

Standardizing the Air Conditioner Benefit (Pilot)

Date: May 8, 2026

To: Executive Committee

From: Executive Director, Environment, Climate and Forestry; Executive Director, Social Development; Executive Director, Municipal Licensing and Standards; Chief Procurement Officer

Wards: All

SUMMARY

Extreme heat and its impacts on human health is one of the City of Toronto's most urgent climate hazards, now and for the future. As the City adapts, immediate measures are needed to address the health and safety risks for those most vulnerable to impacts of heat, such as older adults.

In December 2025, staff reported to City Council on a series of strategies to protect Toronto residents against extreme heat, including an update on the Air Conditioner Assistance program. At that time, Council directed staff to consider avenues to enhance access to the City's Hardship Fund. The City's Hardship Fund assists with the cost of certain medically based items/services, including cooling devices (air conditioners), for low-income Toronto residents who are not receiving assistance from Ontario Works or the Ontario Disability Support Program.

By leveraging funds secured through the 2026 budget, and an additional \$1,060,000 from the Corporate Extreme Weather Reserve, this report recommends expanding and harmonizing air conditioner benefits across the City's various program offerings to low-income and vulnerable residents, including applicants to the City's Hardship Fund, recipients of Ontario Works/Ontario Disability Support Program benefits, and tenants across Toronto Community Housing Corporation and Toronto Seniors Housing Corporation buildings. This allows for up to 2400 air conditioners to be supplied and installed during the summer of 2026.

The report also provides an update on the work to develop a maximum indoor temperature by-law. The report was developed in consultation with the Housing Secretariat, Toronto Public Health, Toronto Employment and Social Services, and Toronto Community Housing Corporation.

RECOMMENDATIONS

The Executive Director, Environment, Climate and Forestry, Executive Director, Social Development, Executive Director, Municipal Licensing and Standards, and Chief Procurement Officer recommend that:

1. City Council increase the 2026 Operating Budget for Environment, Climate and Forestry by \$1,060,000 gross and \$0 net, fully funded from the Corporate Extreme Weather Reserve (XQ1408), to support standardization where appropriate of the issuance of portable Air Conditioners to residents eligible for the City's Air Conditioner Assistance Program, the City's Hardship Fund and the Ontario Works Discretionary Benefit Program (OW and ODSP).
2. City Council in accordance with Section 71-11.1C of the City of Toronto Municipal Code Chapter 71 (Financial Control By-Law), authorize an amendment to Blanket Contract Number 4300000099, competitively awarded under nRFP Doc5443909641, issued to CLEARResult Canada Inc. for additional supply, delivery and installation of portable air conditioners by \$1,041,667 net of all applicable taxes and charges (\$1,060,000 net of HST recoveries), revising the current Blanket Contract value from \$1,092,200 net of all applicable taxes and charges (\$1,111,422 net of HST recoveries) to \$2,133,867 net of all applicable taxes and charges (\$2,171,423 net of HST recoveries).
3. City Council direct the Executive Director, Environment, Climate and Forestry, in coordination with Toronto Community Housing Corporation and Toronto Seniors Housing Corporation, to distribute air conditioners procured by the City to vulnerable tenants, with a focus on seniors within those housing providers, and, where appropriate, utilize the CLEARResult Canada Inc. procurement for any additional supply required.

FINANCIAL IMPACT

Through the 2026 budget process, permanent funding of \$1.000 million was approved for the Air Conditioner Assistance Program to continue delivering the program (piloted in 2025) and to scale the deployment of supply, delivery, and installation of in-suite portable ACs (up to ~1,000 units) to low-income and vulnerable residents in multi-family residential buildings.

This report recommends additional one-time funding of \$1.060 million gross and \$0 net, fully funded from the Corporate Extreme Weather Reserve (XQ1408), to further expand the program through new eligibility streams in 2026. This includes enhancing support for eligible residents currently participating in the City's Air Conditioner Assistance Program and leveraging existing funding from the City's Hardship Fund and the Ontario Works Discretionary Benefit Program (OW and ODSP), as well as residents living in community housing.

The additional one-time funding is intended to support eligible applicants who currently exceed the program’s capacity. It will also leverage the City’s Hardship Fund and the Ontario Works Discretionary Benefits Program (OW/ODSP), administered through Toronto Employment and Social Services (TESS) 2026 Operating Budget. Under this approach, eligible clients will have the option to receive an AC in lieu of a cash benefit of up to \$300 toward the purchase of a cooling unit for medical purposes. It is estimated that approximately 1,000 units could be distributed in 2026 through this mechanism, at an estimated net cost of \$0.350 million after recoveries.

Any air conditioning units not distributed through the current program and the City Hardship Funding and OW/ODSP streams will be used to further support vulnerable TCHC/TSHC residents, including those living in seniors’ housing.

The table below illustrates how the additional one-time funding of \$1.060 million will be distributed across the various program streams in 2026.

Stream	2026 Adopted Budget (\$ millions)	Estimated A/C Units	Funding Allocation (\$ millions)	Estimated A/C Units
1. Air Conditioner Assistance Program	\$1.000	1,000	\$0.390	674
2. City Hardship Fund and Ontario Work Discretionary Benefit Program	-	-	\$0.350	1,148
3. TCHC (including Seniors Housing)	-	-	\$0.320	574
Total Reserve Contribution			\$1.060	2,396

The recommendation to amend Blanket Contract No. 4300000099 with CLEAResult Canada Inc. would increase the contract value by \$1,041,667, net of applicable taxes and charges (\$1,060,000 net of HST recoveries), to allow for the additional supply, delivery, and installation of ACs. Funding for this amendment will be included in the 2026 Operating Budget for Environment, Climate and Forestry (ECF) once the budget adjustment is adopted. The actual spending against the contract will be limited to ECF’s 2026 Operating Budget and recovery from the City Hardship Funding and Ontario Works Discretionary Benefit Program.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

EQUITY IMPACT STATEMENT

Climate-related risks in Toronto such as heat are not experienced evenly. Everyone is vulnerable to the effects of excessive heat, but certain groups are at higher risk than others. These groups include older adults, infants and young children, people with chronic illnesses (e.g., breathing problems, heart problems or certain mental health conditions), people on certain medications, or people with limited physical mobility.

Vulnerable groups also include economically and socially disadvantaged individuals (e.g. low income, experiencing homelessness or living alone), people who work in the heat, and people who are physically active outside. Systemic inequities, including racism, ableism, poverty, isolation, precarious work, insecure housing, and language barriers limit people's ability to prepare for, withstand, and recover from extreme heat.

DECISION HISTORY

On December 16 and 17, 2025, City Council directed City staff to report back to the appropriate Committee no later than May 2026 on a Maximum Temperature By-law for rental units, considering varying building infrastructure, mechanisms to prevent above guideline rent increases passed on to tenants and informed by a compliance analysis study. <https://secure.toronto.ca/council/agenda-item.do?item=2025.EX28.3>.

On December 16 and 17, 2025, City Council requested the Deputy City Manager, Community Development and Social Services to improve the Hardship Fund application process and consider options to enhance accessibility to the Hardship Fund. <https://secure.toronto.ca/council/agenda-item.do?item=2025.EX28.4>.

COMMENTS

Purpose of Report

This report recommends immediate measures to address the impacts of indoor heat through enhanced provision of free ACs to those most vulnerable to the impacts of extreme heat.

Background

Extreme heat and its impacts on human health is one of the City of Toronto's most urgent climate hazards, now and for the future. As the City adapts, immediate measures are needed to address the health and safety risks for those most vulnerable to impacts of heat, such as older adults. Based on multiple data sources¹, an estimated 54% of private-market rental units and an estimated 67% of non-market rental units in Toronto do not have landlord-provided AC. See Attachment 1 for additional data on the prevalence of AC in Toronto's rental housing stock.

City Council Direction

The City has advanced several strategies and initiatives to address hot weather, indoor temperatures, climate resilience, and building efficiency across Toronto's existing

¹ Data is from Statistics Canada's Census (2021), the Canada Mortgage and Housing Corporation's Rental Market Survey (2025), and City of Toronto data on the RentSafeTO Building Stock (2026). Staff also consulted with TCHC to determine the number of rental units in their rental housing stock without landlord-provided AC.

buildings. These actions and programs continue to be improved to accommodate the changing climate landscape. An update was provided to City Council at its December 16 and 17, 2025 meeting. At that time, City Council:

- requested the Deputy City Manager, Community Development and Social Services, to improve the Hardship Fund application process and consider options to enhance accessibility to the Hardship Fund.
- directed City staff to report back to the appropriate Committee no later than May 2026 on a Maximum Temperature By-law for rental units, considering varying building infrastructure, mechanisms to prevent above guideline rent increases passed on to tenants and informed by a compliance analysis study.

Recent City A/C Program Expansion

The City recently expanded its Air Conditioner Assistance Program. In 2025, a pilot program was introduced to provide free portable ACs to low-income seniors with health-related needs to provide in-suite cooling in multi-unit residential buildings. Close to 500 eligible recipients received a free portable AC installed in their suite.

This year, funding was secured through the budget process to expand the program to provide at least 1,000 free portable ACs, and a new eligibility stream was created to support low-income pregnant individuals and infants in multi-unit residential buildings, while continuing to support low-income seniors with health-related needs.

If certain residents are not eligible for or selected through the City's Air Conditioner Assistance Program, and are seeking a cooling device for medical reasons, they may be eligible for funding towards a cooling device through social assistance (Ontario Works/Ontario Disability Support Program) or the City's [Hardship Fund](#).

Status of a Maximum Temperature By-Law

As directed by City Council, staff have advanced work to develop a maximum indoor temperature by-law in rental units, considering mechanisms to prevent above guideline rent increases (AGIs), and informed by a compliance analysis study. Additional information is required before such a by-law can be brought forward, particularly as it relates to any possible measures to protect tenants from AGIs and, an assessment of specific implementation measures and activities related to mandatory cooling requirements in other jurisdictions that are not yet available. Consultations led by the City with private-market landlords indicated 90% of these landlords would seek to pass the costs on to tenants, which would likely be permitted under the existing provincial Residential Tenancies Act, and result in housing affordability and stability vulnerabilities for tenants that must be mitigated in the development of a maximum indoor temperature framework.

Recommendations to Expand Access to Cooling

Through this report, staff are recommending additional measures in 2026 to support tenants most vulnerable to the impacts of extreme heat, including:

1. Enhancing and standardizing the issuance of portable Air Conditioners, where appropriate, to residents eligible for the City's Air Conditioner Assistance

Program, the City's Hardship Fund and the Ontario Works Discretionary Benefit Program (OW and ODSP).

2. Supporting Toronto Community Housing Corporation and Toronto Seniors Housing Corporation by providing AC units to deploy and/or facilitate access to purchase additional portable AC units.

1. Enhance and standardize the issuance of portable air conditioners, where appropriate, to residents eligible for the City's Air Conditioner Assistance Program, the City's Hardship Fund and the Ontario Works Discretionary Benefit Program (OW and ODSP) with increased funding from the City.

The proposed additional funding for 2026 would allow the City to provide more units to vulnerable residents, standardize the benefit across programs and leverage existing programs which include the Air Conditioner Assistance Program, Hardship Fund and Ontario Works Discretionary Benefit Program to provide eligible residents with a portable AC, regardless of the program through which their eligibility is determined. The proposed approach could enhance equity among recipients of AC related benefits across the three City programs and create an opportunity to provide cooling to approximately 2400 low-income residents.

A partial offset of additional City costs would be available through existing funding equal to \$300 per AC unit issued to eligible applicants under Ontario Works Discretionary Benefits Program (OW and ODSP) and the City's Hardship Fund.

2. Support Toronto Community Housing Corporation and Toronto Seniors Housing Corporation, by providing air conditioning units to deploy and/or facilitate access to purchase additional portable air conditioning units.

This report recommends that the City facilitate access for TCHC and TSHC to distribute surplus portable AC units not deployed through City programs to vulnerable residents. The existing procurement can also be leveraged and TCHC/TSHC have the option to purchase additional units for distribution to their residents.

Conclusion and Next Steps

Staff recommend immediate additional measures to safeguard tenants from extreme heat. By leveraging funds secured through the 2026 budget, and an additional \$1,060,000 contribution from the Corporate Extreme Weather Reserve, this report recommends expanding and harmonizing air conditioner benefits across the City's various program offerings to low-income and vulnerable residents. This allows for approximately 2400 air conditioners to be supplied and installed during the summer of 2026.

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ATTACHMENTS

Attachment 1– Available Cooling Data Across Toronto Rental Housing