

2026 Budget Notes

Toronto Community Housing Corporation

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Description

Toronto Community Housing Corporation's (TCHC) core mission is to provide housing, tenant services and social supports for Torontonians, particularly people with low incomes and who come from equity-deserving groups. Together with the City of Toronto (the City) we help make it possible for nearly 94,000 individuals and families to live in affordable homes and help support the wellbeing, safety and vibrancy of our 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. With the growing demand for housing and escalating affordability crisis, TCHC plays an expanding role across the housing continuum, from rehousing individuals transitioning out of the City's shelter system through the Rapid Rehousing Initiative, to providing homes for individuals and families through the City's Centralized Housing Waitlist and offering a range of affordable and rent-controlled market options for those with moderate incomes.

Toronto Community Housing Corporation owns and operates over 1,300 buildings that are continually renewed through our revitalization and capital renewal programs. This includes a wide variety of housing types 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 managed by the Toronto Seniors Housing Corporation (TSHC), which continues to receive key services from TCHC to support its operations.

Why We Do It

Our overall priorities are to provide positive tenant experience, maintain quality and affordable homes, and build safe and vibrant communities. These priorities underscore our continued focus on delivering clean, safe and 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 units and buildings represents the most cost-effective way for governments to provide housing to Torontonians who are the most in need, and that also reduces demand on other health and social services. We are adapting and expanding our role to meet the changing needs of our tenants and to advance the City's priorities in addressing Toronto's evolving housing challenges. We understand the vital importance of our work in ensuring that more people have access to housing that is safe, well-maintained and dignified.

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 \$20.5 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 growing 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 among our tenants has been rising dramatically. These growing needs place pressure on all Toronto Community Housing Corporation service areas and underscore the importance of ensuring tenants can access the supports required to live safely, fully and independently.

Resources (gross 2026 operating budget): \$666.2 million

Who We Serve

TCHC houses tenants in 88 of Toronto's 158 neighbourhoods, providing homes to over 41,000 low and moderate-income households. Our 94,000 residents come from many different backgrounds with a diversity in age, education, language, mental and physical disability, religion, ethnicity and race. As a social housing provider, we serve Toronto most vulnerable residents, including families with children and households with complex needs including mental health and physical disabilities.

Budget at a Glance

2026 OPERATING BUDGET

In \$ Millions	2026	2027	2028
Revenues	\$329.9	\$334.6	\$339.2
City Base Funding	\$326.7	\$326.7	\$326.7
City Reserve Repayment	\$ 3.3	\$ 3.3	\$ 3.3
Bridge Funding TCHC	\$ 5.1	\$ 0.0	\$ 0.0
Bridge Funding TSHC	\$ 1.2	\$ 0.0	\$ 0.0
Gross Expenditures	\$666.2	\$688.2	\$710.6
Net Expenditures	\$0.0	\$23.6	\$41.4
Approved Positions	2,427	2,427	2,427

2026-2035 10-YEAR CAPITAL PLAN

In \$ Millions	2026	2027-2035	Total
Gross Expenditures			
State of Good Repair	\$362.0	\$1,786.5	\$2,148.5
Development	\$127.4	\$ 571.4	\$ 698.8
IT/Corporate	\$ 13.8	\$ 12.0	\$ 25.8
Tenant Support	\$ 5.2	\$ 7.2	\$ 12.4
Carbon/Other	\$ 15.9	\$ 46.2	\$ 62.1
Total Expenditures	\$524.3	\$2,423.3	\$2,947.6

Note: State of Good Repair includes other components and programs that do not directly address the backlog, Development includes City repayments.

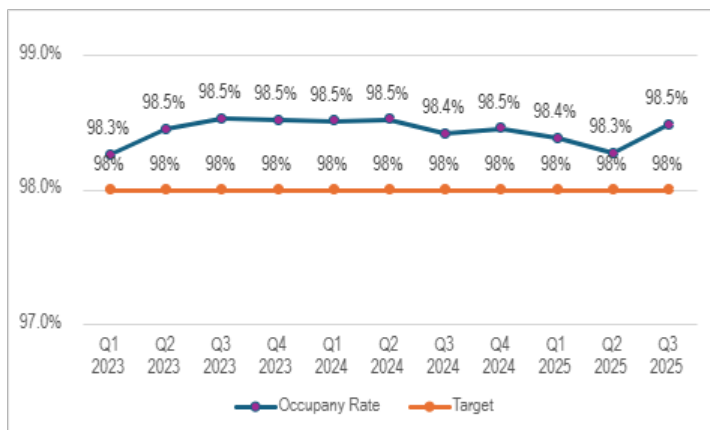
City Funding

Debt	\$121.1	\$1,698.2	\$1,819.3
Recoverable Debt	\$160.0	\$ 0.0	\$ 160.0
Reserves	\$ 12.2	\$ 49.3	\$ 61.5
Total City Funding	\$293.3	\$1,747.5	\$2,040.8

Note: Excludes 2025 carry forward funding.

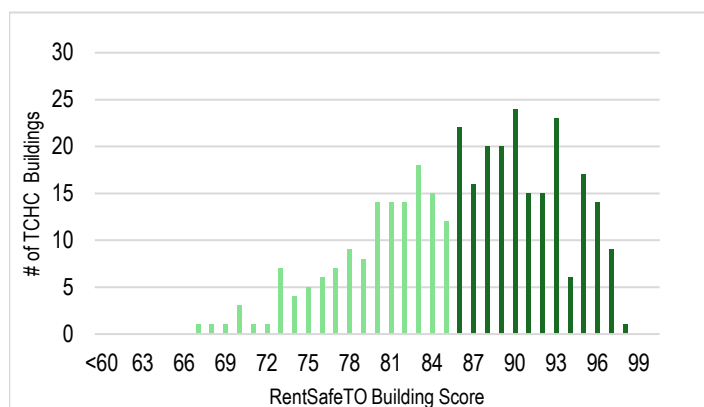
How Well We Are Doing – Behind the Numbers

Deeply affordable housing services - Occupied units



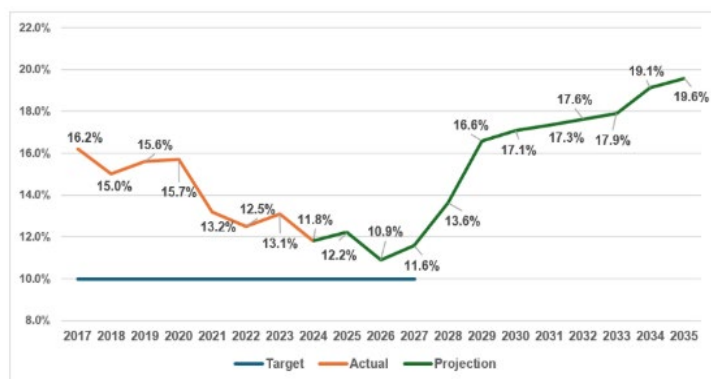
- TCHC has exceeded its Service Manager defined occupancy target of 98% for the past year including in the fourth quarter of 2024 and first three quarters of 2025 with an occupancy rate of 98.5% achieved in September 2025.
- TCHC continues several in-flight initiatives that focus on filling vacant units including collaborating with the City to streamline processes, reporting units deemed permanently out of circulation, reviewing procedures to support internal programs like Priority Transfers and Rapid Rehousing, and enhancing our Move-Out program to reduce unit turnovers for new tenants.

Deeply affordable housing services – RentSafeTO Scores



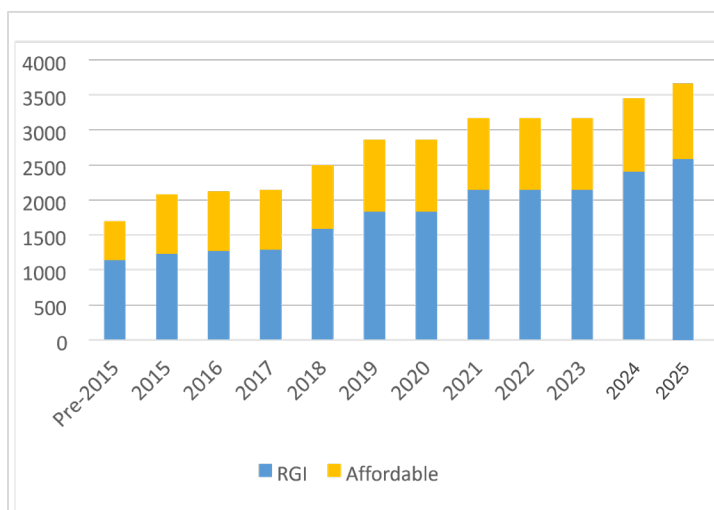
- All TCHC buildings are subject to building evaluation under the RentSafeTO program every two years as required by the City.
- All of the 343 TCHC's buildings which are assessed under the City's RentSafeTO program received a score of at least 67 out of 100.
- The highest scoring building received 98 with the vast majority (99%) receiving a score of at least 70.
- No TCHC buildings received a score of 50% or below, which would require a subsequent audit.

Stewardship of public assets - Facility Condition Index (FCI)



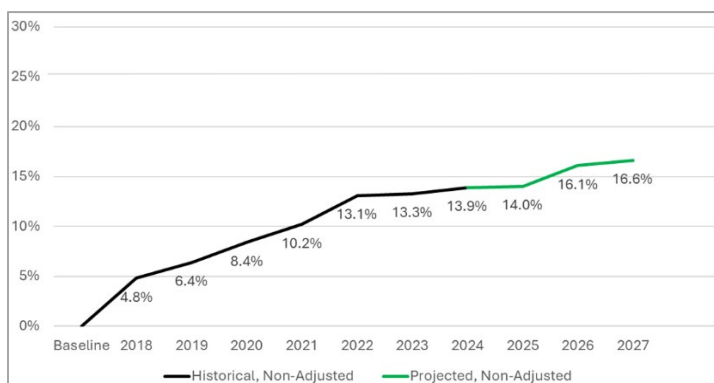
- FCI is a standard benchmark used to assess the condition of buildings and physical infrastructure by measuring the total cost of deferred capital repair needs or required upgrades relative to the total asset replacement value.
- An FCI of 10% or less is the industry standard for state of good repair (SOGR).
- TCHC is projected to reach an FCI of 10.9% in 2026, a decrease from 12.2% in 2025.
- FCI is expected to rise to 19.6% by 2035, driven by the updated SOGR capital needs, escalating costs, and the loss of federal funding starting from 2027.
- TCHC will not meet the 10% FCI target by 2027 originally set in the 2017 10-Year Building Capital Repair Plan. However, TCHC will continue to prioritize urgent and critical repairs while balancing long-term asset sustainability with emerging operational demands.

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



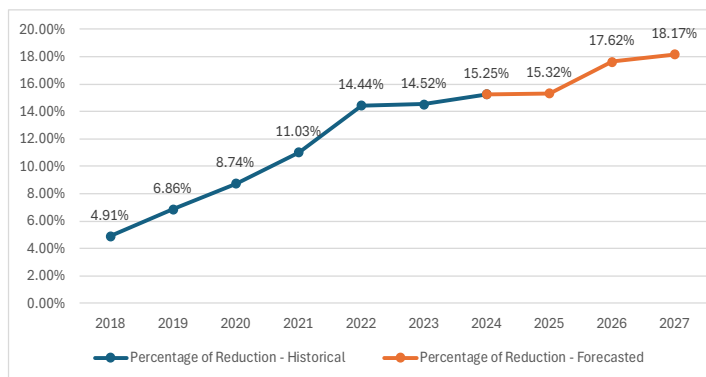
- On TCHC sites, the Revitalization Program will deliver over 11,577 units up to 2026.
- TCHC's 10-year development plan aims to deliver over 9,769 (including market condominium, refurbished, rent-geared-to-income, and affordable) new units by 2035. This includes 1,838 RGI replacement units, the potential for 828 affordable units, and 1,476 net new units with varying affordability levels.
- TCHC has taken on two "City Developer" sites under the new Toronto Builds Policy Framework delivering upwards of 569 additional market and affordable rental units.
- Furthermore, pre-development analysis on several potential new redevelopment and infill sites could create additional net new affordable housing.
- TCHC continues to play a pivotal role in the City's housing market through partnership structures with private developers as well as diversifying through the Toronto Builds housing model to retain public land and deliver replacement and net new affordable housing.

Stewardship of public assets - Energy Savings



- TCHC has achieved 14.0% energy savings to the end of 2025 versus the 25% target for 2028, one of the requirements of the Canada Mortgage and Housing Corporation contribution agreement.
- Due to extenuating circumstances (i.e., construction inflation and tenant usage), the energy reduction trend is estimated to reach 16.6% by 2028.
- In 2025, TCHC worked with Canada Mortgage Housing Corporation (CMHC) to adjust for these factors bringing the energy requirements in compliance with the agreement.
- CMHC and TCHC have reached revised terms for energy requirements which includes a modified target and inclusion of additional year-end adjustments. This will be formalized in early 2026 and reflected in subsequent reporting.

Stewardship of public assets – Net-Zero/Greenhouse Gas Emission Reductions



- TCHC and the Toronto Atmospheric Fund commissioned a net-zero report from an external energy consultant in 2024, which estimated that an investment in the range of \$6-\$7 billion is required to decarbonize the entire social housing building portfolio.
- TCHC will continue to work with the City and other levels of government to secure net-zero funding.
- TCHC will also work with Toronto Hydro for service upgrades to ensure electrical capacity availability for electrification to displace natural gas use thereby significantly reducing greenhouse gas emissions.
- TCHC is projected to achieve a cumulative 15.32% reduction in greenhouse gas emissions in 2025.

How Well We Are Doing

Service	Measure	2024 Actual	2025 Target	2025 Projection	2026 Target	2027 Target
Outcome Measures						
Deeply affordable housing services	Occupied units	98.5%	98.0%	98.4%	98.0%	98.0%
Stewardship of public assets	Facility condition index (FCI)	11.8%	12.3%	12.2%	10.9%*	11.6%*
	Number of completed affordable and RGI units (cumulative from the start of the revitalization program)	3,450	3,617	3,617	2025-2034 Target** In flight 4,987 Not in-flight 7,090***	
	Number of completed unlocked market ownership housing units (cumulative from the start of the revitalization program)	6,914	6,990	6,990	11,504	12,910
	Energy efficiency (baseline year is 2017)	13.9%	14.0%	14.0%	15.5%	16.5%

*Estimated re-forecasted FCI based on 2024 actual results.

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

***Includes rent-controlled market rent.

EXPERIENCES, CHALLENGES AND PRIORITIES

Our Experience and Success

- 2025 marks the first year of TCHC's current five-year Strategic Plan – Foundations of the Future (2025-2029), which establishes a roadmap for success by setting key priorities and a vision for the future.
 - TCHC implemented its refreshed tenant engagement model in 2025 called "Engage Together", which supports and empowers inclusive tenant communities. Specific initiatives included hosting three Tenant Community Action Tables led by the Mayor's Office, holding elections for tenant leaders, and the establishment of the Youth Tenant Advisory Committee.
 - To strengthen partnerships and provide support to tenants, TCHC opened five new iHelp Centres in 2025 for a total of ten locations.
 - To address safety and security in TCHC communities, we have reached out to 100+ families with complex tenancy interventions bringing trauma-informed programs to youth.
 - To improve the cleanliness, maintenance and accessibility of TCHC buildings, we established a new in-house semi-skilled training pilot that has upskilled 500+ TCHC building staff in plumbing repairs allowing for more responsive, higher quality repairs to avoid more costly and untimely vendor work.
 - TCHC continues to address capital repairs with completion of holistic projects in 2025 including at 2 Brahms, 4100-4110 Lawrence Ave. E., and 3680 Keele St.
- In July 2025, TCHC launched a new \$1 million funding program for tenant-led initiatives called Local Initiative Funding for Tenants (LIFT) with 10+ projects already completed or underway.
- In 2025, TCHC launched the social procurement program which awarded \$1.66 million to vendors from TCHC communities. TCHC also connected over 180+ individuals with training, employment, and scholarships opportunities, with a specific focus on youth empowerment/development.
- As part of the violence prevention efforts, three new community spaces operated by tenant/youth groups were activated in 2025 to support young people in high-violence communities.
- In 2025, TCHC was selected by the City to lead the development of two city-owned sites at 150 Queens Wharf Rd. and 405 Sherbourne St. TCHC's expanded role under Toronto Builds, aligns with the Strategic Plan priority of creating more mixed income housing and collaborating with others to accelerate development.
- TCHC had three major openings within our revitalization framework including the completion of the Don Summerville revitalization (688 units), occupancy of 175 Oak St. (213 units) in Regent Park, and opening of seven townhomes in Lawrence Heights.
- Future groundbreakings for the next phases of Regent Park (4a) and Alexandra Park and submissions for planning approvals for Swansea Mews, Lawrence Heights Phase 2 highlights the strength of our growing development pipeline.
- In 2025, TCHC reclaimed and rehabilitated the community at 50 Torbolton Drive, restoring its 17 townhome units that have been closed for more than 15 years. The full renovation and retrofit will bring these homes up to Passive House building standards.
- To address digital risks and strengthen organizational resilience, TCHC has enhanced its cybersecurity capabilities through a multi-year program aligned with the City's Chief Information Security Officer and Auditor General directives, while advancing data strategy and business intelligence to improve decision making.
- As one of the opportunities identified by TCHC's Financial Sustainability Plan, TCHC launched the multi-year Procurement Transformation implementation project in early 2025, aiming to improve the end-to-end procurement processes.

Key Challenges and Risks

Adapting limited resources to evolving and increasing tenant needs

- TCHC is serving an aging and increasingly vulnerable tenant population with greater health and social support needs, requiring the organization to stretch beyond its core landlord responsibilities with limited resources, funding and lack of integration between housing, health and social services.
- City initiatives to support the most vulnerable, such as the Rapid Rehousing initiative, have increased the number of tenants requiring significant supports, including 1,625 individuals housed since 2020.
- A greater proportion of households are entering TCHC through a “disadvantaged code,” indicating higher vulnerability versus through the regular centralized waitlist (1 in 5, up from 1 in 7).
- The increasing acuity of tenant needs additionally complicates completion of core landlord services such as increased security to address anti-social behaviour and increased pest and maintenance costs.

Increasing capital costs and the upcoming end of Federal funding for state of good repairs (SOGR)

- TCHC’s estimated SOGR backlog is projected to reach \$2.229 billion in 2026, an increase of \$432 million compared to 2025. This growth reflects updated building assessments, the inclusion of soft costs and inflationary escalation resulting from trade and US tariff uncertainties.
- While TCHC has made progress in stabilizing building conditions since 2019 through its current capital plan, Federal National Co-Investment funding, which accounts for approximately 52% of TCHC’s annual building capital repair funding, is set to end after 2027.
- Without renewed capital funding, TCHC’s recent progress and the ability to initiate multi-year capital projects will be at risk.

Bridging to a more financially sustainable future

- TCHC has begun implementation of recommendations from its Financial Sustainability Plan to control costs and improve efficiency. However, long-term structural issues will continue to limit the organization’s ability to operate without adequate ongoing operating subsidies.

Cybersecurity and digital resilience

- Evolving cyber threats and aging infrastructure pose significant risks, alongside the need for robust data governance and harness business intelligence to inform and support strategic planning.

Meeting new compliance requirements and City directives

- TCHC is committed to fulfilling all compliance requirements and advancing new initiatives and directives from the City. However, current resource constraints create challenges in advancing new strategic priorities while maintaining existing service standards and levels.
- This includes work related to the renegotiation of relationships with Toronto Seniors Housing Corporation (TSHC), portfolio decarbonization to meet the City’s TransformTO goals and a potential maximum indoor temperature requirement for rental housing units.

Addressing community safety including violence and vulnerability

- TCHC communities, tenants and staff continue to face community safety challenges caused by chronic violence and gun-related incidents, as well as disruptive behaviour related to vulnerabilities such as substance use, trauma and mental health.

Priority Actions

Our 2025-2029 Strategic Plan sets out key priority actions for 2026 by identifying activities in our implementation including:

- Supporting safe, healthy, and inclusive tenant communities.
 - Improving the cleanliness, maintenance, and accessibility of our buildings.
 - Strengthening TCHC’s affordable housing portfolio to deliver critical housing to Torontonians.
 - Fostering a collaborative, diverse, and thriving workplace.
 - Improving TCHC’s ability to lead, learn, and innovate.
 - Continuing investment in cybersecurity and modernization of information technology (IT) systems.
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CITY STAFF PREPARED BUDGET

The City Manager and Chief Financial Officer and Treasurer have prepared the following budget:

- \$329.985 million in City funding to support the 2026 Operating Budget, representing \$2.519 million increase from 2025. This increase in operating funding reflects the following:
 - reversal of \$0.731 million in intergovernmental funding contribution for new and enhanced initiatives approved in 2025, and
 - \$3.250 million increase in City subsidy to repay TCHC for the \$13.000 million reserve withdrawals made in 2023 as a one-time bridging strategy.
- \$1.835 billion in City funding is allocated to the 2026-2035 Capital Budget and Plan for building assets State of Good Repair (SOGR) projects, representing a \$217.843 million increase over the 2025-2034 SOGR Capital Budget and Plan.
- \$115.087 million in City funding is allocated to 2026-2035 Development Capital Budget and Plan, representing a \$19.839 million increase from the 2025-2034 Development Capital Budget and Plan.
- \$89.802 million in City funding is allocated to the 2026-2035 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, representing a \$38.511 million increase from the 2025-2034 Development Capital Budget and Plan.
- That all third-party funding included in the 2026 Budget be subject to the execution of an agreement or receipt of funding. If such agreement or funding is not in place by 2026 or forthcoming, the approval to spend must be reassessed relative to other priorities and needs in future budget processes.

and a further:

- \$5.901 million in City-provided base operating subsidy be reallocated from Toronto Seniors Housing Corporation (TSHC) to Toronto Community Housing Corporation (TCHC).

2026 OPERATING BUDGET

2026 OPERATING BUDGET OVERVIEW

Table 1: 2026 Operating Budget by Service

(In \$000s)	2024 Actual	2025 Budget	2025 Projection*	2026 Base Budget	2026 New/Enhanced	2026 Budget	Change vs. 2025 Budget	
By Service	\$	\$	\$	\$	\$	\$	\$	%
Revenues								
Residential Rent - RGI	195,891.0	195,227	201,726.6	201,809.9		201,809.9	6,582.6	3.4%
Residential Rent - Market	86,351.1	88,349	91,418.2	90,053.4		90,053.4	1,703.9	1.9%
City Subsidy (Base)	298,921.9	327,466	324,962.6	326,735.1		326,735.1	(730.8)	(0.2%)
City Repayment				3,250.0		3,250.0	3,250.0	N/A
Other Revenue	40,170.0	39,768	36,523.7	38,051.9		38,051.9	(1,716.1)	(4.3%)
One-Time Bridging TCHC		5,501		5,110.0		5,110.0	(391.0)	(7.1%)
One-Time Bridging TSHC				1,200.0		1,200.0	1,200.0	N/A
Total Revenues	621,333.9	656,311.6	654,631.2	666,210.3		666,210.3	9,898.7	1.5%
Gross Expenditures								
Total Operating Expenses	606,229.2	655,812	648,607.3	665,783.8		665,783.8	9,972.2	1.5%
Swansea Mews	718.5	500	471.7	426.5		426.5	(73.5)	(14.7%)
Total Gross Expenditures	606,947.7	656,311.6	649,079.0	666,210.3		666,210.3	9,898.7	1.5%
Net Expenditures	(14,386.2)		(5,552.2)					N/A
Approved Positions**	2,124.0	2,386.0		2,427.0		2,427.0	41.0	1.7%

*2025 Projection based on 9-Month Variance

**Year-over-year comparison based on approved positions

KEY DRIVERS

Total 2026 Budget expenditures of \$666.210 million gross reflect an increase of \$9.899 million in spending above the 2025 Budget, predominantly arising from:

- Added resources to sustain tenant services and organizational capacity.
- Increase for mortgage principal, interest, and insurance, driven by higher financing costs and property restoration and containment needs.
- Increases in other expenses including post retirement benefits, sinking fund contributions, Regent Park Energy Inc., and MoveTO.
- Reduction in utilities and municipal taxes, driven by the federal removal of the carbon fuel charge, which more than offset rising utility costs.

EQUITY IMPACTS OF BUDGET CHANGES

TCHC directly supports equity-deserving groups by providing key housing and support services to its tenants who benefit from affordable housing options and programs/initiatives that support the well-being, community economic development, and safety and security of the communities they live in.

Funding of our operating subsidy allows TCHC to continue to house the most economically vulnerable in the City as 85% of our tenants pay rent-geared-to-income.

TCHC continually houses key equity-deserving and vulnerable groups including people experiencing homelessness, shelter users, newcomers, survivors of domestic/family abuse, independent youth aged 16 or 17, and Indigenous people on a priority basis through the Disadvantaged List and programs like the Rapid Rehousing Initiative.

TCHC's capital budget also enables our work in supporting equity-deserving groups including individuals and households with disabilities, who are represented in 53% of households we serve. TCHC's accessibility initiatives include capital upgrades, improvements of existing units and building of new accessible units that meet or exceed the Ontario Building Code and Toronto Accessibility Design Guidelines.

2026 OPERATING BUDGET KEY COST DRIVERS

The 2026 Operating Budget for TCHC of \$666.210 million is \$9.899 million, 1.5% greater than the 2025 Operating Budget. Table 2 below summarizes the key cost drivers for the 2026 Budget.

Table 2: 2026 Key Cost Drivers

(In \$000s)	2026 Request				2027 Incremental (Net)
	Revenues	Gross	Net	Positions**	
2025 Operating Budget	328,845.7	656,311.6	327,465.9	2,386.0	N/A
Key Cost Drivers:					
Prior Year Impacts					
Reversal of One-Time Balancing Strategy	(5,501.0)		5,501.0		
Reversal of One-Time Reduction for City Reimbursed Arrears		1,631.0	1,631.0		
Operating Impacts of Capital					
Annualized IT Systems Maintenance and License Costs		1,793.2	1,793.2		655.0
Salary and Benefits					
Salary and Benefits Adjustments		11,879.5	11,879.5	42.0	9,794.1
Non-Salary Inflation					
Insurance, Municipal Taxes, and Utilities		7,919.0	7,919.0		5,688.0
Service Contracts and Building Maintenance		4,750.0	4,750.0		2,630.7
Mortgage Principal and Interest		2,750.7	2,750.7		2,383.5
Revenue Changes					
Rent Revenue Changes	7,209.5		(7,209.5)		(4,642.8)
Bad Debt, Bell Contract Adjustments, Regent Park Energy Inc. (RPEI)	(2,227.0)		2,227.0		
Other Changes					
Other Base Expenditures		2,177.7	2,177.7		841.9
Sub Total Key Cost Drivers	(518.5)	32,901.2	33,419.7	42.0	17,350.5
Affordability Measures	7,898.2	(23,002.4)	(30,900.6)	(1.0)	6,310.0
Total 2026 Request w/o City Funding	336,225.4	666,210.3	329,984.9	2,427.0	23,660.5
Change from 2025 Budget (\$)	7,379.7	9,898.7	2,519.0	41.0	
Change from 2025 Budget (%)	2.2%	1.5%	0.8%	1.7%	
City Funding:					
2025 City Funding	327,465.9		(327,465.9)		
Reversal of Intergovernmental Funding	(730.9)		730.9		
Base Subsidy Increase	3,250.0		(3,250.0)		
Total City Funding	329,984.9		(329,984.9)		
Total 2026 Budget	666,210.3	666,210.3	(0.0)	2,427.0	23,660.5
Change from 2025 Budget (\$)	9,898.7	9,898.7	(0.0)	41.0	
Change from 2025 Budget (%)	1.5%	1.5%	0.0%	1.7%	

*Based on 9 Month Variance

**YoY comparison based on approved positions

Key Base Drivers:**Prior Year Impacts:**

- Reversal of 2024 surplus funding used as a one-time bridging strategy in 2025.
- Reversal of one-time reduction for commercial arrears reimbursement.

Operating Impacts of Capital:

- Annual increases to IT systems maintenance and licenses based on existing contracts.

Salaries and Benefits:

- Salaries and Benefits adjustments to cover Cost of Living Adjustments (COLA), performance pay, benefit and statutory increases.
- Added resources to sustain tenant services and organizational capacity.

Non-Salary Inflation:

- Additional funding required for increases to insurance, municipal taxes and utilities. Core and non-core corporate insurance program reflects an increase based on advice provided by the insurance provider and is in line with industry standards. Municipal taxes reflect anticipated property tax increases, as well as addition of new property to be added to TCHC's portfolio. Additional funding requirements for utilities reflect both anticipated higher rates and consumption.
- Additional funding required for service contracts and building maintenance as per current contractual obligations.
- Additional funding required for Mortgage Principal and Interest mainly due to conversion of 2025 CMHC Co-Investment loan into a 30-year term loan with repayment of Principal to start in 2026.

Revenue Changes:

- Additional revenue will be generated in 2026 from a 0.75% increase to RGI rent, 2.1% increase to Market rent as per Ministry of Municipal Affairs and Housing guideline, and 2.5% increase to commercial rent.
- Reduction to revenues due to increased provision for bad debt, which is returning to pre-pandemic levels, removal of phone/internet/cable revenue from Bell due to contract elimination, and updated revenue projections for the Regent Park Energy Inc. (RPEI).

Other Changes:

- Additional funding requirements for various other base budget items including increases for equipment and materials used for tenant program delivery, meetings and events; adjustments to post retirement benefits and Swansea Mews requirements.

City Funding:

- \$329.985 million in City funding to support the 2026 Operating Budget, representing \$2.519 million increase from 2025. This increase in operating funding reflects the following:
 - reversal of \$0.731 million in one-time intergovernmental funding contribution for new and enhanced initiatives approved in 2025; and
 - \$3.250 million increase in City subsidy to repay TCHC for the \$13.000 million reserve withdrawals made in 2023 as a one-time bridging strategy, with equal annual repayments of 25% scheduled in 2026, 2027, 2028 and 2029, respectively.

Affordability Measures:**Table 3: Affordability Measures**

(In \$000s)									
Item	Savings Type	Equity Impact	2026				2027 (Incremental)		
			Revenues	Gross Expenditures	Net Expenditures	Positions	Gross Expenditures	Net Expenditures	Positions
Line by Line Realignments	Line-by-line	None		(3,320.0)	(3,320.0)				
Efficiencies	Efficiencies	None	1,077.5	(2,958.5)	(4,036.0)				
Cabron Tax Cancellation	Other	None		(11,794.1)	(11,794.1)				
Executive Team Realignment	Efficiencies	None		(286.0)	(286.0)	(1.0)			
One-time Bridging Funding - TCHC & TSHC	Other	None	6,310.0		(6,310.0)			6,310.0	
Capitalized Labour Policy Standardization	Other	None		(2,835.0)	(2,835.0)				
Other	Other	None	510.7	(1,808.9)	(2,319.6)				
Total Affordability Measures			7,898.2	(23,002.4)	(30,900.6)	(1.0)		6,310.0	

Affordability measures are specific actions taken by Toronto Community Housing Corporation that achieve cost reductions without impacting service levels for City Divisions and the public.

- **Line by Line Reviews:** \$3.321 million in savings from aligning budgets with actual trends for a number of budget line items including municipal taxes, mileage, and IT requirements where there are opportunities to reduce costs.
- **Efficiencies:** \$4.036 million in operating efficiencies and various optimization efforts in such areas as asset and facility optimization, process improvements, procurement and contract management, maintenance and staffing optimization.
- **Carbon Tax Cancellation:** \$11.794 million in annualized savings due to Carbon Tax cancellation as of April 1, 2025.
- **Executive Team Realignment:** \$0.286 million in savings from elimination of the Vice-President role in Strategic Planning and Communication Division.
- **One-Time Bridge Funding:** \$6.310 million in one-time surplus funding from 2025 from both TCHC (\$5.110 million) and TSHC (\$1.200 million) to help close the funding gap and avoid impacts on service. As this is one-time bridge funding, it will be reversed and creates a funding pressure in 2027.
- **Capitalized Labour Policy Standardization:** \$2.835 million in recoveries for existing base positions that are dedicated to capital project delivery, reflecting alignment with City budgeting practices.
- **Other:** Additional revenue of \$0.511 million for commercial rent, laundry and parking and \$1.809 million savings due to adjustments to the RPEI operating expenses, management fees, legal and consulting requirements and Swansea Mews.

2027 AND 2028 OUTLOOK**Table 5: 2027 and 2028 Outlook**

(In \$000s)	2026 Budget	2027 Incremental Outlook	2028 Incremental Outlook
Revenues			
Revenue Changes		4,642.8	4,655.0
One-Time 2026 Bridging Funding		(6,310.1)	
Total Revenues	666,210.3	(1,667.3)	4,655.0
Gross Expenditures			
Salaries and Benefits Changes		9,794.1	10,285.4
Maintenance Pressures (Volume & Pricing)		2,630.7	4,520.3
Utilities		3,969.0	4,745.0
Municipal Taxes		401.0	409.0
Swansea Mews		(426.0)	
Mortgage Principal and Interest		2,383.5	(1,423.3)
Insurance Incl. Restoration & Containment		1,318.0	1,436.0
Service Delivery Enhancements		1,493.9	1,932.7
Administrative		429.0	439.7
Total Gross Expenditures	666,210.3	21,993.3	22,344.8
Net Expenditures	0.0	23,660.5	17,689.8
Approved Positions	2,427.0	0.0	0.0

Key Outlook Drivers

The 2027 Outlook with total gross expenditures of \$688.204 million reflects an anticipated \$21.993 million or 3.3% increase in gross expenditures above the 2026 Operating Budget. The 2028 Outlook expects a further increase of \$22.345 million or 3.3% above the 2027 Outlook.

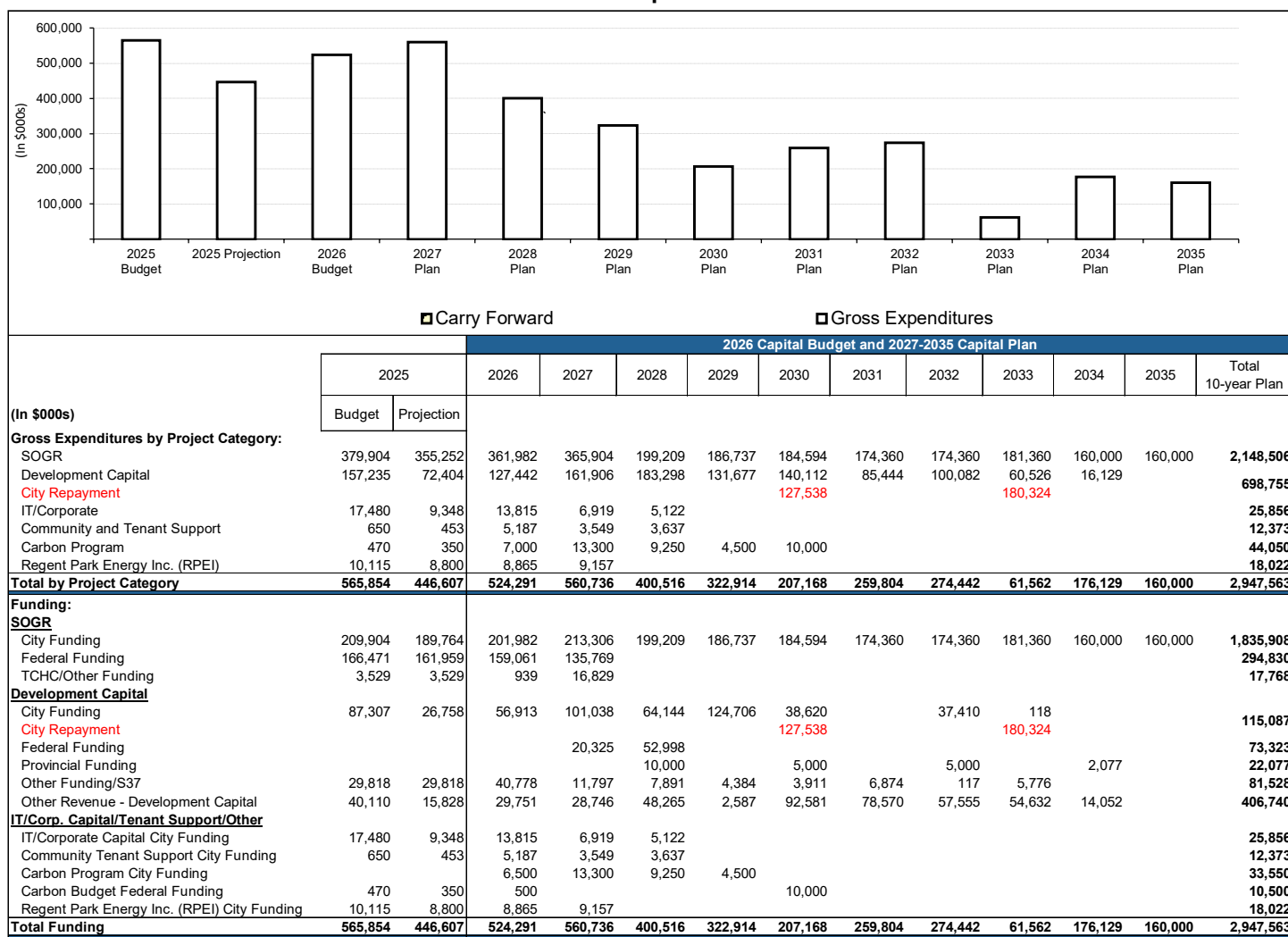
These changes arise from the following:

- **Revenue Changes:** RGI and Market residential rent increases based on Ministry guidelines, along with increases for commercial rents, parking and laundry revenue streams.
- **One-Time 2026 Bridge Funding:** Reversal of \$6.310 million in one-time bridge funding through the use of prior year surplus to balance the 2026 Operating Budget.
- **Salaries and Benefits:** Cost of Living Adjustments (COLA), benefits and statutory increases.
- **Maintenance Pressures:** Maintenance cost increases reflective of projected volume increases and known contractual obligation increases.
- **Utilities:** Inflationary increases for electricity, natural gas, and water.
- **Swansea Mews:** Demolition is expected to be completed in 2026, which results in savings to annual carrying costs.
- **Mortgage Principal and Interest:** Projection based on loan amortization schedules and CMHC co-investment loan for SOGR building capital.
- **Insurance including Risk Containment and Restoration:** Estimated increases for core and non-core corporate insurance program, as well as anticipated increase to the Risk Containment and Restoration requirements.
- **Service Delivery Enhancements:** To support strategic priorities outlined in the Board's 2025-2029 Strategic Plan.

2026-2035 CAPITAL BUDGET AND PLAN

2026–2035 CAPITAL BUDGET AND PLAN OVERVIEW

Chart 1: 10-Year Capital Plan Overview



Carry forward funding is not included in the 10-year capital plan and will be incorporated through the incremental carry forward process at year-end. The difference in timing of actual expenditures on the TCHC side and billing on the City side results in temporary misalignment for 2025 between TCHC and City records. This will be addressed through the year-end process.

Project Updates

(\$216.193 Million)






The Capital Budget and Plan reflects the following changes to existing projects over the nine common years (2026-2034):

- \$52.450 million for Infrastructure of Safety project that will modernize technology, enhance security, and address critical operational and network separation issues at 20 high needs sites.
 - \$18.022 million for Regent Park Energy Inc. to build a second thermal energy plant and energy transfer stations, as well as upgrade equipment in the central energy plant.
 - \$17.829 for dedicated pre-development work to advance as many sites as possible into shovel-ready status in order to better position TCHC to maximize access to Build Canada Homes and other time-limited programs and funding.
 - \$14.895 million for IT primarily for enhancement of network security, system upgrades and replacement of end-of-life equipment.
 - \$5.393 million to fully renovate 6 three-bedroom units at Finch Ardwick that have been offline for 15 years.
 - \$3.404 million for Corporate Capital for renovation of Seniors' Hubs to create additional office space.
 - \$2.010 million to advance work on Swansea Mews and Lawrence Heights Phase 2 projects.
 - \$1.725 million for Community & Tenant Support to construct youth hubs and development of resource planning application for Client Care Centre.
 - \$0.465 million for IT/Corporate Capital for furniture and move services.
-

Note:

For additional information, please refer to [Appendix 4b](#) for Capital Program Provincial/Federal Funding Streams by Projects, [Appendix 5](#) for a more detailed listing of the 2026 and 2027-2035 Capital Budget and Plan by project; [Appendix 6](#) for Capacity to Deliver Review; and [Appendix 7](#) for a Summary of Capital Delivery Constraints, respectively.

2026–2035 CAPITAL BUDGET AND PLAN**\$2.948 Billion 10-Year Capital Program**

				
SOGR	Development Capital	IT/Corporate	Energy Programs	Community Tenant Support
\$2,148.5 M 72.9%	\$698.8 M 23.7%	\$25.8 M 0.9%	\$62.1 M 2.1%	\$12.4 M 0.4%
Health and safety and rehabilitation of aging infrastructure and facilities, including the following: <ul style="list-style-type: none"> • Structural, envelope and grounds • HVAC, electrical, plumbing, and roofing • Life safety systems • Energy retrofits • Accessibility upgrades • Equipment and appliances repairs • Building condition assessment 	In flight development projects New development projects	Cybersecurity & Integrity of Critical Systems Renovation and modernization of office space Facility upgrades for commercial spaces	Building deep retrofits Energy initiatives and retrofits Water conservation	Community Safety & Security capital needs

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

*Information above includes full project/sub-project 2026-2035 Budget and Plan cash flows. Does not break out the climate component costs separately.

How the Capital Program is Funded

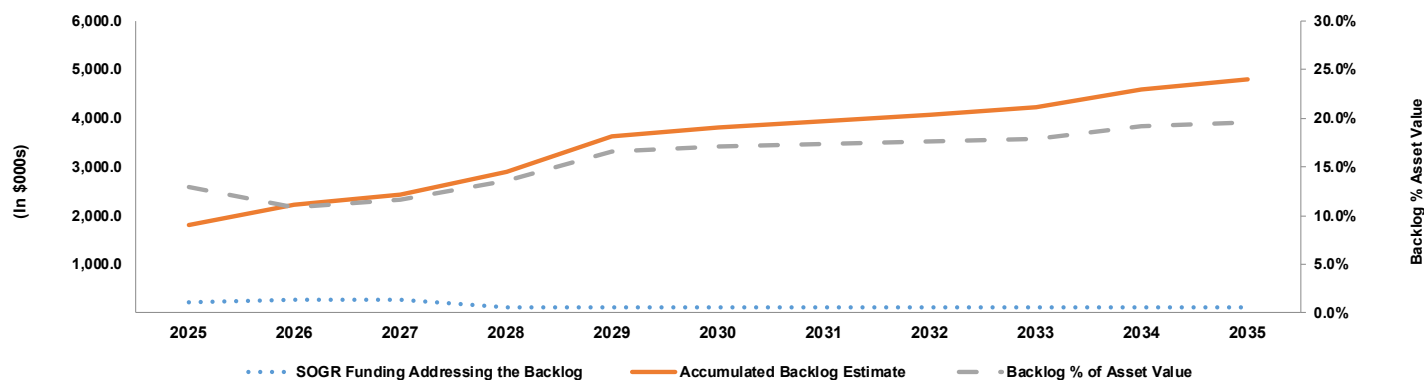
City of Toronto		Federal Funding		Other Funding	
\$2,040.8 M 69.3%		\$378.7 M 12.8%		\$528.1 M 17.9%	
City Funding for SOGR	\$1,835.9 M	National Housing Co-Investment Fund (Capital Repair Stream)	\$ 294.8 M	TCHC/Other Funding	\$ 17.8 M
City Funding for Development	\$ 115.1 M	National Housing Co-Investment Fund (New Construction Stream)	\$ 73.3 M	Other Funding for Development Capital	\$ 510.3 M
City Funding for IT/Corporate, Community Tenant Support, Carbon Program and RPEI	\$ 89.8 M	NRCan Funding	\$ 10.5 M		

- **State of Good Repair** – The 10-Year Capital Budget and Plan includes \$1.835 billion in City funding for various SOGR projects, including \$270.000 million in funding allocated from the Gardiner and Don Valley Parkway upload. This project is also supported by \$294.830 million in CMHC National Housing Strategy funding that is slated to expire in 2027.
- **Development Capital** – The 10-Year Capital Budget and Plan includes \$115.087 million in City funding. This includes additional funding of \$19.839 million to advance work for Swansea Mews and Lawrence Heights Phase 2, as well as pre-development work to get as many sites as possible into shovel ready status to access Build Canada Homes (BCH) funding and financing.
- **IT/Corporate Capital Projects** – The 10-Year Capital Budget and Plan includes \$25.856 million and addresses critical needs in cybersecurity aligned with Auditor General recommendations and work led by the City's Chief Information Security Officer. Funding also advances essential IT upgrades and equipment replacement, and delivers corporate capital initiatives, including renovations to five Seniors' Hubs and commercial facility improvements.
- **Community and Tenant Support** – The 10-Year Capital Budget and Plan includes \$12.373 primarily focused on assisting communities affected by chronic violence. 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, as well as construction of new youth hubs and development of resource planning application for the Client Care Centre.
- **Carbon Budget** – The 10-Year Capital Plan provides \$44.050 million for Scarlettwood and Sparroway Deep Retrofit projects to achieve reductions in GHG emissions and enhance resilience by eliminating resident exposure to extreme heat, supported by \$10.500 million in funding from Natural Resources Canada.
- **Regent Park Energy Inc.** – The 10-Year Capital Plan provides \$18.022 million, cash flowed in 2026 and 2027, 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.

STATE OF GOOD REPAIR (SOGR) FUNDING AND BACKLOG

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

Chart 2: Total SOGR Funding and Backlog



(In \$000s)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
SOGR Funding Addressing the Backlog	221.0	268.0	265.0	127.0	121.9	121.9	121.9	121.9	127.0	112.0	112.0
Accumulated Backlog Estimate	1,797.0	2,229.5	2,422.1	2,908.8	3,612.9	3,797.8	3,928.1	4,072.9	4,222.6	4,595.7	4,799.0
Backlog % of Asset Value	13.0%	10.9%	11.6%	13.6%	16.6%	17.1%	17.3%	17.6%	17.9%	19.1%	19.6%
Total Asset Value	13,853.1	20,482.0	20,932.6	21,351.3	21,778.3	22,213.8	22,658.1	23,111.3	23,573.5	24,045.0	24,525.9

TCHC manages and maintains over 2,100 assets including buildings, parking structures and sites, valued at nearly \$20.5 billion in 2026. The capital repair and community revitalization programs are focused on ensuring that these public assets are in good condition now and for the future. TCHC is a leader in the housing sector with respect to modernizing buildings through innovative energy solutions, green initiatives and conservation efforts.

The SOGR chart presented above depicts a steady investment plan of SOGR funding over the 10-year period.

- Despite the planned investment of \$1.499 billion in funding to SOGR projects, the accumulated backlog is anticipated to increase from \$1.797 billion (or 13.0% of total asset value) in 2025 to \$4.799 billion by 2035, representing 19.6% of the total replacement value estimated to be \$24.526 billion by 2035.
- SOGR backlog estimates have increased significantly compared to the 10-Year Capital Plan approved in 2025, driven by the following key factors:
 - New Building condition assessments conducted for 483 sites, representing over 20% of the asset portfolio.
 - Inclusion of soft costs previously excluded from earlier estimates. These costs were added to replacement values in the 2025 Corporate Assessment Management Plan and must now be reflected in the overall SOGR needs.
 - Escalating construction, material and labor costs, supply chain disruptions and the impact of U.S. tariffs are driving overall project estimates, making it more expensive to deliver the same scope of work.
- TCHC buildings are aging while the cost to maintain them has escalated significantly. With an average building age over 50 years and 69% of assets built between 1960 and 1970, capital renewal demands are intensifying, especially for high-rise buildings requiring increased investment over the next 10 to 15 years.
- Canada Mortgage and Housing Corporation (CMHC) National Housing Co-Investment Fund Repair and Renewal Stream funding is scheduled to end in 2027, which includes forgivable loans and low-interest repayable loans. This will result in unfunded capital SOGR commencing in 2028.
- 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

2026 Operating Budget by Category

Category TCHC (In \$000s)	2025 Budget	2025 Projection*	2026 Budget	2026 Change from 2025 Budget		2026 Change from 2025 Projection	
	\$	\$	\$	\$	%	\$	%
City Subsidy	327,466.0	324,962.6	326,735.1	(730.9)	(0.2%)	1,772.4	0.5%
Residential Rent - RGI	195,227.3	201,726.6	201,809.9	6,582.6	3.4%	83.3	0.0%
Residential Rent - Market	88,349.5	91,418.2	90,053.4	1,703.9	1.9%	(1,364.9)	(1.5%)
City Reserve Repayment			3,250.0	3,250.0		3,250.0	
Other Revenue**	39,768.0	36,523.7	38,051.9	(1,716.1)	(4.3%)	1,528.2	4.2%
One-Time Bridging Strategies TCHC	5,501.0		5,110.0	(391.0)	(7.1%)	5,110.0	
One-Time Bridging Strategies TSHC			1,200.0	1,200.0		1,200.0	
Total Revenues	656,311.8	654,631.2	666,210.3	9,898.5	1.5%	11,579.1	1.8%
Utilities	132,796.4	127,427.8	127,095.7	(5,700.7)	(4.3%)	(332.1)	(0.3%)
Mortgage	121,820.3	118,021.2	124,571.0	2,750.7	2.3%	6,549.8	5.5%
Municipal Taxes and Levies	21,834.0	21,150.0	20,048.3	(1,785.7)	(8.2%)	(1,101.7)	(5.2%)
Insurance incl. Restoration and Containment	19,504.0	20,208.9	20,151.1	647.1	3.3%	(57.8)	(0.3%)
Front Line Operations	267,554.4	268,795.5	277,552.8	9,998.4	3.7%	8,757.3	3.3%
Corporate Support	77,180.6	74,490.9	80,546.9	3,366.2	4.4%	6,056.0	8.1%
Other Expenses***	15,122.1	18,512.7	15,818.1	696.0	4.6%	(2,694.7)	(14.6%)
Swansea Mews	500.0	472.0	426.5	(73.5)	(14.7%)	(45.5)	(9.6%)
Total Gross Expenditures	656,311.8	649,079.1	666,210.3	9,898.5	1.5%	17,131.2	2.6%
Net Expenditures	0.0	(5,552.2)	0.0	0.0		5,552.2	(100.0%)

*Projection based on 9-Month Variance

** Other Revenues includes Commercial Rent, Parking and Laundry, RPEI, and Bad Debt rent revenue offset

*** Other Expenses Includes Post Retirement Benefits, Sinking Fund Contributions, RPEI, MoveTO

Appendix 2

Summary of 2026 Service Changes

N/A

Appendix 3

Summary of 2026 New/Enhanced Requests Included in Budget

N/A

Appendix 4a

Operating Program Provincial/Federal Funding Streams by Program

N/A

Appendix 4b

Capital Program Provincial/Federal Funding Streams by Project

Projects (in \$000's)	2026 Budget	2027-2035 Plan	Total
Provincial Funding			
<i>Development: Provincial Reimbursements</i>		22,077	22,077
Sub-Total: Provincial Funding		22,077	22,077
Federal Funding			
<i>SOGR: National Housing Co-Investment Fund (Capital Repair Stream)</i>	159,061	135,769	294,830
<i>Development: National Housing Co-Investment Fund (New Construction Stream)</i>		73,323	73,323
<i>Carbon: NRCan Grant for Carbon Projects</i>	500	10,000	10,500
Sub-Total: Federal Funding	159,561	219,092	378,653
Total Funding	159,561	241,169	400,730

Appendix 5

2026 Capital Budget; 2027-2035 Capital Plan Excluding Carry Forward

Projects (In \$000s)		2026 Budget	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	2034 Plan	2035 Plan	2026-2035 Total	Health and Safety/ Legislated	SOGR	Service Improvement and Growth
TCHC SOGR	☑	361,982	365,904	199,209	186,737	184,594	174,360	174,360	181,360	160,000	160,000	2,148,506		2,148,506	
TCHC Development Capital	☑	127,442	161,906	183,298	131,677	12,574	85,444	100,082	(119,798)	16,129		698,755			698,755
TCHC IT/Corporate	☑	13,815	6,919	5,122								25,856			25,856
TCHC Community and Tenant Support		5,187	3,549	3,637								12,373			12,373
TCHC Carbon Program	☑	7,000	13,300	9,250	4,500	10,000						44,050			44,050
TCHC Regent Park Energy Inc. (RPEI)	☑	8,865	9,157									18,022			18,022
Total Expenditure (including carry forward)		524,291	560,736	400,516	322,914	207,168	259,804	274,442	61,562	176,129	160,000	2,947,563		2,148,506	799,057

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

*Information above includes full project/sub-project 2026-2035 Budget and Plan cash flows. Does not break out the climate component costs separately.

Appendix 5a

2026 Cash Flow and Future Year Commitments Excluding Carry Forward

Projects (In \$000s)	2026 Budget	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	2034 Plan	2035 Plan	Total 2026 Cash Flow and FY Commitments	Previously Approved	Change in Scope	New with Future Year
TCHC SOGR	361,982	365,904	199,209	186,737	184,594	174,360	174,360	181,360	160,000	160,000	2,148,506	1,930,663	217,843	
TCHC Development Capital	127,442	161,906	183,298	131,677	12,574	85,444	100,082	(119,798)	16,129		698,755	678,916	19,839	
TCHC IT/Corporate	13,815	6,919	5,122								25,856	7,092	18,764	
TCHC Community and Tenant Support	5,187	3,549	3,637								12,373	10,648	1,725	
TCHC Carbon Program	7,000	13,300	9,250	4,500	10,000						44,050	44,050		
TCHC Regent Park Energy Inc. (RPEI)	8,865	9,157									18,022	0	18,022	
Total Expenditure (including carry forward)	524,291	560,736	400,516	322,914	207,168	259,804	274,442	61,562	176,129	160,000	2,947,563	2,671,370	276,193	

Appendix 5b

2027-2035 Capital Plan Including Carry Forward

N/A

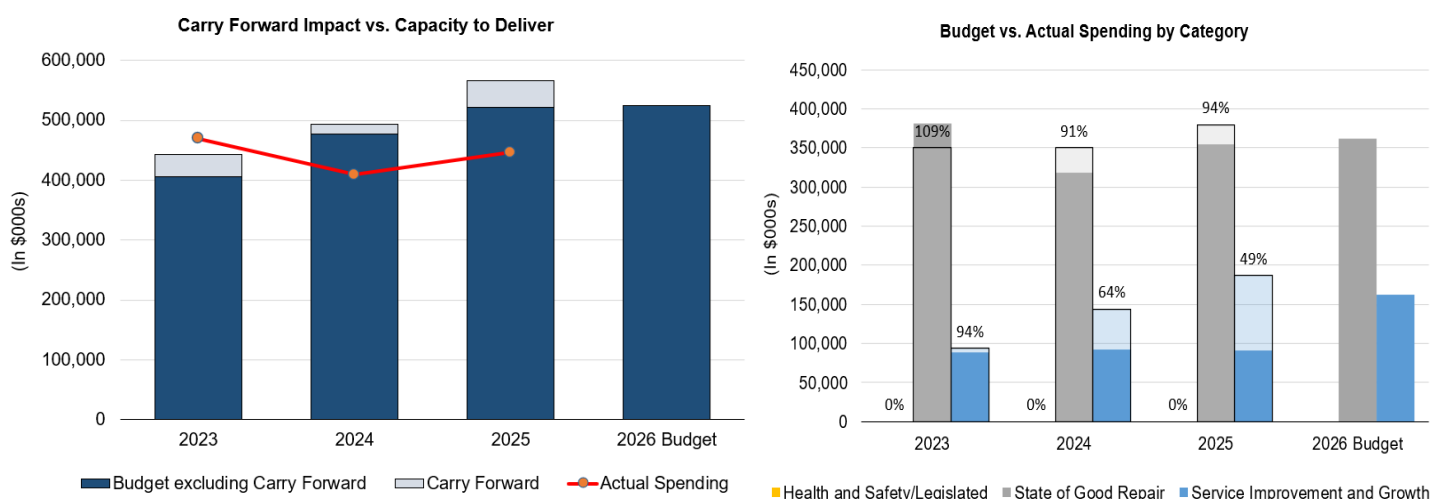
Appendix 6

Capacity to Deliver Review

The 10-Year 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 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 2025 underspending that will be carried forward into the 2026-2035 Capital Budget and Plan.

Chart 3 – Capacity to Deliver



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

- TCHC's actual spending over the previous five years, from 2020 to 2024, has averaged \$443.963 million.
- The projected spending for 2025 is \$446.615 million or 79% of the 2025 Capital Budget. Underspending is mostly for Development projects because TCHC strategically utilized alternative funding sources during the initial stages of ongoing projects. The projects remain on track and TCHC aligned 2026 and future year expenditures with updated project schedules.
- IT and Corporate capital projects are largely on track to be completed close to budget.
- Based on the review of historical capital spending and an assessment of capacity to deliver, \$410.610 million in capital spending has been deferred and moved below the line. These capital requirements and associated projects have been included and discussed in Appendix 7: Capital Delivery Constraints.

Appendix 7

Summary of Capital Delivery Constraints

Projects	Total Project Cost	Cash Flow (In \$ Millions)									
		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Service Improvement											
Infrastructure of Safety (IOS)	117.6				26.9	14.3	14.4	14.6	14.8	14.9	17.6
Holistic Building Retrofit Program	171.5		25.3	35.7	40.8	35.1	34.6				
Tenant Services Delivery Strategy	5.6	0.4	2.2	3.1							
Corporate Capital (Commercial)	1.0	1.0									
SOGR Unmet Needs	4,799.0	2,229.5	192.6	486.7	704.1	184.9	130.3	144.8	149.7	373.1	203.3
Service Improvement - Carbon											
Building Deep Retrofit and Decarbonization	66.0	1.0	15.0	20.0	30.0						
Energy-Efficient Building Upgrades (Heat Pumps, Solar PV, and Retrocommissioning)	25.7	3.7	6.0	6.0	4.5	5.5					
RPEI District Energy - Wastewater Energy Trender new energy system to supply final Phases 4 & 5	200.0			50.0	50.0	50.0	50.0				
RPEI District Energy - Decarbonization to serve existing buildings in Phases 1 to 3	60.0				20.0	20.0	20.0				
Growth Related - Development											
Development In-Flight projects	68.4										68.4
Pre-Development Requirements	34.4	15.0	12.5	4.4	2.4						
Firgrove	351.7		82.1	81.0	61.2	51.3	42.7	31.3	2.1		
Lawrence Heights Phase 2 & 3	356.8	1.0	22.3	33.4	59.9	37.5	33.6	63.2	36.7	34.6	34.6
Alexandra Park Phase 2	194.4	0.0	9.0	9.0	9.0	9.0		37.8	37.8	37.8	45.0
Swansea Mews	444.7	0.2	4.9	219.8	219.8						
Regent Park Phase 4 & 5	486.4	0.4	0.4	0.5	1.0	7.5	17.6	88.1	136.0	175.0	60.0
Total Needs Constraints (Not Included in Submission)	7,383.3	2,252.2	372.3	949.6	1,229.7	415.2	343.3	379.8	376.9	635.5	428.8

In addition to the 10-Year Capital Plan of \$3.048 billion, TCHC has identified \$7.383 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. Main projects include the following:

- Infrastructure of Safety: \$117.600 million required to modernize the technology, enhance security, and address critical operational and network separation issues in order to improve the physical security posture to reduce crime and enhance community safety.
- Holistic Building Retrofit Program: \$171.500 million required to carry out holistic build retrofit program that involves replacement of such building components as roofs and windows, including adding thermal insulation.
- SOGR Unmet Needs: \$4.799 billion required to keep the buildings maintained in the state of good repair conditions based on the City of Toronto Corporate Asset Management Program (AMP) and TCHC's Financial Sustainability plan cost estimates.
- Regent Park Energy Inc. (RPEI): \$260.000 million required to support the continued build-out of the district energy system as part of the Regent Park redevelopment initiative.
- Development Projects: \$1.937 billion will be required for Development related projects for rising development costs, additional affordable housing units resulting from density increases for in-flight projects, as well as to get as many sites shovel ready as possible to maximize on Build Canada Home funding.

Appendix 8

Inflows and Outflows to/from Reserves and Reserve Funds

2026 Operating Budget

N/A

Inflows and Outflows to/from Reserves and Reserve Funds

2026-2035 Capital Budget and Plan

N/A

Appendix 9

Glossary

Approved Position: Permanent or temporary position 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 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 has 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 Benefit Adjustments: 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).