by chronic gun violence. This program transitions violence reduction efforts from temporary to ongoing, ensuring sustainable and targeted interventions that prioritize the safety and well-being of vulnerable tenants.</p>								
Service: Tenancy Support								
Total Staff Prepared Budget Changes:			347.3	347.3		0.5		
Staff Prepared New/Enhanced Service Priorities:			347.3	347.3		0.5		



**2025 Operating Budget - New and Enhanced Service Priorities
Summary by Service (\$000's)**

Form ID		Development & Growth Services	Adjustments			2026 Plan Net Change	2027 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net		
		Agency - Toronto Community Housing Corporation			Approved Positions		
N/A		Enhancing Frontline Services					
74	Positive	Description:					
<p>Proposal for an in-house maintenance pilot and semi-skilled training initiative to improve service delivery and reduce reliance on costly external vendors for repairs. The pilot will train frontline staff to handle licensed work in-house, addressing challenges such as delayed services, budget overruns, and poor workmanship associated with outsourcing. Additionally, a semi-skilled training program will equip staff to perform repairs in areas like plumbing, electrical, and door and lock maintenance. The funding represents 87.1% of the overall program cost, reflecting TCHC's cost-sharing ratio with Toronto Seniors Housing Corporation (TSHC).</p>							
Service Level Impact:							
Expected outcomes include improved service delivery, enhanced tenant satisfaction, and optimized maintenance budgets for maintenance repairs.							
Equity Statement:							
The proposed in-house maintenance pilot and semi-skilled training initiative support equity by enhancing service delivery for tenants in Toronto Community Housing Corporation (TCHC) properties, many of whom are from equity-deserving communities. The semi-skilled training program creates workforce development opportunities, equipping frontline staff with skills in trades like plumbing, electrical work, and maintenance. These efforts not only enhance service capacity but also support inclusive employment practices by providing training and career growth for staff, many of							
Service: Tenancy Support							
Total Staff Prepared Budget Changes:			347.2	347.2		3.0	
Staff Prepared New/Enhanced Service Priorities:			347.2	347.2		3.0	

Appendix 4

Operating Program Provincial/Federal Funding Streams by Program

N/A

Appendix 5

2025 Capital Budget; 2026 - 2034 Capital Plan Including Carry Forward Funding

Projects (In \$000s)	2025 Budget	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	2034 Plan	2025 - 2034 Total	Health & Safety & Legislated	SOGR	Growth & Improved Service
TCHC Development Capital Projects <input checked="" type="checkbox"/>	175,509	151,595	155,138	166,140	97,847	38,308	208,185	81,212	(77,882)	110,169	1,106,223			1,106,223
TCHC Building Repair Capital <input checked="" type="checkbox"/>	379,904	357,360	353,360	181,360	174,143	174,360	174,360	174,360	181,360	160,000	2,310,564		2,310,564	
TCHC IT/Corporate Capital	17,000	7,412	121								24,533	793		23,740
TCHC Scarlettwood/Sparroway Deep Retrofit <input checked="" type="checkbox"/>	28,470	13,380	2,670								44,520		44,520	
TCHC Regent Park Energy Inc. (RPEI) <input checked="" type="checkbox"/>	10,115										10,115			10,115
TCHC Community and Tennant Support	650	3,462	3,549	3,637							11,298			11,298
Total Expenditures (including carry forward from 2024)	611,649	533,208	514,838	351,137	271,990	212,667	382,545	255,572	103,477	270,169	3,507,252	793	2,355,084	1,151,375

- Project supports Climate Resiliency and / or Greenhouse Gas (GHG) Reduction
- Project includes workforce development requirements as outlined in the City's Social Procurement Program

Development applicable to Davenport, Alexandra Park Phase 2, Don Summerville, Lawrence Heights Phases 1,2 and 3, Firgrove, Regent Park Phases 2, 3 4 and 5 and Swansea projects only

Appendix 5a

2025 Cash Flow and Future Year Commitments Including Carry Forward Funding

Projects (In \$000s)	2025 Budget	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	2034 Plan	Total 2025 Cash Flow & FY Commits	Previously Approved	Change in Scope	New w/ Future Year
TCHC Development Capital Projects <input checked="" type="checkbox"/>	175,509	151,595	155,138	166,140	97,847	38,308	208,185	81,212	(77,882)	110,169	1,106,223	1,096,323	9,900	
TCHC Building Repair Capital <input checked="" type="checkbox"/>	379,904	357,360	353,360	181,360	174,143	174,360	174,360	174,360	181,360	160,000	2,310,564	1,939,687	370,877	
TCHC IT/Corporate Capital	17,000	7,412	121								24,533	793		23,740
TCHC Scarlettwood/Sparroway Deep Retrofit <input checked="" type="checkbox"/>	28,470	13,380	2,670								44,520			44,520
TCHC Regent Park Energy Inc. (RPEI) <input checked="" type="checkbox"/>	10,115										10,115			10,115
TCHC Community and Tennant Support	650	3,462	3,549	3,637							11,298			11,298
Total Expenditures (including carry forward from 2024)	611,649	533,208	514,838	351,137	271,990	212,667	382,545	255,572	103,477	270,169	3,507,252	3,036,803	380,777	89,673

Appendix 5b

2026 - 2034 Capital Plan

N/A

Appendix 6

Reporting on Major Capital Projects: Status Update

N/A

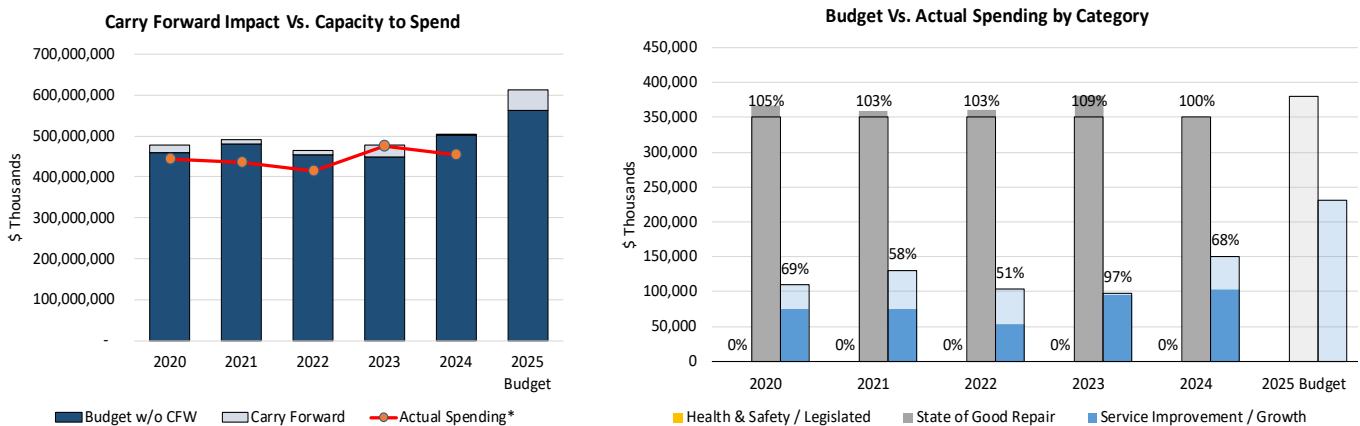
Appendix 7

Capacity to Deliver Review

The 10-year Building SOGR Capital Plan has been developed with consideration of historically demonstrated capacity to deliver within any given year of a 10-year plan. In addition, a review was undertaken to ensure budgets align with TCHC’s ability to deliver and the capacity available in the market to deliver on capital projects and assets.

A key component in determining an appropriate level of annual cash flow includes evaluating historical capacity to deliver by project categories (Chart 3 below) and assessing projected 2024 underspending that will be carried forward into the 2025 Capital Budget to complete required capital work.

Chart 3 – Capacity to Deliver



*YTD September spend for 2024

Impact of Capacity to Deliver Review on the 10-Year Capital Plan

- TCHC’s actual spending over the previous five years, from 2020 to 2024, has averaged \$443.963 million. The projected spending for 2024 is \$452.662 million or 90% of the Approved Capital Budget.
- Development capital was underspent in 2024 because TCHC strategically utilized alternative funding sources during the initial stages of ongoing projects. While spending has been deferred, the projects remain on track, and TCHC expects to align expenditures with updated schedules.
- The IT and Corporate capital projects are largely on track to be completed close to budget.
- Based on the review of historical capital spend trending and an assessment of capacity to deliver, \$201.775 million in capital spending (City funded portion), \$52.6 million in cash flows originally budgeted for 2024 have been deferred to 2025 for Development Capital and \$32.0 million in cash flows have been accelerated from future years to 2024 for Building Repair Capital.

Appendix 8

Summary of Capital Delivery Constraints

Projects	Total Project Cost	Non-Debt Funding	Debt Required	Cash Flow (In \$ Millions)										
				2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	
NOT INCLUDED														
Building Repair Capital	189.1		189.1		18.6	18.6	18.6	18.6	18.6	18.6	18.6	18.6	18.6	40.0
Development Capital	78.4		78.4		(16.3)	29.4	32.0	51.1	45.3	(121.1)	13.9	139.3	(95.2)	
Regent Park Energy Inc.	61.9		61.9		10.1	10.7	10.7	10.1	10.1	7.7	1.2	0.6	0.6	
Building Repair Capital (State of Good Repair)	1,318.5		1,318.5	1.0	1.0	1.0	183.7	191.3	191.1	191.1	191.1	183.7	183.7	
Building Repair Capital - Net Zero	6,500.0		6,500.0	650.0	650.0	650.0	650.0	650.0	650.0	650.0	650.0	650.0	650.0	
Total Needs Constraints (Not Included)	8,147.9		8,147.9	651.0	663.4	709.7	895.1	921.1	915.1	746.3	874.8	992.3	779.1	

In addition to the 10-Year Capital Plan of \$3.507 billion, TCHC has identified \$8.148 billion in Capital Delivery Constraints as reflected in the table above. These projects will be included on the list of Capital Delivery Constraints to be considered with other City priorities in future year budget processes.

- Building Repair Capital includes unfunded cost pressures of \$189.1 million to pay for demand capital repairs from 2026 -2034.
- Development Capital includes unfunded cost pressures of \$78.4 million for rising development costs and additional affordable housing units resulting from density increases for in-flight projects.
- Regent Park Energy Inc. capital needs is funded for 2025 only, leaving a shortfall of \$61.9 million for 2026-2034. This capital funding request is required to support the continued build-out of the district energy system as part of the Regent Park redevelopment initiative.
- Building Repair Capital has an additional unfunded amount of \$1.318 billion to keep the buildings maintained in the state of good repairs conditions based on the the City of Toronto Corporate Asset Management Program (AMP) and TCHC's Financial Sustainability plan cost estimates.
- To achieve NetZero by 2040, Building Repair Capital would require an additional \$6.5 billion investment from 2025-2034 according to a third party independent energy study.

Appendix 9

Capital Program Provincial/Federal Funding Streams by Project

Projects (In \$000s)	Intergovernmental Funding Program	Provincial Funding	Federal Funding	Total Funding
Building Repair Capital	National Housing Co-Investment Fund (Capital Repair Stream)		461,300.6	461,300.6
Development Capital	National Housing Co-Investment Fund (New Construction Stream)*		85,841.0	85,841.0
Carbon Projects	NRCan Grant for Carbon Projects		10,450.0	10,450.0
Total Funding			557,591.6	557,591.6

Note: Total funding includes 2025 Capital budget and 2026-2034 Capital plan.

Appendix 10

Inflows and Outflows to/from Reserves and Reserve Funds

2025 – 2034 Capital Budget and Plan

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Project / Sub Project Name and Number	Contributions / (Withdrawals)									
		2025 Budget	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	2034 Plan
XR1730 City Building Reserve Fund	Beginning Balance	948,564	1,091,400	1,355,665	1,560,850	1,848,356	2,216,571	2,844,051	3,312,182	3,889,767	4,739,609
	<i>Withdrawals (-)</i>										
	<i>TCHC</i>	(63,492)	(11,562)	(89,005)	(92,984)	(88,222)	127,538	(82,566)	(26,970)	180,324	-
	Total Withdrawals	(63,492)	(11,562)	(89,005)	(92,984)	(88,222)	127,538	(82,566)	(26,970)	180,324	-
	<i>Contributions (+)</i>										
	<i>Rate Model Contributions</i>	383,757	458,000	535,662	616,892	701,517	789,672	881,496	977,136	1,076,742	1,180,473
	<i>Interest Income</i>	10,149	12,174	14,510	16,961	20,224	25,177	30,628	35,831	42,932	50,818
Total Contributions	393,907	470,175	550,172	633,853	721,741	814,849	912,124	1,012,966	1,119,674	1,231,292	
Other Program/Agency Net Withdrawals and Contributions	(187,579)	(194,347)	(255,982)	(253,363)	(265,304)	(314,907)	(361,427)	(408,411)	(450,156)	(496,007)	
Balance at Year-End	1,091,400	1,355,665	1,560,850	1,848,356	2,216,571	2,844,051	3,312,182	3,889,767	4,739,609	5,474,894	

Appendix 11

Glossary

Approved Position: Permanent or temporary positions that support the delivery of City services and service levels in annual budget.

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

Capital Budget and Plan: A Capital Budget and Plan is the City's 10-year strategy to acquire/build assets or extend the useful lives of existing assets. The Capital Budget is the first year of approved cash flows and future year's commitments and the remaining nine years include project estimates.

Capital Delivery 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 provide services.

Operating Impact of Completed Capital Projects: The Operating Budget Impact of Capital is the change in operating expenditure and / or revenue, which is projected to occur during the implementation of a capital project and / or when a capital project is completed. These changes should be documented on a Business Case Form in the appropriate category.

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

Salary and Benefits Adjustment: General increases related to contractual obligations, such as cost of living, step increases, pay for performance and progression pay.

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

Tax Supported Budget: Budget funded by property taxes.

User Fees: Includes all program-generated fees and rental revenue for the use of its services (such as the TTC fare, ice rental fees and various City permits).