



2025 Capital and Operating Budgets and Multi-Year Capital Plans

Item 6

December 12, 2024

Board of Directors

Report: TCHC:2024-77

To: Board of Directors (the “Board”)

From: President and Chief Executive Officer & Chief Financial Officer & Treasurer

Date: December 6, 2024

PURPOSE:

The purpose of this report is to seek TCHC Board’s approval of the 2025 Operating Budget, the 2025 Capital Budget, including the 2025 Building Renewal, In-flight Development, ITS/Corporate/Tenant Supports and Carbon Capital Budgets and the multi-year Capital Budget and Plans.

RECOMMENDATIONS:

It is recommended that the Board of Directors:

1. Approve the 2025 Operating Budget as outlined in Attachment 1 to this report;
2. Approve the 2025 Capital Budgets as outlined in Attachment 1 to this report which include:
 - a. 2025 Building Renewal Capital Budget;
 - b. 2025 In-flight Development Capital Budget;
 - c. 2025-2028 ITS/Corporate/Tenant Supports Capital Budget and Plan; and
 - d. 2025-2027 Carbon Budget and Plan;
3. Approve multi-year capital plans as outlined in Attachment 1 to this report which include:
 - a. 2025 to 2034 Building Renewal Capital Budget and Plan;
 - b. 2025 to 2034 In-flight Development Capital Budget and Plan;

This work is driven by the following set of shared guiding principles aligned with the City Budget Committee's directives:

- Preserve and maintain services and service levels for tenants;
- New or enhanced services should be considered within a "net zero" funding framework where possible;
- Absorbing funding pressures within existing budgets and assessing impacts on staffing and service delivery; and
- Identify opportunities for internal efficiencies and cost savings.

This is the second year of implementation of TCHC's multi-year financial sustainability plan, which was developed in 2023 through a comprehensive in-depth analysis and recommendations by Ernst & Young (EY). The plan emphasized a need for a tenant centric and cost-based effective funding model, continuous improvement to promote operational efficiencies and strategic investments to address challenges such as the aging housing stock, growing tenants needs, and the gaps in capital funding. The focus remains on aligning resources with strategic priorities to ensure TCHC continues to deliver its mandate of providing affordable, quality housing to its tenants.

As highlighted in the Financial Sustainability Plan, tenant socio-economic circumstances significantly impact TCHC's tenant service delivery model. Many TCHC tenants face vulnerabilities with unique support needs, which requires a tailored and focused approach to services and support delivery to ensure stable and successful tenancies. These realities informed our approach to budget prioritization and continue to shape how we allocate resources and design services.

The 2025 budget further incorporates insights from the City's directives on long-term financial planning and tenant service delivery priorities, ensuring it supports TCHC's core mandate while addressing operational and capital cost pressures.

The year 2025 represents another year under the transition framework for TCHC/TSHC relationship. As directed by the City as our Shareholder, TSHC has submitted a separate budget for their direct costs, whereas the shared costs of the service delivery are captured in TCHC/TSHC consolidated income statement given the interconnectedness of both organizations.

The proposed 2025 Operating and Capital Budgets reflect the organization's priorities, which include:

- **Meeting our Standards of Service:** Deliver necessary maintenance and work order completion, provide responsive and localized services to TCHC/TSHC's high needs tenants and enhance its capacity to empower tenants and communities to deliver locally developed initiatives that directly impact their communities.
- **Prioritizing State of Good Repair, Capital Planning and Climate Action:** Continue to successfully execute on our Building Repair Capital to protect and preserve the social housing stock, Revitalization Plans and work with the City on the Urgently Building More Homes mandate to plan and deliver new opportunities for redevelopment and infill housing.
- **Enhancing Financial Sustainability and Stability:** Address TCHC/TSHC's long-term financial sustainability, TCHC is working to right size our capital budget and minimize costs in demand maintenance work, identify long-term building options to advance the more balanced mix-income communities, and strengthen purchasing power through more robust strategic sourcing and vendor management.
- **Investing in Cybersecurity and Integrity of our Systems:** Modernize our IT systems/practices and continue to implement the City's Auditor General's cybersecurity review recommendations. TCHC will continue to advance the data intelligence strategy to enable the organizations to make more timely data-informed decisions.
- **Addressing Compliance, Mitigating Risk and Optimizing Service Delivery:** Implement compliance initiatives, including advancing Shareholder and Council directives, mitigate known risks, address dated policies and procedures, enhance compliance monitoring capacity, and action the Internal Audit or Auditor General findings and recommendations.
- **Fostering Community Safety:** Embed localized violence reduction programs and Community Safety and Well-being support into its service delivery model to ensure consistent and stable resourcing for key initiatives that address specific community needs.

To achieve these objectives, the consolidated TCHC/TSHC's 2025 budgets consist of:

1. Operating Budget

Together, TCHC's and TSHC's will require \$801.8M for operations, building maintenance, services, utilities, taxes, and mortgages P&I payments, offset by the \$790.08M in revenue which includes City subsidies, residential and commercial rents, and ancillary fees such as parking, laundry, and cable, resulting in a nearly balanced budget. TCHC's share of this overall amount is \$656.31M.

The following are the key cost drivers:

- Non-discretionary inflationary pressure increases driven by utility, building maintenance service contract rate increases, property taxes and mortgage P&I payments
- Non-discretionary salaries & benefits cost impacted by inflationary pressures and collective bargaining.
- Investments to maintain current service levels and address volume increases, including improving wrap-around services/supports to tenants, continuous process improvements to drive operating efficiencies, meet compliance requirements, and advance energy conservation.
- Reversal of the prior year one-time funding to fund the base operating pressures

These incremental cost pressures are offset by the cost savings, efficiencies and revenue increases:

- Residential Rent revenue of \$11.95M
- \$16.5M in efficiencies/offsets, mainly comprised of utility consumption savings from various energy conservation programs, corporate efficiencies, deferrals and reductions, as well as improved tenant rent management.

In alignment with the City's overall financial planning goals, TCHC has prepared a three-year Operating Budget with two outlook years (2026/2027). This multi-year planning approach is in line with TCHC tenant service delivery priorities and the Financial Sustainability Plan's recommendations to implement administrative efficiencies for continuous process improvements and data-driven analysis to drive future cost savings. This level of planning allows us to align with the City in determining effective multi-

year phasing strategies to create a foundation for a more sustainable long-term funding model based on the actual cost to deliver services.

2. Capital Budgets and Plans:

The City will further invest \$460M capital funding to TCHC from 2025-2034, which represents an increase of 15% over the previously approved budget for 2025-2033.

TCHC 2025 - 2034 (Net New Capital Investment)											
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Total 10 Year Plan
(In \$000s)											
Capital Plans											
Building Repair Capital (New)	40,000	21,360	21,360	21,360	21,360	21,360	21,360	21,360	21,360	160,000	370,877
Development Capital (New)	9,900										9,900
IT(New)	9,870	6,250									16,120
Corporate Capital (New) - SOGR	2,650										2,650
Corporate Capital (New) - Other	3,687	1,162	121								4,970
Community and Tenant Support (New)	650	3,462	3,549	3,637							11,298
Carbon Budget (New) - SOGR	18,020	13,380	2,670								34,070
RPEI (New)	10,115										10,115
Sub-total	94,892	45,613	27,699	24,997	21,360	21,360	21,360	21,360	21,360	160,000	460,000

The updated 10-year capital plan is as follows:

2024 Capital Budget and 2025 - 2034 Capital Plan											
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Total 10 Year Plan
(In \$000s)											
Building Capital Repair	379,904	357,360	353,360	181,360	174,143	174,360	174,360	174,360	181,360	160,000	2,310,564
Development Capital	122,881	151,595	155,138	166,140	97,847	38,308	208,185	81,212	(77,882)	110,169	1,053,595
IT/Corporate Capital	16,207	7,412	121								23,740
Community and Tenant Support	650	3,462	3,549	3,637							11,298
Carbon Budget	28,470	13,380	2,670								44,520
RPEI	10,115										10,115
Total Approved Capital Plan	548,113	533,208	514,838	351,137	271,990	212,667	382,545	255,572	181,360	270,169	3,453,831

1) Building Renewal Capital Budget and Plan (2025-2034)

\$2.31B investment over 10 years in Building Renewal Capital is required to achieve 14.4% Facilities Condition Index (“FCI”) by 2034.

The 2025 Building Renewal Capital Budget will be \$379.90M, compared to the \$350.00M in 2024; this includes an incremental \$40M for low value demand capital repairs (i.e. capital improvements less than \$5,000). From 2025 –2034, the total approved capital ask for the low value repairs is \$210.90M.

Despite these efforts, due to the persistent inflation pressures, cost escalations and emergency maintenance demands, it is becoming

challenging to achieve the original FCI targets of 10% outlined in the 10-year building capital renewal plan. The reforecasted FCI will be 11.5% by 2027.

TCHC is approaching the end of its current 10-year Building Repairs Capital Plan (2017-2027) through the committed CMHC National Housing Strategy funding with the matching funding from the City. As we approach the final years of the funding commitment, TCHC is working with the City and other orders of the government to explore a comprehensive funding and financing strategy to secure new capital funding so we can continue to protect and preserve the social housing stock.

2) Development Capital Budget and Plan (2025-2034)

The 10-year Development capital plan requires \$1.05B on a net basis to implement future phases of all the in-flight revitalization projects.

The City will fund an incremental \$9.9M in 2025. This allows the development team to advance the in-flight projects which requires \$141.00M in capital expenditures for 2025 alone. In 2024 The City made significant investment to fund TCHC's 10-year (2024-2033) in-flight projects net shortfalls of \$131.70M based on the known cost estimates.

The current Development Budget does not include the "Generational Transformation of Toronto's Housing System to Urgently Build More Affordable Homes" projects as we continue to work with the City to advance this important initiative.

3) ITS/Tenant Support/Corporate Capital Budget (2025-2028)

Total \$45.15M to implement key ITS, Tenant Support and corporate improvements including:

- \$9.90M to implement the cybersecurity program, replace end of-life systems, and other critical IT infrastructure needs to maintain the integrity of our systems;
- \$6.30M to implement corporate and commercial capital improvements and implementation of the new Human Resource Information System to support business intelligence, process improvements and organizational efficiencies; and
- \$10.11M to support the continued build-out of a district energy system Regent Park Energy Inc. (RPEI) as part of the Regent Park redevelopment.
- \$0.65M to deliver Senior Housing Solutions through a co-op model in working with Malvern Glen Equity.

4) Carbon Capital Budget (2025-2027)

Total \$44.52M over three years is required to implement the two energy deep retrofit projects in Scarlettwood and the Sparroway Apartment Complex. This funding is partially funded through a Natural Resource Canada federal grant.

This is to fulfill the federal government's mandate to reduce the carbon footprint and significantly reduce GHG emissions.

IMPLICATIONS AND RISKS:

The approval of the 2025 Operating Budget demonstrates TCHC's continued commitment to providing consistent frontline housing, support, safety and security services to tenants.

The approval of the Capital budgets and Plans will ensure the multi-year funding commitments to address the critical Building Repairs capital renewals and bring RGI replacement units and more affordable housing through the Revitalization projects. It will also improve cybersecurity resilience and support the delivery of critical IT/Corporate infrastructure needs required to maintain service standards to tenants.

If the budgets are not approved, it will impede management's ability to continue to deliver quality services to our tenants, improve safety and security of communities, and enhance building conditions.

The budget bridging strategies of \$9.7M are a one-time balancing mechanism for 2025. From this amount, \$3.25M is for new and enhanced priorities with no funding beyond 2025. Permanent funding for these priorities will be subject to reconsideration through the 2026 budget process.

We acknowledge and thank the City of Toronto for its continued investment in TCHC based on our actual costs to deliver the services in 2024 and 2025, which has been pivotal in improving services to our tenants and communities and addressing the growing demand for deeply affordable housing solutions. These investments reflect a shared commitment to enhancing tenant well-being and meeting the complex housing challenges faced by vulnerable Torontonians. In 2025, TCHC will continue its work with the City to establish a more effective and sustainable funding model. Collaboration with the City is essential so that the approach reflects the true cost of service and supports the execution of our overall business model to ensure long-term financial sustainability and predictability.

SIGNATURE:

“Sean Baird”

Sean Baird
President and Chief Executive Officer

ATTACHMENTS:

1. 2025 Operating Budget and 2025-2034 Multi-year Building Renewal Capital Plan, and Development Capital Plan, and ITS/Corporate Capital Budgets
2. Confidential Attachment - 2025 Operating Budget and 2025-2034 Multi-year Building Renewal Capital Plan, and Development Capital Plan, and ITS/Corporate Capital Budgets

Reason for Confidential Attachment: The attachment to this report contains financial information that belongs to TCHC and that has monetary value or potential monetary value; information regarding labour relations and/or employee negotiations and information regarding positions, plans, procedures, criteria and instruction to be applied to any negotiations carried on or to be carried on by or on behalf of TCHC

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Toronto
Community
Housing



Board Meeting – Public

2025 TCHC Budget

December 12, 2024



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Part 1

Budget Directives & Planning Context



2025 budget - City Budget Directives

Operating budget

The 2025 operating budget must align with the City of Toronto's (City's) Long-Term Financial Plan. Programs, Agencies and Corporations must strive for a 0% net increase over the 2024 Approved Net Operating Budgets, excluding inflationary adjustments by:

- Absorbing **funding pressures** within existing budgets and assessing impacts on staffing and service delivery.
- **New or Enhanced Services** should be considered within a "net zero" funding framework.
- Incorporating findings and recommendations from **Rolling Program Reviews** and **Line by Line Savings** into budget.
- **Efficiency & Procurement Savings:** Exploring opportunities in business process streamlining, transformation, and innovation; and finding procurement savings opportunities .
- **Service Review:** Evaluating service levels, outcomes, and relevance, prioritizing non-public facing services.

2025 to 2034 capital budget and plan

- Developed with the goal of **improving capital spend rates** and ensuring capital funds are allocated to priority investments that are ready to proceed.
- Explore the **procurement improvements** that streamline processes and advance cost-saving
- The City introduced a **New Capital Prioritization Process (CPP) Framework** - classified into three priority categories:
 - 1) Health/Safety/Legislated;
 - 2) SOGR infrastructure renewal needs will be prioritized against the Asset Management Plan.
 - 3) Service Improvement and Growth-Related projects will follow a detailed five criteria-based evaluation process:
 - Contribution to Council Priorities: High Medium, Low
 - Status of the Project (project readiness)
 - Availability of Non-Debt Funding
 - Mitigating Risks: to measure the risks to the City if the project is not funded.
 - Impact on Operating: such as revenue generation, budget saving, cost avoidance, or added operating costs

TCHC areas of focus

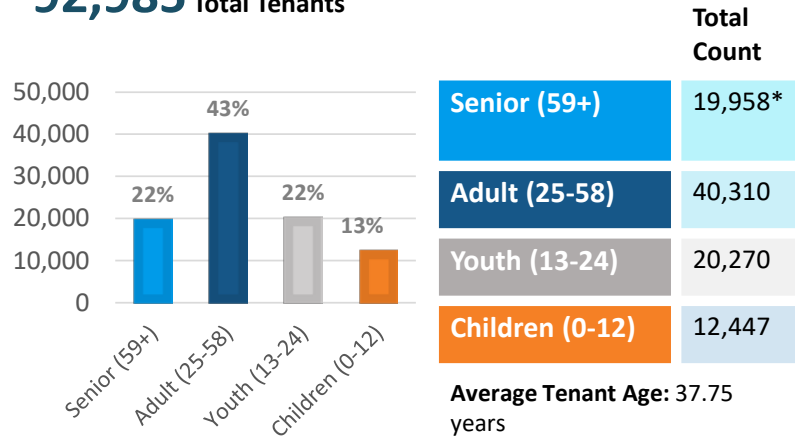
Principle	Details
Multi-Year Planning, Aligned with City's Planning Assumptions	<ul style="list-style-type: none"> TCHC has committed to not only providing the 2025 Budget, but two outlook years (2026 and 2027) along with its budget submissions
Driver-based Planning	<ul style="list-style-type: none"> Rigorous planning to identify the drivers for Revenue & Expenses to use in the planning assumptions
Business Cases	<ul style="list-style-type: none"> In alignment with the City's process, any incremental funding asks above known pressures such as collective agreements, vendor contract commitments and inflation required a detailed business case to justify any volume increases or net new asks Business cases were reviewed and selected by ELT for the 2025 business based on key City and internal business priorities

Principle (Other)	Details
TSHC	<ul style="list-style-type: none"> TSHC will submit a separate budget to the City, however due to the interconnectedness, TCHC will report a consolidated budget TSHC will seek Shareholder funding for any costs above the allocation
State of Good Repair (SOGR) Capital	<ul style="list-style-type: none"> Cost escalations & funds diversion to demand capital repairs are causing a growing backlog, hindering the 10.9% FCI target. Industry standard of annual investments of 2%-4% (\$286M-\$572M) of asset value are needed to maintain the aging housing stock, which is currently not being met. 2025-2034 capital plan to align with City's funding availability and affordability instead of TCHC's estimated requirements An additional \$40M SOGR funding per year is being sought for small demand capital repairs
Carbon Budget	<ul style="list-style-type: none"> Carbon Budget is a new initiative in 2025 budget cycle: net new ask for Scarlettwood and Sparroway Apartment Complex Deep Retrofits.
RPEI Capital	<ul style="list-style-type: none"> Regent Park Energy Inc. (RPEI) capital is a net new ask for district energy expansion and capital renewals
Development Capital	<ul style="list-style-type: none"> Work with Housing Secretariat to understand how these projects fit into the 65K new rental homes target Work with Housing Secretariat on reprioritizing commitments Align the funding requirements with funding availability from the City

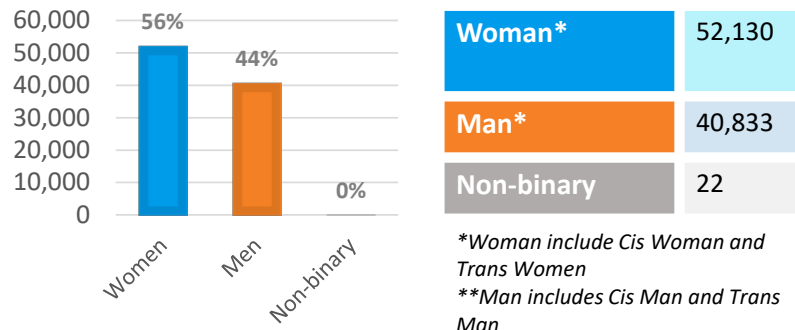
Overview – who we serve

Tenants

92,985 Total Tenants



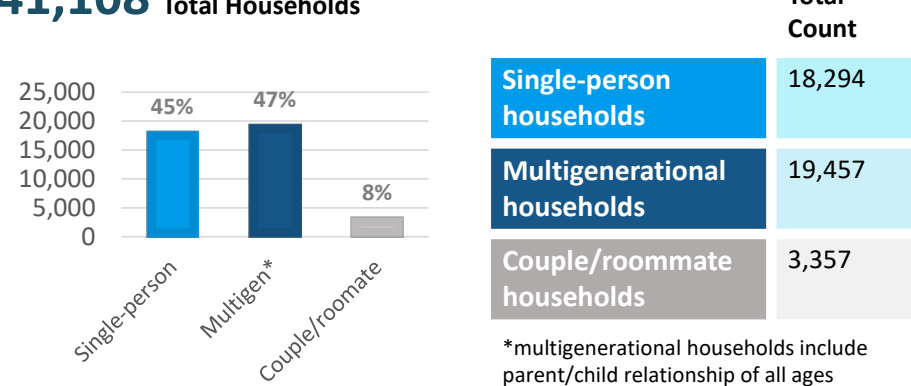
Average Tenant Age: 37.75 years
**note: TSHC serves an additional 15,000 tenants*



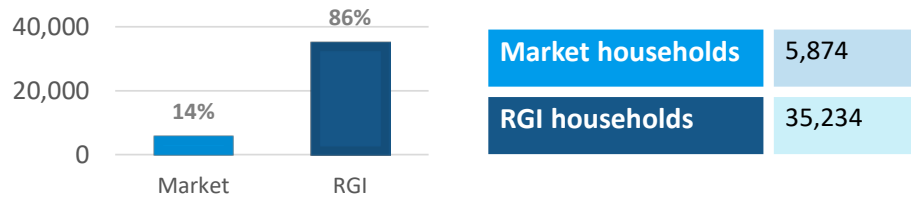
**Woman include Cis Woman and Trans Women*
***Man includes Cis Man and Trans Man*

Household

41,108 Total Households



**multigenerational households include parent/child relationship of all ages*



12.6 Average Tenancy Length
\$19,262 Average RGI household income
\$448 Average RGI household rent
44% RGI households' income source is OW/ODSP

53% Households are female-led households
22% Households with a mental health disability
37% Households that speak a language other than English
53% Households that have a member with at least one type of disability
1,635 (as of June 2024) Households housed through the Rapid Rehousing Initiative
35% of units or **28%** of tenants belong to a high-needs community

Supporting high needs communities

TCHC has developed a framework and strategy to respond to chronic levels of vulnerability and/or gun violence in high needs communities. This strategy is part of a broader initiative to develop realistic, sustainable and accountable interventions across our high-needs buildings.

Defining high-needs communities:

- In 2023, TCHC completed a comprehensive refresh of its categorization of high needs communities, including those that have high levels of chronic vulnerabilities or chronic issues with gun violence.

Early analysis and a comparative case study supports that developments with high levels of chronic vulnerabilities have higher resourcing demands and financial impact. The impact is felt across all areas of service delivery from maintenance, cleaning, safety, and tenancy management. This study will continue to be broadened to identify the need for building-specific support services and a comprehensive community health and outcomes measurement approach.

	Chronic Vulnerabilities	Chronic Gun Violence
Number of Developments	33	9
Number of High-rises	44	8
Number of Units	12,158 28% of total units	2,515 6% of total units
Number of Tenants	17,539 19% of total tenants	8,691 9% of total tenants

Long-term stewardship of the public asset

TCHC has delivered on its planned capital work to maintain with the goal of upholding the stewardship of our housing stock. In 2023, TCHC delivered on our full \$350 million capital plan, and continues to make major investments in the capital renewal of its portfolio to achieve improved quality of housing for tenants.

Currently, the majority of TCHC buildings are classified as poor or critical. This means 69% of tenants are currently living in a building classified as poor or critical condition.

City's 2024 Corporate Asset Management Plan presented to May 2024 Council states TCHC's SOGR Investment Needs is \$334M/year, \$174M/year funding gap compared to the current City funding of \$160M/year.

Budgetary Considerations:

- TCHC continues to experience capital funding pressures due to inflation, increased demand for maintenance and emergency spending to maintain our physical infrastructure. To ensure that 80% of the Capital budget is dedicated to long-term capital investments that address FCI, approximately \$40 million in 2025 is needed to cover demand capital spending. TCHC will continue to monitor the impact of the \$1,500 capitalization policy on our ability to deliver against planned capital repairs.
- It is currently estimated that by the end of 2027 (2017-2027), a total of \$423M or 13.6% of the total 10-year capital budget originally intended to be spent on planned capital renewal will have been lost to inflation or diverted to demand capital. As a result, TCHC will not be able to achieve the FCI targets originally set out in the 2017 10-year capital renewal plan.
- TCHC portfolio currently operates with a \$2.1B cumulative backlog of needed capital repairs and improvements. This backlog is due to the inability to meet the benchmarks of annual investment at 2%-4% (\$286M-\$572M) of asset value typically required annually to simply maintain the existing state of the portfolio.
- TCHC continues to closely monitor the impact of inflation on the cost escalation of construction and FCI. Upon completion of the CMHC National Housing Co-Investment Fund (NHCF) program funding in 2027, TCHC will require additional funding over and above the current amounts to maintain the portfolio in a "fair" state of good repair.

2025 risks and mitigation strategies

Risk and Mitigations	Impact (1-5)	Likelihood (1-5)	Inherent Risk Rating
<p>Inability to meet a reasonable standards of service: TCHC faces pressure to address urgent issues while maintaining its core services, particularly as it provides housing for tenants with complex needs.</p>	5	4	High
<p>Capital funding and sustaining our assets: There is a risk in the ability for TCHC to access additional federal or provincial funding needed to maintain our assets, to fund our 10-year Capital Plan and meet building condition and climate change targets.</p>	5	4	High
<p>Financial stability and sustainability: TCHC faces long-term financial instability resulting from misaligned funding, structural challenges, inflationary pressure, cost increases, enhanced tenant support needs and an increasingly difficult operating environment. TCHC is constrained by its limited ability to increase revenues and requires ongoing subsidy support and organization-wide cost control measures.</p>	5	4	High
<p>Cybersecurity and integrity of critical systems: The risk of a Cyber attack and a data breach is always evolving and continues to be very high. TCHC does not have the appropriate data governance, collection and management processes to collect and ensure accuracy and integrity of data required to perform our work.</p>	5	4	High
<p>Compliance: As a heavily regulated institution, compliance requires a significant investment, and TCHC has not always been resourced to effectively prioritize all compliance requirements.</p>	4	3	Medium
<p>Community safety and security: TCHC communities experience increasing safety and emergency incidents affecting the security of residents, staff and contractors. TCHC accounts for approximately one quarter of the city's gun violence incidents, with most incidents concentrated within a small subset of TCHC communities.</p>	3	3	Medium

2025 priority actions



Meeting our standards of service

Deliver necessary maintenance and work order completion, provide responsive and localized services to TCHC's high needs tenants and enhance its capacity to empower tenants and communities to deliver locally developed initiatives that directly impact their community.



Prioritizing State of Good Repair, capital planning and climate action

Continue to successfully execute on our Capital and Revitalization Plans and work with the City on the Urgently Building More Homes mandate to plan and deliver new opportunities for redevelopment and infill housing.



Enhancing financial sustainability and stability

Address TCHC's long-term financial sustainability TCHC is working to right size our capital budget and minimize costs in demand maintenance work, identify long-term building options to address the mix of rental housing types, and strengthen purchasing power through more strategic procurement.



Investing in cybersecurity and integrity of our systems

Modernize our IT systems and practices and continuing to implement the recommendations from the City's Auditor General's cybersecurity review report. TCHC will advance its efforts to establish a business and data intelligence foundation to enable the organization to make timely data informed decisions.



Addressing compliance, mitigating risk and optimizing service delivery

Implement compliance initiatives, including advancing Shareholder and Council directives, mitigate known risks, address dated policies and procedures, enhance compliance monitoring capacity, and remediate Internal Audit or Auditor General findings.



Fostering community safety

Embed localized violence reduction programs and community supports into its service delivery model and ensuring consistent and stable resourcing for key initiatives that address specific community needs.



Part 2

2025
budget overview



TCHC/TSHC 2025 budget - at a glance (capital for 2025 only)

	2025 Budget Asks	2025 Proposed Budget	2024 Approved Budget
Total Budget	\$1,379.5M	\$1,378.2M	(2024: \$1,244.6M)
Operating Budget	\$801.8M	\$801.8M	(2024: \$749.9M)

TCHC’s 2025 Budget provides a balanced approach to ensure consistent services to tenants. It also considers recommendations from the EY report where we know that investing today will enable future long-term efficiencies and cost savings. Accountability will be driven by ongoing reporting development that is responsive and has consistent measures that reflect the performance of TCHC service system.

Note: The Operating Budget of \$801.8M is consolidated with TSHC; Note that \$9.7M was funded through bridging strategies.

In 2024, the base operating subsidy started at \$272.8M and increased \$40M to \$312.8M vs. 2025 which increased by \$60M to \$372.8M, plus an incremental subsidy for New & Enhanced Initiatives of \$2.03M.

Building Repair Capital	\$379.9M	\$379.9M	(2024: \$350.0M)
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TCHC is budgeting to deliver \$339.9M in building capital repairs in 2025, similar to the anticipated capital spend for 2024. The 2025 year-end FCI is estimated to be 13.43% at the end of 2024. TCHC is no longer projected to achieve the FCI target of 10% by 2027 year-end. An incremental \$40M is being asked for small repairs.

Carbon Budget	\$28.5M	\$28.5M	n/a
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Carbon Budget is a net new ask for Scarlettwood and Sparroway Apartment Complex Deep Retrofits.

RPEI	\$10.1M	\$10.1M	n/a
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RPEI is a net new ask for Capital paid to RPEI Asset Manager under contract responsible for district energy expansion plus Project Management Fees.

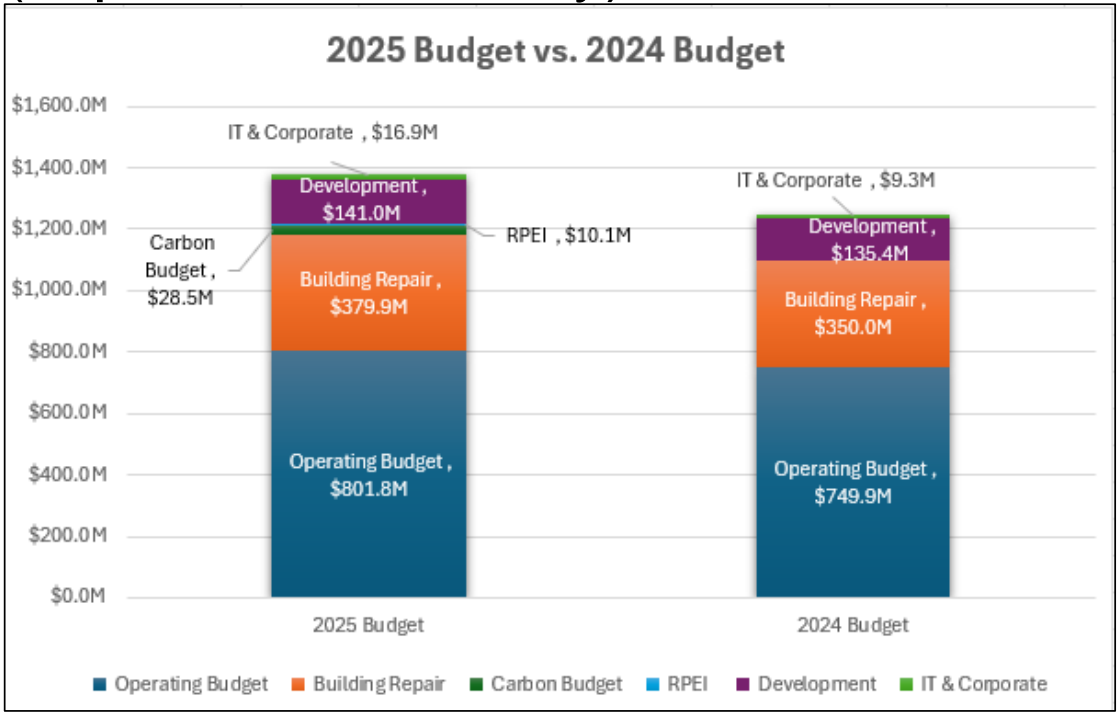
Development Capital Net Outflows	\$141.0M	\$141.0M	(2024: \$135.4M)
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Development Capital will continue the replacement of aging RGI units, building brand new housing and revitalizing communities. Key objectives of this work include the wholesale replacement of aging RGI buildings, the development of new affordable rental, and the creation of welcoming, mixed-use, mixed-income communities.

IT & Corporate Capital	\$18.2M	\$16.9M	(2024: \$9.25M)
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IT includes TCHC’s multi-year investment to implement the cybersecurity program, Architecture Operating Model, IT Asset Management, End User Device Refresh with Windows 11, Fire Wall Replacement, Next Gen Secure Network Planning and Keeping the Lights On. Corporate capital includes reaping Yonge Street Commercial facade and Jarvis roof membrane, repairs, improvements and moveouts to, Petrolia, Carl Hall and 931 Yonge, as well as implementing a new HRIS system. It also includes funding for Seniors Transition Services (Malvern). The combined IT & Corporate Capital number for 2024 is 9.25M.

TCHC/TSHC 2025 proposed budget vs 2024 budget (capital for 2025 only)



	2025 Budget	2024 Budget
Operating Budget	\$801.8M	\$749.9M
Building Repair	\$379.9M	\$350.0M
Carbon Budget	\$28.5M	\$0.0M
RPEI	\$10.1M	\$0.0M
Development	\$141.0M	\$135.4M
IT & Corporate	\$16.9M	\$9.3M
Total Budget	\$1,378.2M	\$1,244.5M

- Overall proposed budget of \$1.36B is 10 % or \$122M above last year’s budget of \$1.24B
- **Operating budget:**
 - **\$60M base subsidy increase.**
 - **Additional \$2.03M subsidy provided in 2025 for New & Enhanced initiatives.**
 - **\$9.7M one-time bridging strategies**

2025-2034 Capital budget and plan: net new funding from City

TCHC 2025 - 2034 (Updated Capital Plan)											
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Total 10 Year Plan
(In \$000s)											
New TCHC New Adjustments											
Building Repair Capital (New)	40,000	21,360	21,360	21,360	21,360	21,360	21,360	21,360	21,360	160,000	370,877
Development Capital (New)	9,900										9,900
IT (New)	9,870	6,250									16,120
Corporate Capital (New) - SOGR	2,650										2,650
Corporate Capital (New) - Other	3,687	1,162	121								4,970
Community and Tenant Support (New)	650	3,462	3,549	3,637							11,298
Carbon Budget (New) - SOGR	18,020	13,380	2,670								34,070
RPEI (New)	10,115										10,115
New Adjustments Subtotal	94,892	45,613	27,699	24,997	21,360	21,360	21,360	21,360	21,360	160,000	460,000

- City Proposing \$460M net increase for the 10-year capital plan
 - Leveraging the \$300M over 10-years funding received from the Gardiner/DVP upload “new deal” money
- 80% additional funding towards the SOGR building repairs program
- Community and tenant support programs: fully funded
- IT/Corporate Capital: fully funded
- Development Capital:
 - \$9.9M net increase for 2025, total \$105M funding including prior year approvals and cumulative unspent carryforwards
- Regent Park Energy Inc (RPEI): \$10.1M funded for 2025, will reassess in future year budget cycles

2025 capital budget overview

\$ Millions	2025 Budget			Previously Approved			Total				
	2025	2025 - 2034	% of Total - exc Unmet Needs	2025	2025-2034	% of Total - exc Unmet Needs	2025	YoY Chg	2025-2034	YoY Chg	% of Total
Building Repair Capital	40.0	370.9	79%	340.0	1939.7	64%	380.0	12%	2310.6	19%	66%
Development Capital	9.9	9.9	2%	165.6	1096.3	36%	175.5	6%	1106.2	1%	32%
IT	9.9	16.1	3%	0.0	0.0	0%	9.9	0%	16.1	0%	0%
Corporate Capital	2.7	2.7	1%	0.0	0.0	0%	2.7	0%	2.7	0%	0%
Corporate Capital - Other	3.7	5.0	1%	0.0	0.0	0%	3.7	0%	5.0	0%	0%
Community and Tennant Support	0.7	11.3	2%	0.0	0.0	0%	0.7	0%	11.3	0%	0%
Carbon Budget	28.5	44.5	9%	0.0	0.0	0%	28.5	0%	44.5	0%	1%
Regent Park Energy Inc.	10.1	10.1	2%	0.0	0.0	0%	10.1	0%	10.1	0%	0%
Total	105.3	470.4	100%	505.6	3036.0	100%	611.0	21%	3506.5	15%	100%

- Out of the original ask to the City of \$792.8M, \$460M was recommended to be approved and \$332.8M was not approved
- The Carbon budget includes \$10.4M of Natural Resources Canada (NRCan) requested grant.
- Development capital includes \$52.6M in carryforward in previously approved funding

Part 3

2025
operating budget



2025 operating budget overview – TCHC & TSHC

Operating Budget - TCHC & TSHC										
(\$000's)	2023 Actual	2024 Budget	2024 Projection*	2025 Budget (TCHC)	2025 Budget (TSHC)	2025 Budget	Chg from 2024 Budget		OUTLOOK	
							\$	%	2026	2027
Rent Revenue - RGI & Market	\$359,369	\$364,081	\$370,999	\$283,577	\$92,456	\$376,033	\$11,952	3.3%	\$381,139	\$386,320
City Subsidy (Base)	\$269,250	\$312,795	\$311,909	\$325,478	\$47,317	\$372,795	\$60,000	19.2%	\$372,795	\$372,795
City Subsidy (New/Enhanced)				\$1,452	\$574	\$2,026	\$2,026	N/A	\$2,026	\$2,026
City Subsidy (One-Time)	\$23,027	\$33,580	\$33,580				(\$33,580)	-100.0%		
Other Revenue	\$68,792	\$39,407	\$39,960	\$39,768	\$1,485	\$41,252	\$1,845	4.7%	\$42,081	\$42,926
TCHC Reserve Repayment**	\$0	\$0	\$0		\$0			N/A	\$6,500	\$6,500
Total Revenues	\$720,439	\$749,863	\$756,447	\$650,276	\$141,831	\$792,106	\$42,243	5.6%	\$804,541	\$810,568
TSHC Direct Gross Expenditures	\$44,132	\$43,480	\$43,418		\$47,793	\$47,793	\$4,313	9.9%	\$50,303	\$52,692
TCHC Direct Gross Expenditures	\$649,288	\$706,383	\$698,025	\$656,312	\$97,714	\$754,026	\$47,643	6.7%	\$788,774	\$820,572
Gross Expenditures	\$693,420	\$749,863	\$741,443	\$656,312	\$145,507	\$801,819	\$51,956	6.9%	\$839,076	\$873,264
Net Expenditures	\$27,019	\$0	\$15,004	(\$6,036)	(\$3,677)	(\$9,713)	(\$9,713)	N/A	(\$34,536)	(\$62,697)
2025 One-Time Bridging Strategies (Base)				\$3,192	\$3,255	\$6,447	\$6,447			
2025 One-Time Bridging Strategies (New/Enhanced)				\$2,844	\$421	\$3,266	\$3,266			
Net Expenditures (With Annual City Repayment \$6.5M defer to both 2026 & 2027)				\$ -	\$ -	\$ -	\$ -	N/A	(\$41,036)	(\$69,197)
Approved Positions***	2,442.0	2,653.0	2,578.0	2,386.0	331.0	2,717.0	64.0	2.4%	2,746.0	2,758.0

*2024 Projection based on 9 Month Variance

**City will be repaying 50% of TCHC's \$13M 2023 Budget Cycle withdrawal in each of year's 2026 & 2027

***YoY comparison based on approved positions (excluding summer hires/interns & trades)

2025 operating budget overview – TCHC only

Operating Budget - TCHC								
(\$000's)	2023 Actual	2024 Budget	2024 Projection*	2025 Budget	Chg from 2024 Budget		OUTLOOK	
					\$	%	2026	2027
Rent Revenue - RGI & Market	\$271,420	\$276,389	\$280,991	\$283,577	\$7,187	2.6%	\$287,296	\$291,070
City Subsidy	\$231,089	\$273,218	\$272,332	\$325,478	\$52,260	19.1%	\$325,478	\$325,478
City Subsidy (New/Enhanced)				\$1,452	\$1,452	N/A	\$1,452	\$1,452
City One-Time Subsidy	\$23,027	\$29,248	\$29,248		(\$29,248)	-100.0%		
Other Revenue	\$42,868	\$38,476	\$38,549	\$39,768	\$1,292	3.4%	\$40,564	\$41,375
TCHC Reserve Repayment**						N/A	\$6,500	\$6,500
Total Revenues	\$568,404	\$617,332	\$621,120	\$650,276	\$32,944	5.3%	\$661,290	\$665,876
Gross Expenditures	\$559,707	\$612,991	\$607,804	\$656,312	\$43,320	7.1%	\$687,423	\$715,537
Net Expenditures	\$8,697	\$4,341	\$13,316	(\$6,036)	(\$10,377)	N/A	(\$26,132)	(\$49,662)
2025 One-Time Bridging Strategies (Base)				\$3,192	\$3,192			
2025 One-Time Bridging Strategies (New/Enhanced)				\$2,844	\$2,844			
Net Expenditures (With Annual City Repayment \$6.5M defer to both 2026 & 2027)				\$ -	(\$4,341)	N/A	(\$32,632)	(\$56,162)
Approved Positions***	2,142.0	2,330.0	2,266.0	2,386.0	56.0	2.4%	2,412.0	2,420.0

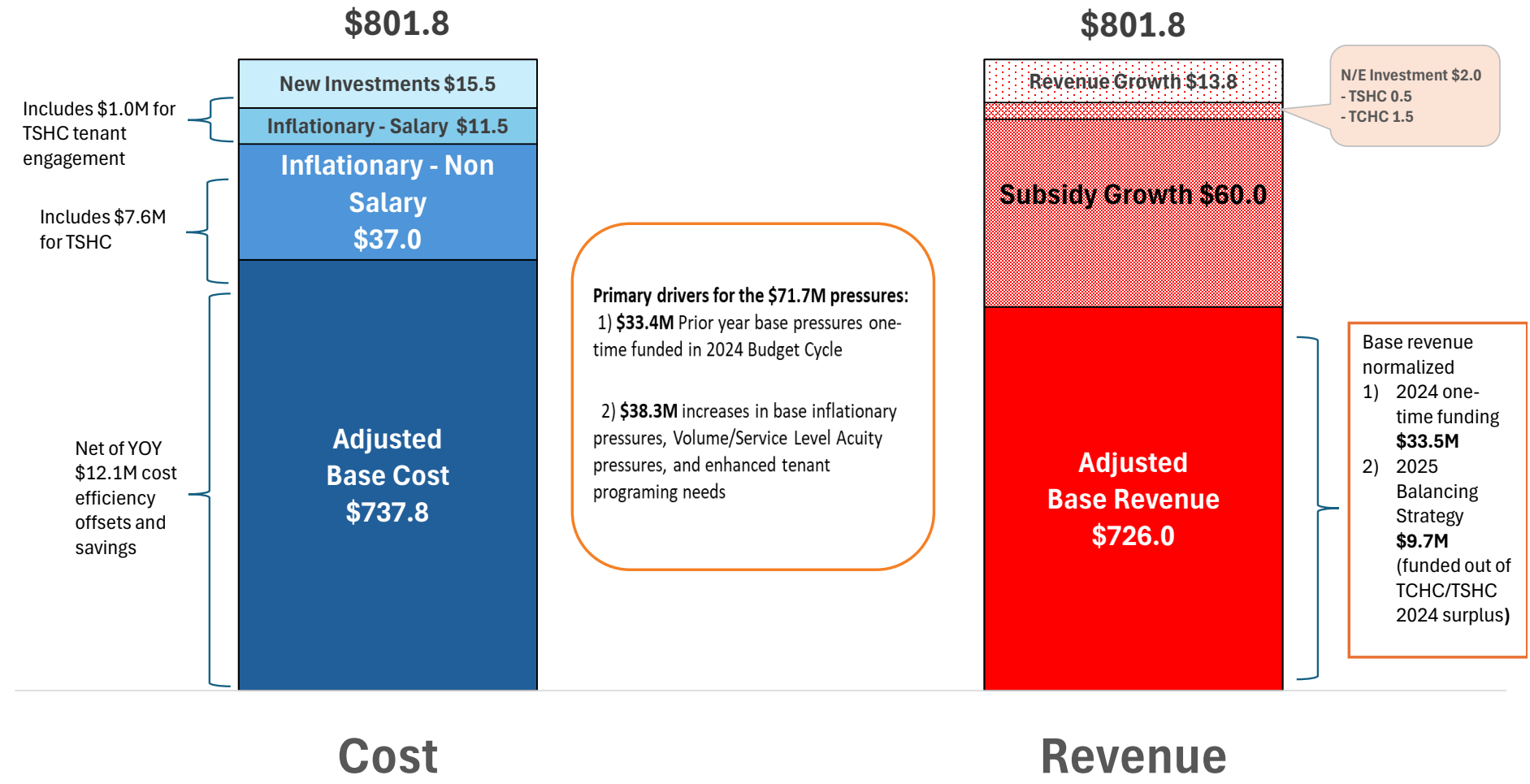
*2024 Projection based on 9 Month Variance

**City will be repaying 50% of TCHC's \$13M reserve withdrawal each year

***YoY comparison based on approved positions (excluding summer hires/interns & trades)

2025 key cost drivers (TCHC/TSHC)

(in \$millions)



Three-year plan with 2026/2027 outlook (TCHC/TSHC)

(In \$000s)	2025 Budget	2026 Incremental Outlook	2027 Incremental Outlook
Revenues			
Revenue Changes		5,935	6,027
TCHC Reserve City Repayment		6,500	
Total Revenues	792,106	12,435	6,027
Gross Expenditures			
Inflationary Impacts		19,882	21,523
Utilities		6,593	6,697
Hiring Plan		5,624	1,840
Mortgage P&I		1,466	2,416
Swansea Mews		(500)	
TSHC Direct Cost Pressure		2,510	2,389
Maintenance Pressures		122	125
<i>Investment To Support Better Delivery Of Services And Improve Operation Efficiency</i>		514	(564)
Compliance Investment		(32)	(104)
Cybersecurity		269	15
Procurement Transformation		224	(477)
HRIS (one-time)		52	1
New and Enhanced		1,142	(153)
<i>Improve Critical Service And Build Tenant-Centric Communities</i>		652	347
Building Tenant Trust		377	59
Chronic Violence Support		34	6
Vulnerable Tenant Supports		242	282
<i>Investment To Support Better Delivery Of Services And Improve Operation Efficiency</i>		491	(500)
Enhancing Frontline Services		491	(500)
Affordability Measures		(96)	(85)
Total Gross Expenditures	801,819	37,258	34,188
TCHC 2023 Budget Cycle Repayment		6,500	
Net Expenditures	9,713	24,823	28,161
2025 One-Time Bridging Strategy TCHC	(6,036)		
2025 One-Time Bridging Strategy TSHC	(3,677)		
Net Expenditures (With City Repayment \$6.5M)	0	31,323	28,161
Approved Positions	2,717	2,746	2,758

Key Outlook drivers

Revenue Changes

- RGI rent to increase by 1% and Market rent to increase by 2%
- Bad debt is based on trending (approx. 1.8% of residential and commercial rent)
- TCHC Reserve City Repayment – 50% of TCHC’s \$13M reserve withdrawal for 2026 & 2027

Hiring Plan

- Headcount increases on programs and initiatives for year 2 & 3 (e.g. Vulnerable Tenant Supports, Enhancing Frontline Services and Compliance Investment, etc.)

Inflationary Impacts

- Labor costs
 - TCHC to increase by COLA % in 2026 and 2027, vacancy adjustment maintain at 6% in 2026 and 2027.
- Non-labor costs
 - To increase by 5% for material & supplies, 15% for insurance and rest is 2% in 2026 and 2027 for TCHC
- Mortgage P&I are projected based on loan amortization schedules and CMHC Co-investment loan for SOGR Capital.
- Utilities
 - Electricity price is projected to increase by 3.88% in both 2026 and 2027
 - Natural gas is projected to increase by 7.2% in 2026 and 6.7% in 2027
 - Water price is projected to increase by 2.2% for 2026 and 2027

Part 4

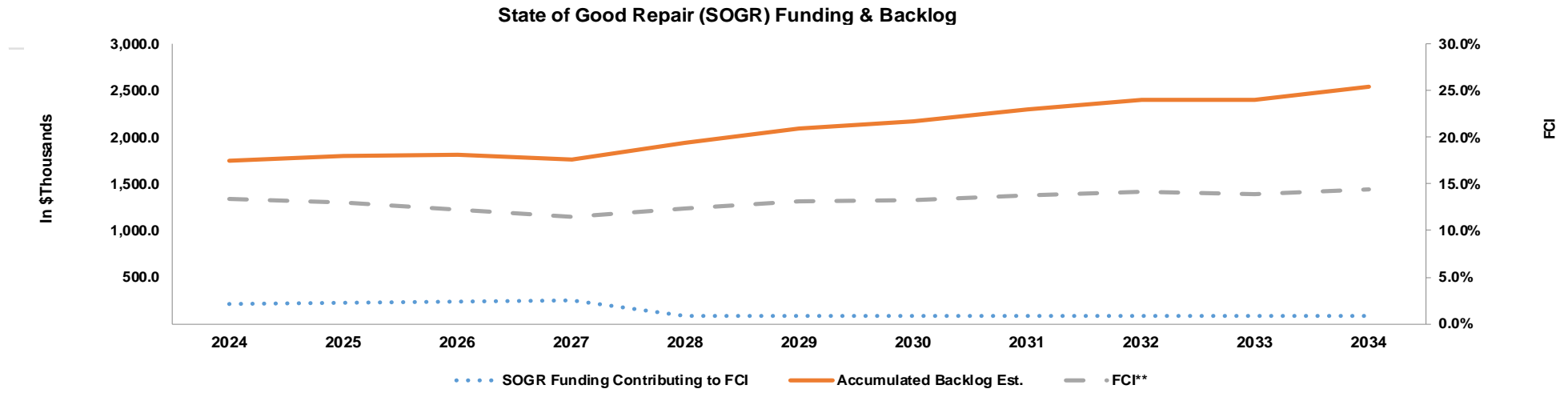
2025 to 2034
capital budget and plan



2025 - 2034 capital budget & plan submission

(In \$000s)	2024			2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2025 - 2029	2030-2034	10 Year Plan
	Budget	Projected Actual	Cumulative Carryforward													
Gross Expenditures by Project Category:																
Building Capital Repair	350,000	350,000		379,904	357,360	353,360	181,360	174,143	174,360	174,360	174,360	181,360	160,000	1,446,126	864,439	2,310,564
Development Capital	141,459	94,132	52,628	122,881	151,595	155,138	166,140	97,847	165,846	208,185	81,212	102,442	110,169	693,603	359,992	1,053,595
City Repayment									127,538			180,324				
IT/Corporate Capital	9,323	9,323		16,207	7,412	121								23,740		23,740
Community and Tenant Support				650	3,462	3,549	3,637							11,298		11,298
Carbon Budget				28,470	13,380	2,670								44,520		44,520
RPEI				10,115										10,115		10,115
Total by Project Category	500,782	453,455	52,628	548,113	533,208	514,838	351,137	271,990	467,743	382,545	255,572	1,036	270,169	2,229,401	1,224,431	3,453,831
Financing:																
Building Repair Capital																
City Funding (previously approved)	142,815	142,815		169,904	176,000	179,402	160,000	152,783	153,000	153,000	153,000	160,000		838,089	619,000	1,457,089
Federal Funding	183,001	183,001		166,471	159,061	135,769								461,301		461,301
TCHC/Other Funding *	24,184	24,184		3,529	939	16,829								21,297		21,297
Development Capital																
City Funding (previously approved)	52,628		52,628	43,053	37,253	89,005	92,984	88,222		82,566	26,970			350,517	198,326	152,191
City Repayment									127,538			180,324				
Other City Funding (S37/Infrastructure)	12,999	4,862		29,818	35,467	4,816	3,400	2,350	1,845					75,851	1,845	77,696
Provincial Funding	-	2,997		-	-	-	-	-	-	-	-	-	-	-	-	-
Federal Funding*	-	-		-	20,325	30,000	35,516	-	-	-	-	-	-	85,841	-	85,841
Other Revenue - Development Capital	75,832	86,273		40,110	58,550	31,318	34,240	7,275	164,001	125,619	54,242	102,442	110,169	171,494	556,473	727,967
IT/Corporate Capital																
IT/Corporate Capital	9,323	9,323														
Total Financing	500,782	453,455	52,628	452,885	487,595	487,138	326,140	250,630	191,308	361,185	234,212	82,118	110,169	2,004,390	978,992	2,983,382
Additional Approved Funded Requests:																
Building Capital Repair (Includes New Deal Funding of \$300 million)				40,000	21,360	21,360	21,360	21,360	21,360	21,360	21,360	21,360	160,000	125,439	245,439	370,877
Development Capital				9,900										9,900		9,900
IT				9,870	6,250									16,120		16,120
Corporate Capital				6,337	1,162	121								7,620		7,620
Community and Tenant Support				650	3,462	3,549	3,637							11,298		11,298
Carbon Budget				18,020	13,380	2,670								34,070		34,070
RPEI				10,115										10,115		10,115
Additional Approved Funded Requests Total:				94,892	45,613	27,699	24,997	21,360	21,360	21,360	21,360	21,360	160,000	214,561	245,439	460,000
Additional Approved Federally Funded Requests:																
Carbon Budget (NRCan Funded)				10,450										10,450		10,450
Additional Approved Capital Budget Total:				10,450										10,450		10,450
Total Approved Projects	500,782	453,455	52,628	558,228	533,208	514,838	351,137	271,990	212,667	382,545	255,572	103,477	270,169	2,229,401	1,224,431	3,453,831

SOGR capital – funding and backlog



\$ '000s	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
SOGR Funding Contributing to FCI	210.0	221.0	235.0	249.0	88.0	84.0	84.0	84.0	84.0	88.0	88.0
Accumulated Backlog Est.	1,752.0	1,797.0	1,809.0	1,762.9	1,948.2	2,098.5	2,175.0	2,304.7	2,402.7	2,400.7	2,539.5
FCI**	13.4%	13.0%	12.2%	11.5%	12.4%	13.1%	13.3%	13.8%	14.1%	13.9%	14.4%
Total Asset Value	13,044.3	13,853.1	14,808.9	15,356.9	15,694.7	16,008.6	16,328.8	16,655.4	16,988.5	17,328.2	17,674.8

SOGR - 10 year building repair capital plan by envelope

In Millions \$														
Budget Category	Capital Envelope	2024 Original Budget	2024 YE Forecast	2025 Budget	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	2034 Plan	2025-2034
Planned Capital	Accessibility	13.1	12.6	13.2	12.8	12.8	5.0	5.0	5.0	5.0	5.0	5.0	5.0	73.8
	Commercial	0.8	0.3	0.8	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	9.8
	Grounds	9.0	6.3	6.5	9.0	9.0	6.0	4.0	4.0	4.0	4.0	4.0	6.0	58.5
	Interiors	15.7	19.0	15.2	20.5	20.5	10.0	10.0	10.0	10.0	10.0	10.0	10.0	126.2
	Services	44.3	48.4	46.9	51.0	51.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	372.9
	Shell	48.0	66.5	76.0	66.0	58.0	25.0	19.0	19.0	19.0	19.0	19.0	25.0	351.0
	Substructure	18.0	26.0	21.0	18.0	18.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	148.0
Planned Capital Total		148.8	179.0	179.6	178.3	170.3	92.0	84.0	84.0	84.0	84.0	92.0	92.0	1140.2
Demand Capital	Accessibility	7.1	7.1	5.9	6.3	6.3	2.8	2.8	2.8	2.8	2.8	2.8	2.8	37.8
	Demand	100.0	90.0	70.0	70.0	70.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	371.0
	Interiors	30.5	33.0	30.5	30.5	30.5	16.0	16.0	16.0	16.0	16.0	16.0	16.0	203.5
	Risk	6.0	5.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Services	1.1	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	10.0
Demand Capital Total		144.7	136.7	107.4	107.8	107.8	42.8	42.8	42.8	42.8	42.8	42.8	42.8	622.3
Energy Programs	Energy	17.5	15.1	14.8	12.6	12.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	40.0
Energy Programs Total		17.5	15.1	14.8	12.6	12.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	40.0
Capital Other	Other	70.2	49.6	38.1	37.3	41.3	25.3	26.0	26.3	26.3	26.3	25.3	25.3	297.3
Capital Other Total		70.2	49.6	38.1	37.3	41.3	25.3	26.0	26.3	26.3	26.3	25.3	25.3	297.3
Subtotal		381.1	380.4	339.9	336.0	332.0	160.0	152.8	153.0	153.0	153.0	160.0	160.0	2099.7
Building Capital Repair*				40.0	21.4	21.4	21.4	21.4	21.4	21.4	21.4	21.4		210.9
Subtotal SOGR New Funding				40.0	21.4	21.4	21.4	21.4	21.4	21.4	21.4	21.4	0.0	210.9
Grand Total		381.1	380.4	379.9	357.4	353.4	181.4	174.1	174.4	174.4	174.4	181.4	160.0	2310.6

Development Capital 2025-2034

\$ Million	2025 - 2034 In-Flight Development Cash Flow*											
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Total*	
Total TCHC Development Outflows**	-	(141.0)	(109.6)	(184.5)	(198.1)	(148.9)	(83.6)	(87.1)	(95.2)	(61.4)	(15.0)	(1,124.4)
Total TCHC Development Inflows (Forecasted Funding)	-	69.9	114.3	66.1	73.2	9.6	165.8	125.6	54.2	102.4	110.2	891.5
2025 TCHC Net Surplus / (Shortfall)	-	(71.0)	4.8	(118.4)	(125.0)	(139.3)	82.2	38.5	(40.9)	41.0	95.2	(232.9)*

\$ Million	2024, 2025 - 2034 Funding Sources											
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Total*
2025 TCHC Net (Shortfall)	(6.7)	(71.0)	-	(118.4)	(125.0)	(139.3)	-	-	(40.9)	-	-	(501.3)
Secured Net Funding Projections Towards Shortfall	16.4 ¹	-	4.8 ²	-	-	-	82.2 ²	38.5 ²	-	41.0 ²	95.2 ²	278.1
Committed City Funding / To be carried over from 2024-2025 HS Committed (unspent carry over)	3.2	-	-	-	-	-	-	-	-	-	-	3.2
2025 Unfunded (City Budget Request) – A	12.9	(71.0)	4.8	(118.4)	(125.0)	(139.3)	82.2	38.5	(40.9)	41.0	95.2	(220.0)
Net Surplus/Shortfall – 2024 Approved Budget	(46.6)	(43.1)	(37.3)	(89.0)	(93.0)	(88.2)	127.5	(82.6)	(27.0)	180.3	-	(198.8)
City funding Committed for Regent Park Phase 4&5	-	25.0	25.7	-	-	-	-	-	-	-	-	50.7
City funding Committed (\$30m commitment between 2023 & 2024)	16.4 ¹	-	-	-	-	-	-	-	-	-	-	16.4
Funding from City Building Fund 2024 (committed to by city in 2024 Approved Budget) – B	(30.2)	(18.1)	(11.6)	(89.0)	(93.0)	(88.2)	127.5	(82.6)	(27.0)	180.3	-	(131.7)
Net Surplus/Shortfall Estimate in 2025		(58.1)	4.8	(118.4)	(125.0)	(139.3)	82.2	38.5	(40.9)	41.0	95.2	(220.0)
Net Surplus/Shortfall Estimate in 2024		(18.1)	(11.6)	(89.0)	(93.0)	(88.2)	127.5	(82.6)	(27.0)	180.3	-	(131.7)
Incremental Ask (2025 vs. 2024)		(40.1)	16.4	(29.3)	(32.0)	(51.1)	(45.3)	121.1	(13.9)	(139.3)	95.2	(88.3)
Funded 2025 Submission		(9.9)										
Unfunded Budget /Shortfall for (2025-2034)			16.4	(29.3)	(32.0)	(51.1)	(45.3)	121.1	(13.9)	(139.3)	95.2	78.4

IT Capital

2025 IT Capital					
Program	Details	Risk	2025 Budget (in millions)	Type of Cost Pressure	2024 Budget (in millions)
Enduser Hardware	End User Device Refresh with Windows 11	Critical	2.9	Multi-Year	-
Enduser Hardware	End user devises includes laptops, desktops, montirs, keyboards, mice, tablets, etc.	Critical	-	Recurring	0.3
Hardware	Need funds for break/fix if no End User Device Refresh approved	Critical - KLTO	0.4	Recurring	-
Hardware	Multi-function Devices (MFDs) Printers - HP	Critical - KLTO	0.4	Recurring	-
Hardware	Replacement Switches & Routers	Critical - KLTO	0.2	Recurring	-
Hardware	Replacement Access Points	Critical - KLTO	0.0	Recurring	-
Hardware	Backup Tapes	Critical - KLTO	0.0	Recurring	-
Hardware	Misc Capital Requirements	Critical - KLTO	0.1	Recurring	-
Hardware	Cisco Prime Licenses	Critical - KLTO	0.1	Recurring	-
Hardware	Monitoring Solution - non Cisco	Critical - KLTO	0.1	Recurring	-
Hardware	Replace hardware and licences	Critical	-	Recurring	0.4
NOVA	NOVA 2.0	Critical	3.0	Multi-Year	4.0
NOVA	NOVA 1.0	Critical	1.0	Multi-Year	-
Software	Firewall Replacement	Critical	0.5	One-time	-
Software	IT Asset Management	Critical	0.3	One-time	-
Professional Services	Next Gen Secure Network Planning	Critical	1.0	Multi-Year	-
Storage	Replace Storage HCP-Laird and Barrie	Critical	-	One-Time	1.8
BI Analytics	Implement MS Power BI capabilities	Critical	-	One-Time	1.2
M365	Phase 2 M365	Critical	-	Multi-Year	0.6
Business Initiative	Board directed Inventory/Fixed Asset Module Implementation	Critical	-	One-Time	0.3
Total Critical			9.9		8.5
IT Capital Sub-total			9.9		8.5

Corporate capital/Tenant support

Corporate Capital					
Program	Details	2025 Budget (in millions)	Risk & Prioritization	Type of Cost Pressure	2024 Budget (in millions)
Office Services	Furniture and Moving Services	0.5	High	One-time	
Office Services	Capital repairs & improvements at 931 Yonge & 35 Carl Hall	0.1	High	Recurring	
People & Culture	HRIS system	3.0	Medium	One-time	
Office Services	Air quality improvements to Carl Hall & Petrolia	0.1	Medium	One-time	
Office Services	Relocation of Files at 35 Carl Hall	0.0	Medium	One-time	
Office Services	On Demand Urgent Repair	-	Critical	Recurring	0.1
Office Services	FOB upgrade improvements (project controlled by CSU)	-	Critical	One-time	0.0
Corporate Capital (New) - Other Subtotal		3.7			0.1
Commercial	423 Yonge Commercial facade redesign	1.5	High	One-time	
Commercial	267 Jarvis garage concrete repair	1.2	Critical	One-time	-
Corporate Capital (New) - SOGR Subtotal		2.7			-
Tenant Support	Seniors Transition Services Malvern programs Move Outs + Buybacks (4)	0.7	Critical	Multi-Year	0.6
Corporate Capital Subtotal		0.7			0.6
Total Corporate Capital		7.0			0.7

Capital needs constraints

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

Criteria (Based on the Budget Memo) to evaluate unfunded priority capital projects:

1. Approved capital projects that are over debt target due to cost escalation.
2. Capital projects to ensure legislative compliance.
3. Health & Safety or SOGR projects that need to be addressed to avoid service interruption or legal claims.
4. Capital projects that leverage an opportunity that would otherwise be missed (financial/timing/coordination).
5. Capital projects that effect operating savings/efficiencies or cost avoidance.
6. Capital projects to implement approved Council priorities.
7. SOGR projects that reduce backlog.
8. Capital projects to address a sustained service demand.



Thank you

