

2026 Budget Notes

Toronto Shelter and Support Services

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Description

Toronto Shelter and Support Services is responsible for managing a coordinated and effective system of homelessness services, working from housing first and human rights approaches with a focus on the people we serve. Toronto's homelessness service system provides immediate, housing-focused, person-centred services for people experiencing homelessness. The homelessness service system consists of emergency shelters, 24-hour respite sites, 24-hour drop-ins, daytime drop-ins, and street outreach services and encampment response for individuals living outdoors and in public spaces.

Why We Do It

Toronto Shelter and Support Services' vision is a Toronto where everyone has a safe and affordable place to call home.

In 2025, Toronto accommodated over 9,800 people per night including additional spaces to protect people from cold weather during the winter season. To achieve decreases in overall and unmet demand for shelter amongst key populations, including refugee claimants, families, and singles and couples, and reductions in encampments city-wide, the City has made strategic investments, in coordination with all levels of government, and supported alignment between demand and available capacity.

Although overall and unmet demand has declined, it remains high across most demographics. The ongoing housing affordability crisis, inadequate income supports, the unpredictability of the Canada Ontario Housing Benefit and refugee claimants requiring emergency accommodation place sustained pressure on the shelter system and make it harder to connect shelter users to housing. Without adequate supports to help people obtain and maintain housing, there is reduced shelter turnover, meaning there are more people waiting to access the shelter system and an ongoing presence of homelessness on the street, in encampments, and on the City's transit system. To support the needs of all groups of service users experiencing homelessness in Toronto to exit the shelter system or unsheltered homelessness into permanent housing, Toronto Shelter and Support Services continues to work closely with the federal and provincial governments to ensure access to appropriate primary health care, harm reduction and substance use supports, overdose prevention and mental health case management services, to sustain positive trends seen in 2025 and to coordinate an effective and sustainable funding model.

Outcomes:

- People experiencing homelessness in Toronto have access to safe, high quality emergency shelters that offer housing-focused supports.
- The experience of homelessness in Toronto is rare, brief, and non-recurring.

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 TSSS, please visit: <https://www.toronto.ca/city-government/accountability-operations-customer-service/city-administration/staff-directory-divisions-and-customer-service/toronto-shelter-support-services/>

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What Service We Provide

Emergency Shelter and Overnight Services

Who We Serve: People experiencing homelessness in the emergency base shelter system, including refugee claimants.

What We Deliver: Safe and welcoming emergency shelter and overnight services for those in housing crisis. Wrap-around supports for people experiencing homelessness, including to develop a housing plan and to access housing and stabilization supports. Navigation and referrals to appropriate community and health services.

Resources (gross 2026 operating budget): \$640.1 million

Refugee Claimants

Who We Serve: Refugee claimants experiencing homelessness.

What We Deliver: Temporary emergency accommodations for refugee claimants with specialized services and supports that serve the distinct needs of the refugee population. Refugee claimants are also supported through the base shelter system.

Resources (gross 2026 operating budget): \$93.1 million

Services for People Sleeping Outdoors

Who We Serve: People sleeping outdoors and in encampments.

What We Deliver: Street outreach services for people staying outdoors, with a focus on establishing supportive relationships to address immediate health and safety needs and to provide supports to move into shelter and housing. Coordination of services to support individuals sleeping in encampments and on the transit system, with a focus on prevention, identification and resolution of encampments, transit system outreach, prioritization of health and safety of individuals, and provision of stabilization supports.

Resources (gross 2026 operating budget): \$32.4 million

Drop-Ins and Housing Focused Client Supports

Who We Serve: People experiencing homelessness and households exiting homelessness to housing.

What We Deliver: Daytime drop-in services to people who need access to basic services and referrals. Follow-up support services to people who have exited homelessness to help maintain housing.

Resources (gross 2026 operating budget): \$20.5 million

Budget at a Glance

2026 OPERATING BUDGET

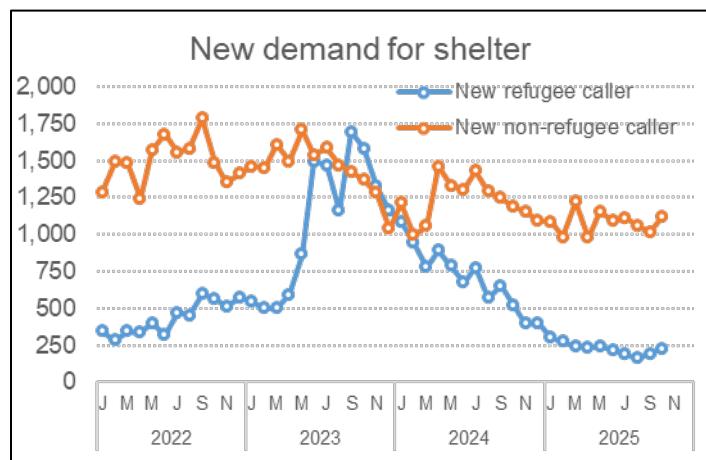
In \$ Millions	2026	2027	2028
Revenues	\$ 551.0	\$ 431.6	\$ 418.1
Gross Expenditures	\$ 786.1	\$ 727.5	\$ 693.1
Net Expenditures	\$ 235.1	\$ 295.9	\$ 275.0
Approved Positions	1,491.6	1,436.5	1,350.7

2026 - 2035 10-YEAR CAPITAL PLAN

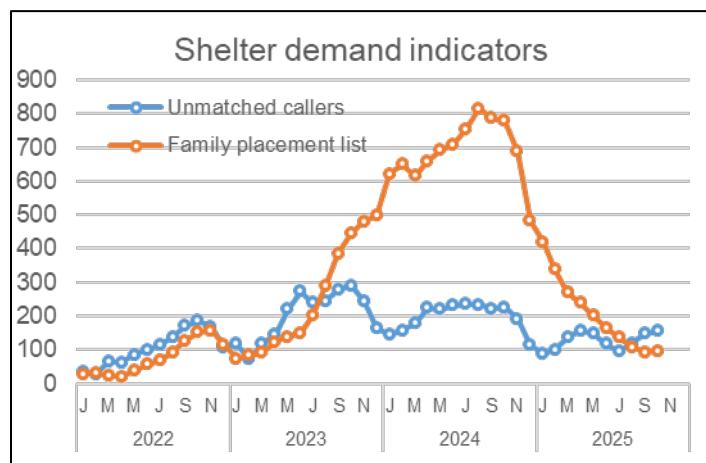
In \$ Million	2026	2027-2035	Total
Gross Expenditures	\$ 107.9	\$ 991.5	\$ 1,099.4
Debt	\$ 52.2	\$ 648.1	\$ 700.3

Note: Includes 2025 carry forward funding

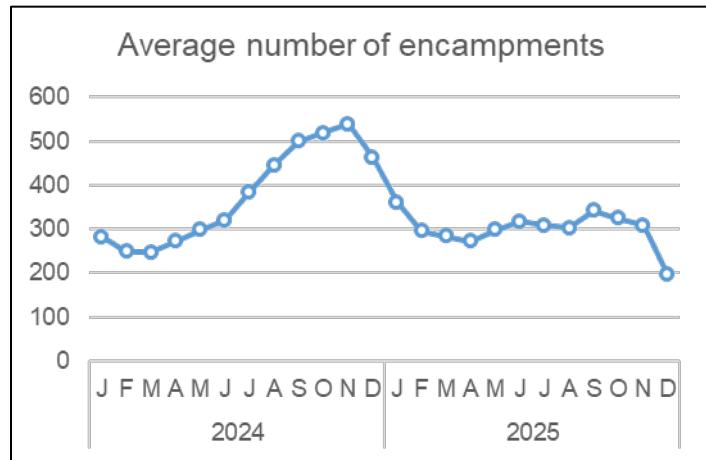
How Well We Are Doing – Behind the Numbers



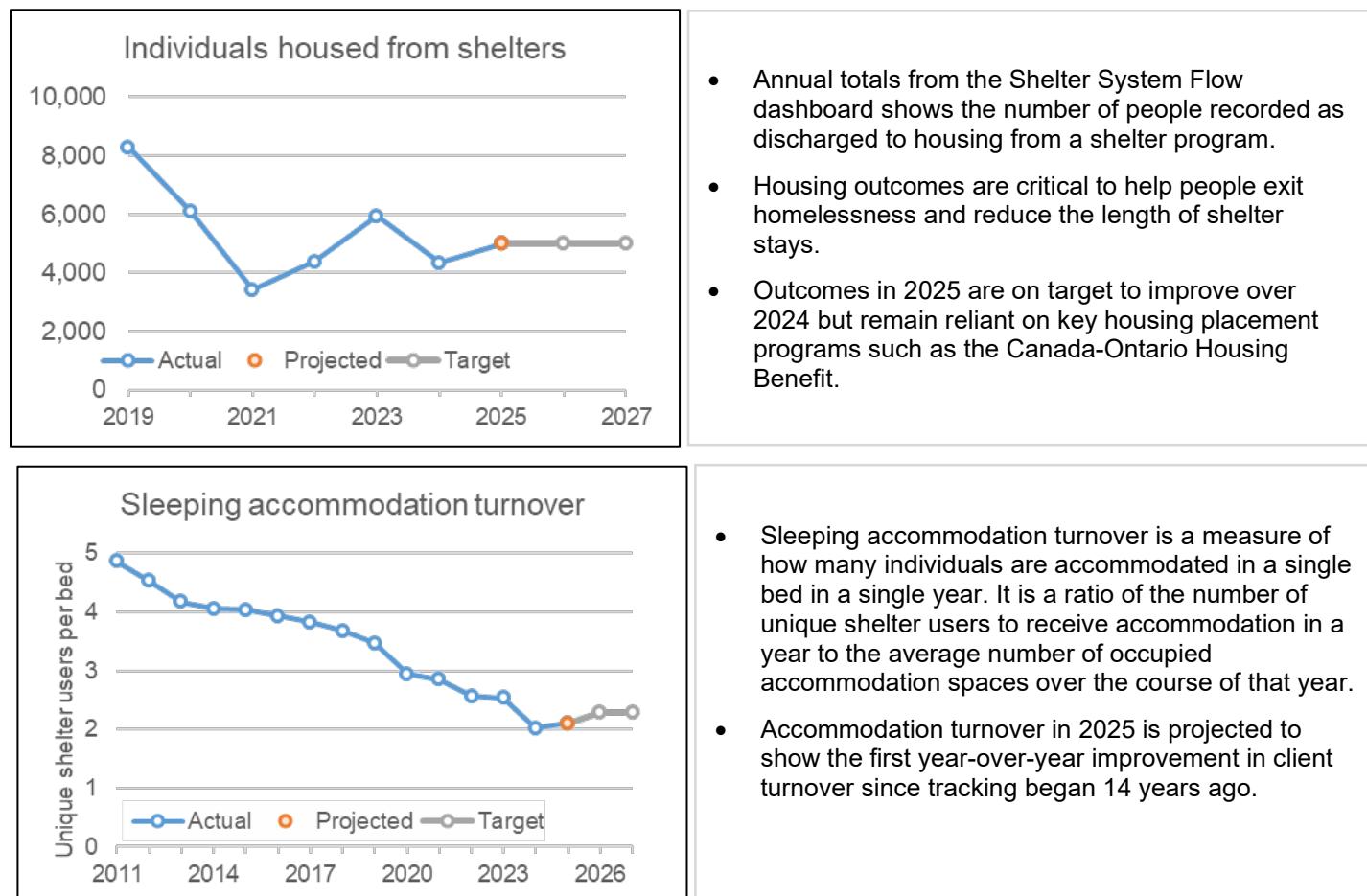
- Strategic investments and inter-governmental coordination have contributed to a significant reduction in new demand from refugee callers in 2025, paired with a small reduction in new demand from non-refugee callers.
- This chart demonstrates the number of first-time callers to the City's Central Intake service seeking shelter. There has been a significant decline in new refugee demand for shelter in Toronto since late 2024. Demand from non-refugees has also been dropping more gradually over this time.



- Individual and couple callers to the Central Intake shelter referral service who cannot be matched to a shelter space are tracked daily as unmatched callers.
- The family placement list is also maintained by Central Intake and indicates the number of families waiting to access shelter.
- Families on the placement list waiting to access shelter and single and couples' callers unable to be matched to a shelter system space both decreased in 2025 due to lower demand, despite the shelter system providing less shelter spaces.



- Any tent or structure that encroaches on a City park for the purpose of living or occupying a space is considered an encampment.
- Across the city's encampments, the majority of tent reductions are a direct result of City and community partner outreach efforts as encampment occupants move to the shelter system or permanent housing.
- Through coordinated inter-divisional efforts, the City has reduced the number of encampments citywide from a high of 539 encampment structures in November 2024 to 196 in December 2025.



How Well We Are Doing

Service	Measure	2024 Actual	2025 Target	2025 Projection	2026 Target	2027 Target
Outcome Measures						
Homelessness Services	Unique individuals provided with sleeping accommodation*	24,235	28,000	20,800	20,375	18,005
Homelessness Services	Average daily callers to Central Intake not matched to a shelter space	198	250	125	125	125
Homelessness Services	Individuals housed from overnight shelter and allied services	4,344	5,000	5,000	5,000	5,500
Homelessness Services	Individuals housed by Street Outreach services	326	275	300	300	300
Homelessness Services	Sleeping accommodation turnover (people served per bed)*	2.02	2.29	2.10	2.22	2.31
Key Service Level Measures						
Homelessness Services	Total bed nights of sleeping accommodation provided**	4,386,672 (12,018 per night)	4,465,800 (12,235 per night)	3,580,000 (9,808 per night)	3,350,098 (9,178 per night)	2,844,786 (7,794 per night)
Homelessness Services	Street Outreach site visits conducted	23,398	26,000	26,500	26,000	26,000

Comments:

*Sleeping accommodation turnover is projected to improve in 2025 compared to 2024, for the first time since tracking began in 2011. While this is in large part due to investments from the City and other orders of government, it will be challenging to sustain in an environment of decreasing funding.

**Total bed nights of sleeping accommodation for 2025 is below target because of significant reduction in the use of Emergency Family Shelter Support and triage spaces for families with children, along with planned reductions in hotel program capacity. While unmet demand for singles and couples remains high, it is projected to be half of the original 2025 forecast. The 2024 service level was also partly supported by programs outside Toronto Shelter and Support Services' Budget and is presented for comparison purposes.

Service	Measure	2024 Actual	2025 Target	2025 Projection	2026 Target	2027 Target
System Level Indicators***						
System Pressures	Entries into homelessness	7,071	6,500	-	-	-
System Pressures	Chronic homelessness	7,688	7,000	-	-	-
System Pressures	Returns to homelessness	465	600	-	-	-

Comments:

***These system level indicators provide additional context on homelessness in Toronto, impacted by services and systems across all levels of government. This information helps the City and our community partners measure progress towards the vision of ensuring homelessness in Toronto is rare, brief, and non-recurring. These indicators count the number of people entering, experiencing extended homelessness, and returning to homelessness from housing in the City's shelter system each month. Other forms of homelessness (outdoor homelessness, hidden homelessness, etc.) are not accounted for in these measures. As a result, these indicators are affected by the ability of people to access the City's shelter system.

EXPERIENCES, CHALLENGES AND PRIORITIES

Our Experience and Success

- The shelter system is projected to accommodate an average of 9,808 people per night, a 19.8 per cent decrease from the 2025 target to realign service levels with decreased demand. This was achieved through strategic investments and inter-governmental coordination which contributed to a significant decrease in new demand for shelter from refugee callers, paired with a small decrease in new demand from non-refugee callers, and a reduction in the number of singles and couples unmatched to a shelter space each night.
 - Through investments in sustainable shelter models, shelter diversion, targeted strategies, and partnerships with the federal government and other municipalities, the City has reduced refugee claimant occupancy in the shelter system. The number of refugees accommodated in the shelter system each night decreased from 6,600 in August 2024, to just over 3,500 by August 2025. Since the start of 2025, nearly 2,000 refugee claimants have been supported in transitioning out of the emergency shelter system.
 - Coordinated investments by the City and other levels of government have resulted in a 31% reduction in unmatched callers (reflecting unmet demand in the singles sector), from an average of 225 a day in October 2024 to 155 a day in October 2025.
 - The number of families on the family placement list awaiting access to a shelter program has significantly decreased, from a peak of 845 families in August 2024 to approximately 100 families throughout October and November 2025.
 - For the first time in 14 years of tracking, TSSS anticipates a modest improvement in sleeping accommodation turnover in 2025 compared to the previous year.
 - Generated cost savings throughout 2025 through reduced demand for new spaces and the resulting reduction in accommodation levels.
- Moved 4,107 people experiencing homelessness from the shelter system into permanent housing from January 1 to October 31, 2025. These outcomes remain largely reliant on key housing programs, which are delivered by or in collaboration with the Housing Secretariat.
- Moved 308 people experiencing unsheltered homelessness into permanent housing, from January 1 to November 14, 2025, through street outreach and strengthened service pathways.
- Reduced the number of encampments from a peak of 539 encampments across the city in November 2024 to 196 as of December 2025, representing a 64% reduction.
- Prevented another 886 new encampments, between January and October 2025, through inter-divisional efforts under Interdivisional Protocol for Encampments in Toronto, part of the Council-adopted [2024.EC13.8 - The City's Encampment Approach and Strategy](#). This includes a commitment to a human rights-based approach to connecting people in encampments with shelter and permanent housing options.
- Continued to deliver essential frontline support across the transit system to assist vulnerable individuals and respond to safety and wellbeing concerns, providing 300 shelter referrals and over 7,500 client engagements over 2025.
- Advanced implementation of the [Homelessness Services Capital Infrastructure Strategy](#), the City's long term proactive approach to stabilizing the shelter system and increasing access to purpose-built shelters, including identifying five new shelter sites in 2025.
- Implemented commitments and actions in the [Meeting in the Middle Action Plan and Engagement Strategy](#) by strengthening partnerships with Indigenous organizations in the homelessness sector. This includes:
 - Allocating 25% of all new housing opportunities through the Priority Access to Housing with Supports program to Indigenous people experiencing homelessness.
 - Ensuring that 20% of sites developed through the Homelessness Services Capital Infrastructure Strategy will be led by Indigenous Organizations ([2025.EC22.3](#)).
 - Supporting the Native Women's Resource Centre, in 2025, to commence development of the first municipal shelter for Indigenous women.
- Advanced commitments to Confronting Anti-Black Racism (CABR) through client-facing and internal initiatives, including launching the Anti-Black Racism Reporting Tool (ABRRT), an internal-facing incident management tool aimed at documenting incidents of anti-Black racism (ABR) from client-to-staff or client-to-client, and continued leadership of the sector-wide CABR Knowledge Exchange Table, where staff and service providers share best practices and strategies to better support Black clients and staff.

Key Challenges and Risks

- While overall unmet demand declined in 2025, there remain demographic groups where current capacity is not sufficient to meet demand in 2026. In 2026, efforts will focus on aligning service levels with shifting demand patterns and available funding to ensure resources are targeted where they are most needed.
- As refugee claimants exit the base shelter system in 2026, those beds will become available to non-refugee clients, including in cases where beds remain open due to lease and contractual obligations. While the federal government provides funding for refugees in the base system, there is no equivalent funding source for non-refugees, increasing the financial pressure on the City.
- Uncertainty regarding the future of the Canada-Ontario Housing Benefit, combined with the ongoing housing affordability and cost of living crisis, is negatively impacting housing outcomes.
- The City's shelter system continues to be required to respond to inadequacies in other sectors that drive homelessness and create barriers to exiting from it. External pressures include insufficient affordable housing supply, rising cost of living, inadequate income supports, limited access to health and mental health supports, limited access to substance use treatment and the ways in which the health, justice, and child welfare systems contribute to inflow into homelessness.

Priority Actions

- Provide sleeping accommodations for 9,178 people nightly and over 700 additional spaces to protect people from cold weather during winter season.
- Implement operational measures (e.g. target length of stay, enhanced case management and increased outreach) to support the transition from emergency response to a dedicated refugee service system.
- Work towards a sustainable refugee shelter system in line with decreasing demand with a stabilized capacity of 1,000 by the end of 2026, without increasing outdoor homelessness or unmet demand.
- Work closely with GTHA and other municipal partners and Immigration, Refugees and Citizenship Canada to advance interjurisdictional collaboration and advocate for a coordinated national refugee response system.
- Continue to reduce number of encampments citywide and prevent encampments in parks, including those that have received the enhanced outreach model.
- Continue to deliver essential frontline support for vulnerable individuals on the transit system, outside stations and along transit corridors, including in identified high needs areas throughout the network.
- Realize system enhancements by opening new shelters at 2299 Dundas Street and 233 Carleton, initiating renovations on 67 Adelaide St. East for a new Indigenous men's shelter, and closing Seaton House to initiate the George Street Redevelopment Project.
- Continue plans to transition out of high-cost shelter hotels by implementing the Council approved Homelessness Services Capital Infrastructure Strategy ([PH23.3, EX15.3](#)), including the site development process for the 11 shelter locations identified and acquired in 2024 and 2025. This includes expanding the family shelter system by opening a new purpose-built family shelter.
- Continue to implement the recommendations of the [Meeting in the Middle Engagement Strategy and Action Plan](#) and the City's Reconciliation Action Plan to meaningfully address Indigenous homelessness, including working with Indigenous partners to create culturally appropriate shelter spaces and support services for Indigenous Peoples.
- Deliver on commitments under the City's Confronting Anti-Black Racism Action Plan, including work to establish the City's first Black mandated shelter.
- Release a Council-approved Strategic Plan that will serve as a roadmap to address homelessness, utilizing an all-of-City, multi-divisional and sector-wide approach, with a focus on strengthening prevention/diversion, improving access and quality of services, and enhancing pathways to housing to improve system flow.
- Continue to improve safety in the shelter system through ongoing work to implement the shelter safety action plan.
- Enhance consistency in client experience and access to services through continued investment in the purchase of service sector, while introducing updated performance expectations of shelter providers.

CITY STAFF PREPARED BUDGET

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

1. The 2026 Operating Budget for Toronto Shelter and Support Services of \$786.068 million gross, \$550.927 million revenue and \$235.141 million net for the following services:

Service:	Gross Expenditures (\$000s)	Revenues (\$000s)	Net Expenditures (\$000s)
Homeless and Housing First Solutions	786,067.9	550,927.0	235,140.9
Total Program Budget	786,067.9	550,927.0	235,140.9

- The 2026 staff complement for Toronto Shelter and Support Services of 1,491.6 positions comprised of 3.0 capital positions and 1,488.6 operating positions.

2. The 2026 Capital Budget for Toronto Shelter and Support Services with cash flows and future year commitments totaling \$1,060.382 million as detailed by project in [Appendix 5a](#).
3. The 2027-2035 Capital Plan for Toronto Shelter and Support Services totalling \$38.979 million in project estimates as detailed by project in [Appendix 5b](#).
4. 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 by City Council relative to other City-funded priorities and needs in future budget processes.

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							
Homeless and Housing First Solutions	629,237.4	692,157.8	617,703.8	550,927.0		550,927.0	(141,230.9) (20.4%)
Total Revenues	629,237.4	692,157.8	617,703.8	550,927.0		550,927.0	(141,230.9) (20.4%)
Gross Expenditures							
Homeless and Housing First Solutions	795,877.9	912,032.3	837,578.5	786,067.9		786,067.9	(125,964.4) (13.8%)
Total Gross Expenditures	795,877.9	912,032.3	837,578.5	786,067.9		786,067.9	(125,964.4) (13.8%)
Net Expenditures	166,640.5	219,874.5	219,874.7	235,140.9		235,140.9	15,266.4 6.9%
Approved Positions**	1,256.5	1,532.5	N/A	1,491.6		1,491.6	(40.9) (2.7%)

*2025 Projection based on 9-Month Variance

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

KEY DRIVERS

Total 2026 Budget expenditures of \$786.068 million gross reflect a decrease of \$125.964 million in spending from the 2025 Budget, predominantly arising from:

- Planned closure of temporary hotel sites and other programs due to lease expiry and alignment with changes in shelter demand, while minimizing the impact on people experiencing homelessness.
- Reduction to the Emergency Family Shelter Support budget due to experienced and projected demand for refugees and non-refugee clients as well as anticipated new family shelter beds made available through the Homelessness Services Capital Infrastructure Strategy.
- Targeting a capacity of approximately 1,000 refugee claimant beds in the dedicated refugee shelter system by the end of 2026 through operational changes, including the closure of some refugee response programs (as their capacity is not required), enhanced case management and increased outreach.

The 2026 Budget includes \$102.182 million, including administration costs, to support refugee claimants, with \$97.078 million expected from the federal government to maintain funding at 95% of eligible costs. Toronto Shelter and Support Services is budgeting for an average of 2,102 refugee claimants per night in 2026. Over the year, the City will transition from roughly 3,000 spaces to a stabilized 1,000-space capacity as it builds a dedicated refugee-serving system and winds down temporary response programs as demand decreases and due to the efforts of the City working with the Federal Government and other municipalities to support people to find stable appropriate housing.

EQUITY IMPACTS OF BUDGET CHANGES

Neutral Equity Impact: The 2026 Operating Budget will have a neutral equity impact on people experiencing homelessness in Toronto. Ensuring people experiencing homelessness, including those sleeping outdoors and in encampments, have access to safe, high-quality emergency shelter, and access to permanent housing opportunities along with income supports is an important determinant of health and improves the social and economic status of an individual. This budget will have a neutral equity impact on people experiencing homelessness in Toronto. Although projected service levels in 2026 are aligned with reductions in expected demand, these adjustments may introduce potential challenges in accessing shelter and support services for Indigenous Peoples and equity deserving groups including Black communities, persons with disabilities, seniors, newcomers/refugees, youth, low-income residents and 2SLGBTQIA+ individuals, who are disproportionately represented amongst people experiencing homelessness in the city. This budget mitigates potential impacts on access to shelter and support services by aligning services with areas of decreased demand, implementing operational measures that will strengthen the stability and integrity of the shelter system, and continuing to advance the Meeting in the Middle Engagement Strategy and Action Plan, as well as actions under the City's Confronting Anti-Black Racism Action Plan. The budget supports Toronto's HousingTO Action Plan, Poverty Reduction Strategy, Newcomer Strategy, Confronting Anti-Black Racism Action Plan, Reconciliation Action Plan and SafeTO Community Safety and Well-Being Plan.

2026 OPERATING BUDGET KEY COST DRIVERS

The 2026 Net Operating Budget for Toronto Shelter and Support Services of \$235.141 million is \$15.266 million, 6.9% greater than the 2025 Net Budget. Table 2 below summarizes the key cost drivers for the 2026 Budget.

Table 2: 2026 Key Cost Drivers

(In \$000s)	2026				2027 Annualized Impact (Net)
	Revenues	Gross Expenditures	Net Expenditures	Positions**	
2025 Projection*	617,703.8	837,578.5	219,874.7	N/A	N/A
2025 Budget	692,157.8	912,032.3	219,874.5	1,532.5	N/A
Key Cost Drivers:					
Prior Year Impacts					
Reversal of One-time Contribution to Reserve		(7,100.0)	(7,100.0)		
Reversal of Funding for Encampment Initiatives	(9,593.3)	(14,485.1)	(4,891.7)		
Operating Impacts of Capital		1,102.6	1,102.6	44.7	15,122.1
Salaries and Benefits		9,156.9	9,156.9	(30.2)	6,761.0
Salaries and Benefits Adjustment		9,156.9	9,156.9	(30.2)	6,761.0
Non-Salary Inflation		10,191.4	10,191.4		8,635.0
Per Diem, Grants, Room, Food, and Utilities		10,191.4	10,191.4		8,635.0
Revenue Changes		(202,921.5)	202,921.5		59,699.6
Revenue Changes for Refugee Response	(202,921.5)		202,921.5		59,699.6
Other Revenue Changes	6.6		(6.6)		
Other Changes					
Hotel and Other Sites Closures	(93.8)	(50,562.2)	(50,468.5)	(51.2)	(48,906.6)
Refugee Response Site Closures and Changes		(33,057.7)	(33,057.7)		(36,933.6)
Emergency Family Shelter Support Reductions	(1,993.0)	(31,525.2)	(29,532.2)		(5,159.6)
Purchase of Services Shelters Enhancement		7,000.0	7,000.0		7,000.0
Encampment Activities	682.5	4,220.4	3,537.9		(1,878.7)
Winter Program		(1,689.0)	(1,689.0)		(78.2)
Other Base Changes	125.4	(3,804.1)	(3,929.5)	(4.2)	(1,329.7)
Sub-Total - Key Cost Drivers	(213,787.0)	(110,552.0)	103,235.1	(40.9)	2,931.3
Affordability Measures	72,556.2	(15,412.4)	(87,968.6)		57,825.4
Total 2026 Base Budget	550,927.0	786,067.9	235,140.9	1,491.6	60,756.7
2026 Budget	550,927.0	786,067.9	235,140.9	1,491.6	60,756.7
Change from 2025 Budget (\$)	(141,230.9)	(125,964.4)	15,266.4	(40.9)	N/A
Change from 2025 Budget (%)	(20.4%)	(13.8%)	6.9%	(2.7%)	N/A

*Based on 9-Month Variance

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

Key Base Drivers:

Prior Year Impacts:

- Reversal of one-time contribution of \$7.100 million to the Social Housing Stabilization Reserve that supports sustainment and creation of affordable housing to ease pressure on shelter demand.
- Reversal of one-time federal Unsheltered Homelessness Encampment Initiatives funding of \$9.593 million and related one-time initiatives of \$5.678 million gross, as the funding period ends March 2026.
- Realignment of one-time support from Toronto Shelter and Support Services of \$8.807 million for planned citywide encampment response activities to the appropriate divisional budgets responsible for ongoing delivery. These encampment activities will continue to be supported through the respective divisions.

Operating Impacts of Capital:

- Operating costs for the Homelessness Services Capital Infrastructure Strategy, including one family site partially opening in 2026 and fully operational by 2027, with two additional sites expected to open in 2027.

Salaries and Benefits:

- Salaries and benefits adjustment due to cost-of-living adjustments (COLA), step increases, pay for performance and alignment to actual experience.

Non-Salary Inflation:

- Inflationary adjustments on per diems, grants, room rent, utilities, and food costs across the shelter system.

Revenue Changes:

- The City is working towards establishment of a dedicated refugee service system of 1,000 capacity by the end of 2026 and winding down some refugee programs. This results in a \$202.922 million reduction in federal funding for the City's refugee response program. The total 2026 anticipated funding at 95% is \$97.078 million compared to \$300 million in 2025. The federal government and City have come to an agreement for the period of January 1, 2025 to March 31, 2027. Future federal funding is expected to remain at similar levels.
- It should be noted that TSSS continues its reliance on base funding of \$200 million for a third budget year from the Province of Ontario operating support for shelters and homelessness as part of the Toronto-Ontario New Deal Agreement.

Other Changes:

- Savings of \$50.469 million from the planned closure of temporary hotel sites as well as other sites, some of which began in 2025, due to lease expiry and alignment with reduced shelter demand. These changes are not expected to create pressure on unmet demand as space will be made available through the reduction of refugees in the base shelter system.
- Closure of refugee response programs totalling \$33.058 million reflecting the decrease in refugee clients in the shelter system and other operational measures to establish a dedicated and sustainable refugee response system. Due to contractual and lease obligations, the City may face challenges in closing programs before leases expire.
- Reduction of Emergency Family Shelter Support program budget totalling \$31.525 million gross (including \$20.513 million allocated specifically for refugees) due to reduced demand and anticipated new family shelter beds in 2026 and future years through the Homelessness Services Capital Infrastructure Strategy.
- Enhanced funding of \$7.000 million for Purchase of Service shelters for year five of the ten-year strategy to stabilize the shelter system and harmonize operating and working conditions for non-profit staff to that of the City.
- Increase of \$4.220 million gross and \$3.578 million net, partially funded by the federal Unsheltered Homelessness Encampment Initiatives and federal Reaching Home programs, primarily for the Housing First for Encampments program.
- Adjustment of the Winter budget to better reflect actual operating and activation days for warming centres, informed by data and experience from prior winter seasons. This includes reallocating resources to support extreme weather alert responses in other seasons, resulting in a net savings of \$1.689 million. The approach aligns with Recommendation 10(d) from [AU8.3: Audit of Toronto Shelter and Support Services – Warming Centres and Winter Respite Site](#).
- Other base changes in various programs to align to actual experiences including municipal tax exemption for temporary hotel sites of \$1.964 million.

Affordability Measures

Table 3: Affordability Measures

Recommendation	Savings Type	Equity Impact	(In \$000s)				2026			2027 (Incremental)		
			Revenues	Gross Expenditures	Net Expenditures	Positions	Gross Expenditures	Net Expenditures	Positions	Gross Expenditures	Net Expenditures	Positions
Continuous Operational Savings from Longer-Term Hotel Leases	Efficiency Savings	High-positive		(10,026.1)	(10,026.1)							
Emergency Family Shelter Support Savings from Operational Improvements	Efficiency Savings	Medium-positive		(1,500.0)	(1,500.0)							
Line-by-Line Review	Line-by-line	Medium-positive		(3,886.3)	(3,886.3)							
Reserves Withdrawal	Other	High-positive	72,556.2		(72,556.2)					57,825.4		
Total Affordability Measures			72,556.2	(15,412.4)	(87,968.6)					57,825.4		

Affordability measures are specific actions taken by Toronto Shelter and Support Services (TSSS) that achieve cost reductions without impacting service levels for City Divisions and the public. For 2026, TSSS has identified \$11.526 million in efficiency savings, \$3.886 million in line-by-line review, and a \$72.556 million withdrawal from reserves that help mitigate base operating pressures. These measures will not have impacts on people experiencing homelessness in emergency base shelter system, including refugee claimants. The key affordability measures implemented are described below:

- **Continuous Operational Savings from Longer-Term Hotel Lease:** Through negotiated longer term hotel lease contracts in the temporary hotel program, savings of \$10.0 million has been achieved.
- **Emergency Family Shelter Support (EFSS) Savings from Operational Improvements:** By increasing oversight of the EFSS programs, savings of \$1.500 million are expected.
- **Line-by-Line Review:** Following a detailed review of spending which compared budgeted amounts to historical expenditures, the budget has been reduced by \$3.886 million, primarily for food, translations and interpretation services, cleaning, PPE, and transportation costs.
- **Reserve Withdrawal:** In order to implement longer term, sustainable cost saving measures throughout 2026 and future budgets without increasing unmet demand, a withdrawal of \$72.556 million from the Toronto Shelter and Support Services Stabilization Reserve is planned as an affordability measure to reduce the 2026 budget pressure. Reliance on the stabilization reserve, however, creates an added funding pressure for 2027 and beyond.

Note:

For additional information, please refer to [Appendix 4a](#) for Operating Program Provincial/Federal Funding Streams by Funding Source.

2027 AND 2028 OUTLOOK

Table 5: 2027 and 2028 Outlook

(In \$000s)	2026 Budget	2027 Incremental Outlook	2028 Incremental Outlook
Revenues			
Intergovernmental Funding - Federal IHAP		(59,699.6)	1,298.7
TSSS Stabilization Reserve Withdrawal		(57,825.4)	(14,730.8)
Intergovernmental Funding - Federal UHEI		(1,661.0)	
Other Changes		(158.6)	
Total Revenues	550,927.0	(119,344.7)	(13,432.1)
Gross Expenditures			
Hotels and Other Sites Closures		(49,187.9)	(52,046.9)
Refugee Response Program Changes		(36,933.6)	(741.5)
Emergency Family Shelter Support		(5,159.6)	(3,777.8)
Reversal of UHEI Funded Projects		(1,661.0)	
Operating Impact of Capital		15,122.1	(748.7)
POS Shelters Enhancement		7,000.0	7,000.0
Per Diem, Grants, Room, and Food		8,635.0	8,821.5
Salaries and Benefits Adjustments		6,761.0	5,208.3
Other Changes		(3,163.9)	1,947.5
Total Gross Expenditures	786,067.9	(58,588.0)	(34,337.6)
Net Expenditures	235,140.9	60,756.7	(20,905.5)
Approved Positions	1,491.6	(55.0)	(85.9)

Key Outlook Drivers

The 2027 Outlook with total gross expenditures of \$727.480 million reflects an anticipated \$58.588 million or 7.5% decrease in gross expenditures from the 2026 Operating Budget. The 2028 Outlook expects a further decrease of \$34.338 million or 4.7% from the 2027 Outlook.

These changes arise from the following:

- **Hotel and Other Sites Closures:** Annualized impact and additional planned closures of hotel sites and other programs totalling \$49.188 million in 2027 and \$52.047 million in 2028, as part of the efforts to achieve a balanced shelter system while minimizing impacts on services for people experiencing homelessness.
- **Refugee Response Program Changes:** Annualized impact of the planned closures of refugee shelter beds, driven by reduced demand and the transition to a dedicated refugee shelter system with a capacity of 1,000 beds by the end of 2026.
- **Emergency Family Shelter Support:** Reduction of the program budget as non-refugee clients are anticipated to be supported through new family shelter beds made available through the Homelessness Services Capital Infrastructure Strategy.
- **Reversal of Unsheltered Homelessness Encampment Initiatives (UHEI) Funded Projects:** Reversal of one-time costs fully funded from federal UHEI funding.

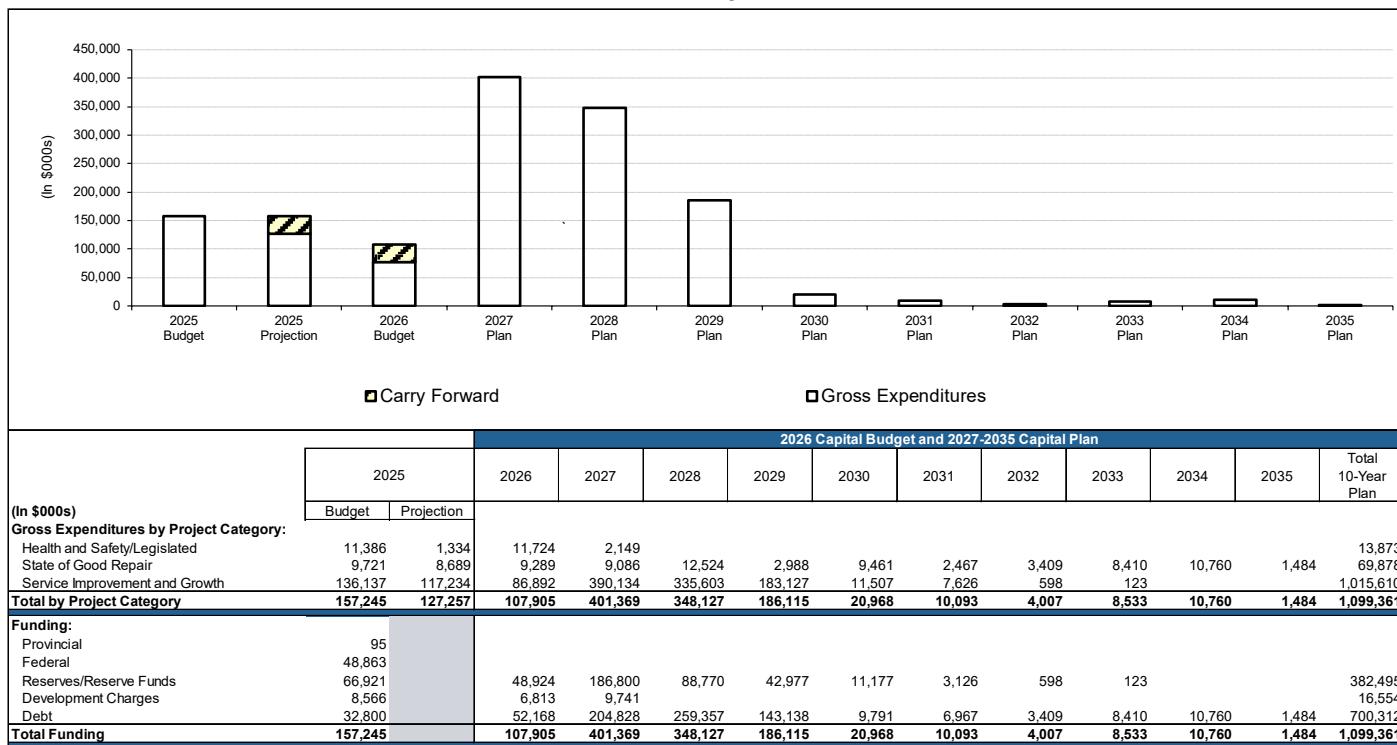
- **Operating Impact of Capital:** Anticipated operating impacts of capital for Homelessness Services Capital Infrastructure Strategy sites in 2027 and 2028, as well as for the last Housing and Shelter Infrastructure Development Project site (previously known as the 1,000 New Shelter Beds project), which is expected to begin operations in 2027.
- **Purchase of Services (POS) Shelters Enhancement:** Increase in POS shelters base budget enhancements in 2027 and 2028 for years six and seven of the ten-year strategy to help stabilize the non-profit shelter system.
- **Per Diem, Grants, Room, and Food:** Anticipated inflationary increases for per diems, grants, room rent, utilities and food costs across the shelter system.
- **Salaries and Benefits:** Increases related to cost-of-living adjustments, step increases, pay for performance and alignment to service delivery requirements.
- **Intergovernmental Funding:**
 - **Federal Funding:** Federal funding is expected to continue supporting 95% of eligible refugee related costs in the outlook years.
 - **Provincial Funding:** The current New Deal funding commitment from the province ends in 2026. The outlook assumes continued provincial funding of \$200 million.
- **Reserve Withdrawal:** Reduced funding from the TSSS Stabilization Reserve in 2027 and 2028 based on anticipated operational changes and savings in future years.

2026-2035

CAPITAL BUDGET AND PLAN

2026-2035 CAPITAL BUDGET AND PLAN OVERVIEW

Chart 1: 10-Year Capital Plan Overview



(In \$000s)	2026 Capital Budget and 2027-2035 Capital Plan												
	2025		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total 10-Year Plan
	Budget	Projection											
Gross Expenditures by Project Category:													
Health and Safety/Legislated	11,386	1,334	11,724	2,149									13,873
State of Good Repair	9,721	8,689	9,289	9,086	12,524	2,988	9,461	2,467	3,409	8,410	10,760	1,484	69,878
Service Improvement and Growth	136,137	117,234	86,892	390,134	335,603	183,127	11,507	7,626	598	123			1,015,610
Total by Project Category	157,245	127,257	107,905	401,369	348,127	186,115	20,968	10,093	4,007	8,533	10,760	1,484	1,099,361
Funding:													
Provincial	95												
Federal	48,863												
Reserves/Reserve Funds	66,921		48,924	186,800	88,770	42,977	11,177	3,126	598	123			382,495
Development Charges	8,566		6,813	9,741									16,554
Debt	32,800		52,168	204,828	259,357	143,138	9,791	6,967	3,409	8,410	10,760	1,484	700,312
Total Funding	157,245		107,905	401,369	348,127	186,115	20,968	10,093	4,007	8,533	10,760	1,484	1,099,361

Project Updates (\$19.9 Million)

The 2026-2035 Capital Budget and Plan reflects the following changes to existing projects over the nine common years (2026-2034):

- \$2.5 million - Increase for George Street Revitalization for unanticipated work required to complete construction of the last transition site.
- \$10.0 million – Increase for Housing and Shelter Infrastructure Development (Formerly 1000 Beds) to address inflationary and net-zero requirements for completion of the final site.
- \$7.4 million – Increase for State of Good Repair projects to assist in stabilizing the shelter system's long-term infrastructure. The cashflow has been adjusted to reflect a more robust 10-Year Plan and will continually be refined based on planned condition assessments of asset inventory.
- Cash flows for other projects have been adjusted from 2026 and realigned in future years based on revised estimated construction timelines.

New Projects (\$209.4 Million)

The 2026-2035 Capital Budget and Plan includes the following key new project:

- \$209.4 million – Increased funding for the Homelessness Services Capital Infrastructure Strategy for the design and construction costs of previously approved sites, as well as the acquisition, design and construction for two additional sites.

Note:

For additional information, please refer to [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**\$1,099.4 Million 10-Year Capital Program**

		
Aging Infrastructure	Service Improvement and Growth	Health and Safety
\$69.9M 6.4%	\$1,015.6M 92.4%	\$13.9M 1.2%

State of Good Repair

George Street Revitalization (GSR)
Housing and Shelter Infrastructure Development (Formerly 1,000 Beds)
Spadina Project
Winter/Respite Sites
Homelessness Services Capital Infrastructure Strategy (HSCIS)
Office Modernization
CABR Tracking Tool
SMIS Software Review

AODA
COVID-19 Resilience Response Infrastructure

- 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.

Service Improvement and Growth includes:

- Total funding of \$555.804 million for the George Street Revitalization (GSR) project to facilitate co-location of a long-term care home, shelters, transitional shelters, affordable housing units and a community service hub, exclusive of the supportive housing component. City Council approved the staff report [2025.EX22.2 - Advancing the George Street Revitalization Project](#) in April 2025, which recommended a revised project scope for phase 1 of the GSR within the current approved project budget and confirmed Corporate Real Estate Management services as the lead for project management of the facility. The contract for design services was awarded ([2025.BA143.7](#)) and is expected to take approximately 12 months. Project completion is expected to be in 2029.
- Total funding of \$382.5 million for the Homelessness Services Capital Infrastructure Strategy (HSCIS), funded from City Building Fund, which includes new funding of \$209.4 million, to prioritize design and construction of eleven (HSCIS) sites acquired in 2024 and 2025 and bring them into operation. It also provides for the acquisition, design and construction of two additional sites to support the priority of transitioning out of the existing high-cost hotel sites. In total, \$507.6 million of the \$674.5 million budget and 13 of the 20 sites are funded.

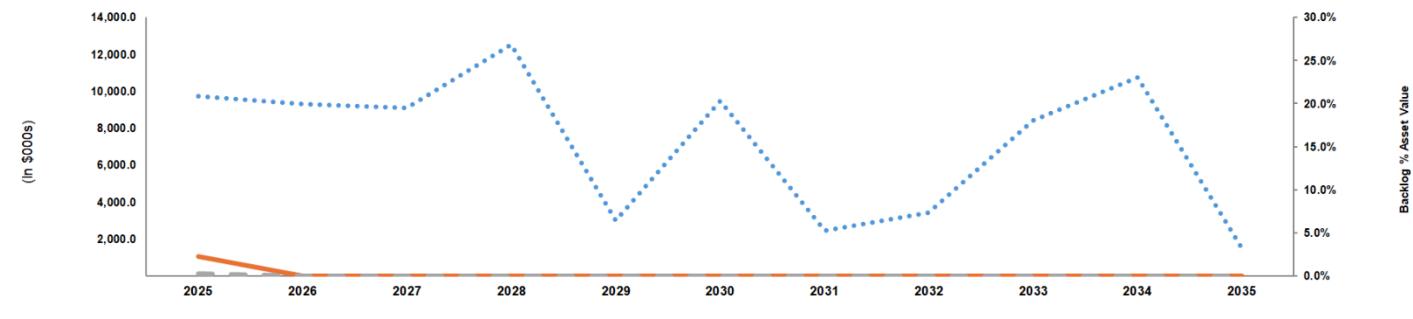
How the Capital Program is Funded

City of Toronto		Provincial Funding	Federal Funding
\$1,099.4 M	100.0%	\$0.0 M	\$0.0 M
Debt	\$700.3 M		
City Building Fund	\$382.5 M		
Development Charges	\$ 16.6 M		

STATE OF GOOD REPAIR (SOGR) FUNDING AND BACKLOG

The chart below depicts the SOGR funding and accumulated backlog estimates for key asset classes in Toronto Shelter and Support Services:

Chart 2: Total SOGR Funding and Backlog



(In \$000s)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
SOGR Funding	9,721.5	9,289.0	9,086.0	12,524.0	2,988.0	9,461.0	2,467.0	3,409.0	8,410.0	10,760.0	1,484.0
Accumulated Backlog Estimate	1,032.8										
Backlog % of Asset Value	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Asset Value	348,710.8	351,964.4	449,745.8	449,745.8	715,389.8	755,146.7	755,146.7	755,146.7	755,146.7	755,146.7	755,146.7

- Toronto Shelter and Support Service's 10-Year Capital Plan includes investments of \$69.9 million in SOGR based on current building condition assessments to maintain buildings and does not have any SOGR backlog.
- Adjustments to the 10-Year Plan to the SOGR program reflect construction cost adjustments and high priority SOGR needs identified by building condition assessments, feasibility studies and timing of potential infrastructure projects.

OPERATING IMPACT OF COMPLETED CAPITAL PROJECTS

Approval of the 2026 Capital Budget will impact the 2027 Operating Budget by a total of \$15.123 million net arising from completing the Housing and Shelter Infrastructure Development (Formerly 1,000 Beds) and Homelessness Services Capital Infrastructure Strategy project sites, as shown in Table 6 below.

Table 6: Net Operating Impact Summary

Projects	2026 Budget		2027 Plan		2028 Plan		2029 Plan		2030 Plan		2026-2030		2026-2035	
	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions
Previously Approved														
HSID (Formerly 1000 shelter beds)	27.0		4,260.0		90.0						4,377.0		4,377.0	
Homelessness Services Capital Infrastructure Strategy (HSCIS)	2,625.0	44.7	10,863.0	54.3	(840.0)		(7,646.0)		98.0		5,100.0		5,634.0	
Sub-Total: Previously Approved	2,652.0	44.7	15,123.0	54.3	(750.0)		(7,646.0)		98.0		9,477.0		10,011.0	
New Projects - 2026														
Homelessness Services Capital Infrastructure Strategy (HSCIS)	(1,550.0)						(5,828.0)		(10,023.0)		(17,401.0)		(23,705.0)	
Sub-Total: New Projects - 2026	(1,550.0)						(5,828.0)		(10,023.0)		(17,401.0)		(23,705.0)	
Total (Net)	1,102.0	44.7	15,123.0	54.3	(750.00)		(13,474.00)		(9,925.00)		(7,924.00)		(13,694.00)	

Previously Approved projects:

- Housing and Shelter Infrastructure Development (Formerly 1,000 Beds) (HSID): The final shelter site, located at 67 Adelaide St. East, is expected to begin operations in 2027.
- Homelessness Services Capital Infrastructure Strategy (HSCIS): Seven shelter sites have been acquired (approximately 750 beds). Two of those sites (approximately 130 beds) are expected to begin operations in 2027, four sites (approximately 320 beds) in 2029, and one family site (approximately 300 beds) is expected to begin operations in two phases, in 2026 and 2027.
 - Overall, the first seven sites are expected to result in an incremental net operating cost of \$5.6 million over the 10-year plan as three sites (approximately 430 beds) are expected to result in incremental net operating cost of \$26.3 million and at the same time, four sites (approximately 320 beds) are expected to realize incremental operating savings of \$20.7 million as the City transitions out of high-cost temporary hotels.

The 2026-2035 Capital Budget and Plan includes the **following key new projects**:

- Homelessness Services Capital Infrastructure Strategy (HSCIS): Included in the 2026 Capital Budget are four confirmed sites (approximately 390 beds) with planned operating dates in 2029 and two new sites (approximately 160 beds) with planned operating dates in 2030.
 - Overall, the additional six sites are expected to realize incremental net operating savings of \$23.7 million over the 10-year plan as the addition of a flex site (approximately 80 beds) in 2029 is expected to result in incremental net operating cost of \$4.6 million and at the same time, five sites (approximately 470 beds) are expected to realize incremental net operating savings of \$28.3 million as the City continues to transition out of high-cost temporary hotels.
 - The search for additional appropriate sites to acquire to meet the objectives of the 10-year HSCIS continues and exact opening dates will be confirmed as detailed design is completed.

The 2026 operating costs associated with new shelter sites in 2026, as mentioned above, have been included in the 2026 Operating Budget for Toronto Shelter and Support Services.

The HSCIS strategy ([2023.EC7.7](#)) was approved by City Council to create 20 purpose-built shelters between 2024-2033 to replace 1,280 temporary hotel spaces, to expand shelter system capacity by 240 spaces and to add one site of 80 spaces as a flex site to support SOGR work that necessitates the relocation of clients. Although, three expansion sites and one flex site will be expected to increase net operating costs per the above table, the 2026 Operating Budget includes higher savings from the closure of temporary hotel sites and Emergency Family Shelter Support in 2026 and outlook years 2027 and 2028 for lower service levels without increasing to the current level of unmet demand. This will result in net operating savings.

Toronto Shelter and Support Service is committed to realizing and capturing all benefits arising from capital investments. Any future operating impacts will be reviewed each year and be considered as part of future year budget processes.

APPENDICES

Appendix 1

2026 Operating Budget by Category

Category (In \$000s)	2024 Actual	2025 Budget	2025 Projection*	2026 Budget	2026 Change from 2025 Budget	
	\$	\$	\$	\$	\$	%
Federal Subsidies	286,901.0	347,059.2	274,055.4	135,440.3	(211,618.8)	(61.0%)
Provincial Subsidies**	314,756.3	286,057.5	286,057.5	86,064.1	(199,993.4)	(69.9%)
User Fees and Donations	51.7		33.1			N/A
Contribution From Reserves/Reserve Funds**	25,040.5	57,091.1	55,762.3	327,654.3	270,563.2	473.9%
Sundry and Other Revenue	2,120.5	1,862.0	1,698.3	1,768.3	(93.8)	(5.0%)
Inter-Divisional Recoveries	367.5	88.1	97.3		(88.1)	(100.0%)
Total Revenues	629,237.4	692,157.8	617,703.8	550,927.0	(141,230.9)	(20.4%)
Salaries and Benefits	150,798.1	179,209.1	168,069.7	184,365.3	5,156.2	2.9%
Materials and Supplies	13,405.2	18,630.0	15,543.6	16,156.7	(2,473.3)	(13.3%)
Equipment	770.5	2,085.1	1,264.7	1,554.1	(531.0)	(25.5%)
Service And Rent	330,483.4	386,896.6	357,780.3	365,688.5	(21,208.1)	(5.5%)
Contribution To Reserves/Reserve Funds	74,271.9	65,366.0	88,048.0	57,982.3	(7,383.7)	(11.3%)
Other Expenditures	218,342.0	241,035.1	189,124.4	152,057.4	(88,977.7)	(36.9%)
Inter-Divisional Charges	7,806.6	18,810.4	17,747.9	8,263.6	(10,546.8)	(56.1%)
Total Gross Expenditures	795,877.9	912,032.3	837,578.5	786,067.9	(125,964.4)	(13.8%)
Net Expenditures	166,640.5	219,874.5	219,874.7	235,140.9	15,266.4	6.9%

*2025 Projection based on 9-Month Variance

**In 2026, \$200 million funding will be drawn from the Toronto Shelter Support and Services Stabilization Reserve as provincial funding for the New Deal was received ahead of schedule and deposited there for use in 2026 as per the agreement.

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

Fund Name – Program (in \$000s)	2026 Budget	2027 Plan	2028 Plan
Provincial Funding			
<i>New Provincial Deal *</i>	200,000	200,000	200,000
<i>Homelessness Prevention Program (HPP)</i>	85,848	85,848	85,848
<i>Bridges to Housing</i>	216	216	216
Sub-Total: Provincial Funding	286,064	286,064	286,064
Federal Funding			
<i>Interim Housing Assistance Program (IHAP)</i>	97,079	37,379	38,678
<i>Reaching Homes</i>	36,569	36,823	36,823
<i>Unsheltered Homelessness Encampment Initiatives (UHEI)</i>	1,793		
Sub-Total: Federal Funding	135,440	74,202	75,501
Total Funding	421,504	360,266	361,565

*The 2027 and 2028 Outlooks reflect anticipated funding from the provincial New Deal 2.0 agreement with the Ontario government equal to the funding level provided in 2024-2026. In 2026, \$200 million funding will be drawn from the Toronto Shelter Support and Services Stabilization Reserve as provincial funding for the New Deal was received ahead of schedule and deposited there for use in 2026 as per the agreement.

Appendix 4b

Capital Program Provincial/Federal Funding Streams by Project

N/A

Appendix 5

2026 Capital Budget; 2027-2035 Capital Plan Including 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
Spadina Project	592	5,821									6,413			6,413
ADA	8,797										8,797			8,797
HSID (Formerly 1000 shelter beds)	6,813	31,088									37,901			37,901
SOGR	9,289	9,086	12,524	2,988	9,461	2,467	3,409	8,410	10,760	1,484	69,878			69,878
Covid-19 Resilience Response Infrastructure	2,927	2,149									5,076			5,076
George Street Revitalization (GSR) Main	12,647	155,028	243,149	140,150	330	4,500					555,804			555,804
George Street Revitalization (GSR) Transition	12,111										12,111			12,111
CABR Tracking Tool		375	375								750			750
Homelessness Services Capital Infrastructure Strategy (HSCIS)	48,924	186,800	88,770	42,977	11,177	3,126	598	123			382,495			382,495
Office Modernization	529										529			529
SMIS Software Review	100										100			100
Winter/Respite Sites	4,801	11,022	3,684								19,507			19,507
Total Expenditures (including carry forward from 2025)	107,905	401,369	348,127	186,115	20,968	10,093	4,007	8,533	10,760	1,484	1,099,361	13,873	69,878	1,015,610

- 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 Including 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
Spadina Project	592	5,821									6,413	6,413		
AODA	8,797										8,797	8,797		
HSID (Formerly 1000 shelter beds)	6,813	31,088									37,901	27,926	9,975	
SOGR	9,289	9,086	12,524								30,899	8,417		22,482
Covid-19 Resilience Response Infrastructure	2,927	2,149									5,076	5,076		
George Street Revitalization (GSR) Main	12,647	155,028	243,149	140,150	330	4,500					555,804	553,304	2,500	
George Street Revitalization (GSR) Transition	12,111										12,111	12,111		
CABR Tracking Tool	375	375									750	750		
Homelessness Services Capital Infrastructure Strategy (HSCIS)	48,924	186,800	88,770	42,977	11,177	3,126	598	123			382,495	173,068		209,427
Office Modernization	529										529	529		
SMIS Software Review	100										100	100		
Winter/Respite Sites	4,801	11,022	3,684								19,507	19,507		
Total Expenditure (including carry forward)	107,905	401,369	348,127	183,127	11,507	7,626	598	123			1,060,382	815,998	12,475	231,909

Appendix 5b

2027-2035 Capital Plan Including Carry Forward

Projects (In \$000s)	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	2034 Plan	2035 Plan	2027-2035 Total	Health and Safety/Legislated	SOGR	Service Improvement and Growth
SOGR			2,988	9,461	2,467	3,409	8,410	10,760	1,484	38,979		38,979	
Total Expenditures (including carry forward from 2025)			2,988	9,461	2,467	3,409	8,410	10,760	1,484	38,979		38,979	

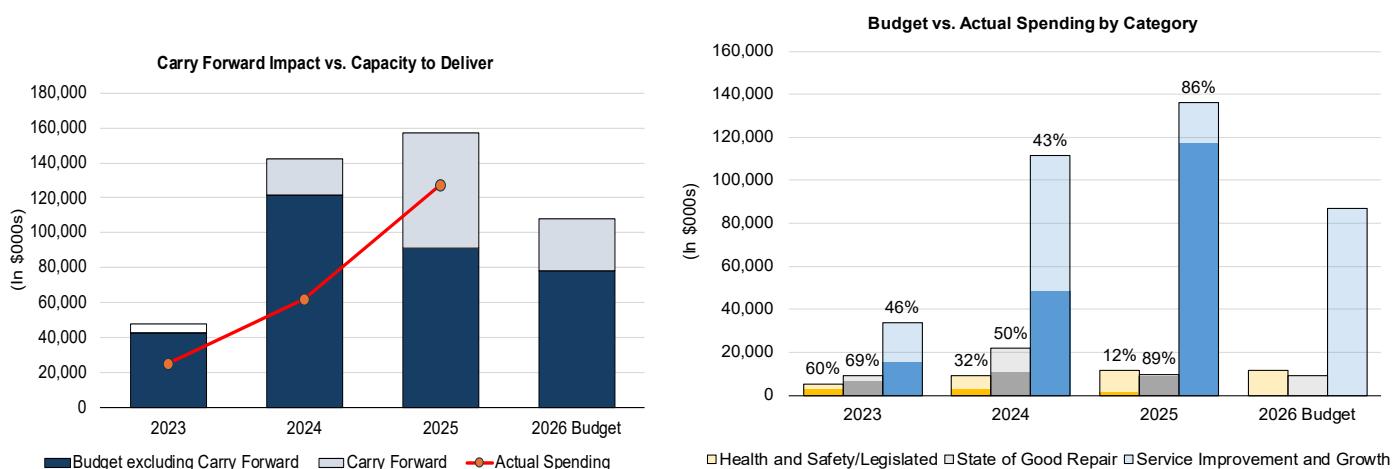
Appendix 6

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

- Toronto Shelter and Support Service's actual spending over the previous five years, from 2021-2025, has averaged \$53.329 million per year or 55%.
- The projected spending for 2025 as of the third quarter is \$127.257 million or 81% of the 2025 Capital Budget. Challenges in spending are mainly from the Housing and Shelter Infrastructure Development Project (formerly known as the 1,000 Shelter Beds), AODA, COVID-19 Resilience Response Infrastructure, Office Modernization and Winter/Respite Sites projects due to delays in renovating sites.
- Based on the review of historical capital spending and an assessment of capacity to deliver, \$29.988 million in capital spending originally cash allocated for 2025 has been deferred to 2026. Adjustments to the 10-Year Capital Plan are noted below:

Project with Carry forward from 2025 (In \$000s)	Total Carry Forward from 2025	2026
George Street Revitalization (GSR) Main	3,122.6	3,122.6
George Street Revitalization (GSR) Transition	31.0	31.0
Housing and Shelter Infrastructure Development (Formerly 1,000 New Shelter Beds)	5,980.1	5,980.1
COVID-19 Resilience Response Infrastructure	1,255.1	1,255.1
AODA	8,796.8	8,796.8
Office Modernization	529.1	529.1
SMIS Software Review	100.0	100.0
Winter/Respite Sites	4,800.9	4,800.9
Homelessness Services Capital Infrastructure Strategy (HSCIS)	3,964.5	3,964.5
CABR Tracking Tool	375.3	375.3
SOGR	1,032.8	1,032.8
Total Funding	29,988.3	29,988.3

- Funding for the George Street Revitalization (Transition and Main), Housing and Shelter Infrastructure Development, Homelessness Services Capital Infrastructure Strategy, Covid-19 Resilience Response Infrastructure, AODA, Office Modernization, SMIS Software Review, Winter/Respite Sites, and CABR Tracking Tool have been deferred from 2026 and realigned in future years based on revised construction timelines.
- State of Good Repair projects have been recast in the 10-year plan with cash flows reflecting the realistic capacity to deliver and consideration of building condition assessments.

Appendix 7

Summary of Capital Delivery Constraints

Projects	Total Project Cost	Non-Debt Funding	Debt Required	Cash Flow (In \$ Millions)									
				2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
NOT INCLUDED													
<i>Homelessness Services Capital Infrastructure Strategy (HSCIS)</i>	166.9	166.9			0.3	28.0	21.1	41.9	45.8	24.3	5.6		
Total Needs Constraints (Not Included)	166.9	166.9			0.3	28.0	21.1	41.9	45.8	24.3	5.6		

In addition to the 10-Year Capital Plan of \$1,099.361 million, Toronto Shelter and Support Services has identified \$166.948 million in capital delivery constraints as reflected in the table above. The Homelessness Services Capital Infrastructure Strategy (HSCIS) project is being included on the list of Capital Delivery Constraints to be considered with other City priorities in future year budget processes.

- On November 8, 2023, Council adopted [2023.EC7.7 Shelter Infrastructure and the Homelessness Services Capital Infrastructure Strategy](#) with the objective to deliver 1,600 shelter beds to the City's shelter system. Of the \$674.5 million, the 2026 budget includes new funding of \$209.4 million focusing on completing previously acquired sites and acquisition and construction of additional sites for advancing HSCIS, funded from City Building Fund under Service Improvement and Growth. This is in addition to the previously approved funding of \$298.1 million. The remaining balance of \$166.9 million is included in Capital Delivery Constraints for future years budget submission for replacing high-cost temporary hotel sites and represents seven remaining sites of the anticipated 20 new sites.
- If all 20 sites over the 10-year plan are implemented, TSSS expects to realize annualized operating savings of \$49.5 million due to transitioning out of high-cost temporary hotels with opening of new sites within HSCIS.

Appendix 8

Inflows and Outflows to/from Reserves and Reserve Funds

2026 Operating Budget

Reserve Account	Reserve/Reserve Fund Name	Inflow/Outflow/Balance	2026	2027	2028
XQ4202 (\$000)	TORONTO SHELTER AND SUPPORT SERVICES STABILIZATION	Opening Balance	288,902.0	16,345.8	1,615.0
		*Contributions (+)			
		Total Contributions	0.0	0.0	0.0
		*Withdrawals (-)			
		Operating Budget			
		<i>Toronto Shelter and Support Services</i>	(272,556.2)	(14,730.8)	0.0
		Sub-Total Operating Withdrawals	(272,556.2)	(14,730.8)	0.0
		Capital Budget and Plan			
		Sub-Total Capital Budget and Plan			
		<i>Withdrawals</i>	0.0	0.0	0.0
		Total Withdrawals	(272,556.2)	(14,730.8)	0.0
		Interest Income			
		Closing Balance	16,345.8	1,615.0	1,615.0

In 2026, funding of \$200 million is related to provincial New Deal funding which was received ahead of schedule and deposited there for use in 2026 as per agreement.

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).