

Toronto Community Housing



Q2 2025 Facilities Management SOGR Capital Budget Reallocations

Item 15A

September 11, 2025

Building Investment, Finance and Audit Committee

Report: BIFAC:2025-77
To: Building Investment, Finance and Audit Committee
("BIFAC")

From: Vice President, Facilities Management

Date: August 18, 2025

PURPOSE:

This report seeks the Building Investment, Finance and Audit Committee ("BIFAC") and Board of Directors ("the Board") approval for the reallocation of funds within the State of Good Repair ("SOGR") Capital Envelopes for amounts between \$500,000 and \$5,000,000 in accordance with TCHC's Financial Control Bylaw 3.

RECOMMENDATION(S):

It is recommended that the Building Investment, Finance and Audit Committee approve and recommend that the Board of Directors:

1. Approve the reallocation of \$11,299,000 between the seventeen (17) envelopes as outlined in Attachment 1;
2. Approve the reallocation of \$20,500,000 across sixteen (16) sub-envelopes within the broader COXX Demand Capital envelope, as outlined in Attachment 2; and
3. Authorize the Chief Financial Officer and Vice President, Facilities Management, or their designates, to implement the foregoing

recommendations and to take all other necessary actions to give effect to the above recommendations.

FINANCIAL IMPACT STATEMENT:

This report seeks approval from the BIFAC and Board to redistribute \$11,299,000 between seventeen (17) capital envelopes and \$20,500,000 across sixteen (16) sub-envelopes within the COXX Demand Capital envelope. The 2026 Capital Budget for SOGR, totaling \$379,904,000, will be maintained with no net change. The proposed adjustments will increase the Planned and Energy Categories, while reducing Capital Operations, as outlined in Table 1. There is no net change to the Demand Category.

Table 1: Summary of Changes to the Budget Categories

Budget Category	2025 Revised Approved Budget (as of June 30, 2025)	Proposed Reallocation (as of June 30, 2025)	2025 Proposed Budget Pending Approval of BIFAC and the Board
Planned Capital	\$202,904,636	\$5,693,000	\$208,597,636
Demand **	\$133,250,000	\$0	\$133,250,000
Capital Operations	\$28,159,505	(\$6,299,000)	\$21,860,505
Energy	\$15,589,859	\$606,000	\$16,195,859
Total ***	\$379,904,000	\$0	\$379,904,000

** Reallocations totaling \$20,500,000 are proposed for redistribution across sixteen sub-envelopes, plus an additional \$2,000,000 from Local Moveouts to Demand General Repair

*** The total overall budget has been reduced by \$96,000 to reflect the City of Toronto's approved Building Capital Repair SOGR Budget

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

REASONS FOR RECOMMENDATION(S):

Background

Pursuant to TCHC's Financial Control Bylaw 3, TCHC's President and Chief Executive Officer is required to provide the Board with a quarterly report comparing budgeted capital expenditures to actual expenditures plus commitments, as well as a forecast of the estimated Capital Plan results for the year.

Section G-3 of TCHC's Financial Control Bylaw provides that management may reallocate funds among Building Capital Envelopes in the total Building Capital Budget, subject to the following:

- a. Reallocations between \$500,000 and \$5,000,000 shall be reported to the Board on a quarterly basis; and
- b. Reallocations greater than \$5,000,000 or any reallocation or reforecasting that results in a change to the total Building Capital Budget by more than 10% shall be approved by the Board.

Recommended Budget Envelope Reallocations

During the weekly review of the 2026 Building Capital Repair SOGR Budget by Facilities Management (FM), Operations, and Finance's Capital Planning, several envelopes were identified as trending toward underspending by year-end. To mitigate this and optimize the \$379,904,000 overall budget for the year, it is recommended that funds be reallocated from these envelopes to support other advancing capital projects.

As outlined in Table 2 and Attachment 1, a total of \$11,299,000 is proposed for reallocation across seventeen (17) envelopes. This includes \$6,299,000 from RCXZ Unallocated (under Capital Operations) to be redistributed to envelopes in the Planned and Energy Categories, effectively reducing RCXZ Unallocated from \$10,159,505 to \$3,860,505. The balance of RCXZ Unallocated funds will be reassigned at the end of Q3/early Q4 to support unforeseen emergent needs.

Table 2: Q2 Proposed Reallocations Between Envelopes

Budget Category	Envelope Name	2025 Revised Approved Budget (as of June 30, 2025)	Proposed Reallocation for Sept. BIFAC/Oct. Board Approval (as of June 30, 2025)	2025 Proposed Budget Pending Approval of BIFAC and the Board
Planned	CC01 - Commercial-Laundry Rooms	\$1,000,000	(\$500,000)	\$500,000
	CC09 - Commercial Retail Repairs	\$800,000	(\$300,000)	\$500,000
	HBRP - Holistic Building Retrofit Program	\$45,912,425	\$2,275,000	\$48,187,425
	RC03 – Electrical	\$3,377,744	\$663,000	\$4,040,744
	RC07 – Envelope	\$28,000,000	\$757,000	\$28,757,000
	RC08 – Grounds	\$8,000,000	\$180,000	\$8,180,000
	RC09 – Interiors	\$7,600,000	\$629,000	\$8,229,000
	RC12 - Life Safety	\$8,000,000	\$55,000	\$8,055,000
	RC15 – HVAC	\$17,300,000	(\$2,000,000)	\$15,300,000
	RC16 – Plumbing	\$11,600,000	\$1,791,000	\$13,391,000
	RC19 - Cameras and Access Control	\$7,100,321	\$1,343,000	\$8,443,321
	RCHH - Heritage Houses	\$200,000	(\$200,000)	\$0
	SOGI - State of Good Repair-Interior	\$9,000,000	\$1,000,000	\$10,000,000

Table 2: Q2 Proposed Reallocations Between Envelopes Continued

Budget Category	Envelope Name	2025 Revised Approved Budget (as of June 30, 2025)	Proposed Reallocation for Sept. BIFAC/Oct. Board Approval (as of June 30, 2025)	2025 Proposed Budget Pending Approval of BIFAC and the Board
Demand	COXX - Demand Capital	\$95,850,000	\$2,000,000	\$97,850,000
	LM - Local Moveouts	\$22,500,000	(\$2,000,000)	\$20,500,000
Capital Operations	RCXZ – Unallocated	\$10,159,505	(\$6,299,000)	\$3,860,505
Energy	EW01 - Water Conservation & Recommissioning	\$6,000,000	\$606,000	\$6,606,000
Total		\$282,399,995	\$0	\$282,399,995

Additionally, the reallocation includes \$2,000,000 to be redistributed within the Demand Category, moving funds from Local Moveouts to COXX Demand Capital. This is in addition to the reallocations recommended within the COXX Demand Capital envelope. As detailed in Attachment 2, a total of \$20,500,000 is proposed for redistribution across sixteen (16) sub-envelopes to enable capital work to proceed. Funds will be reallocated from the CO28 Demand Capital Contingency and various component capital envelopes (CO09 Interior/Fire Door, CO14 Commercial, CO18 Energy Management, CO22 Water Metering Program, and CO23 Interior Building Upgrades). These reallocations will advance capital projects in the following areas: CO01 HVAC, CO02 Plumbing, CO03 Electrical, CO04 Safety Systems, CO06 Elevators, CO10 Envelope/Roof, CO15 Redevelopment Repairs RV09, CO19 BAS and Recommissioning, CO20 Hydro Vaults, and CO21 Roofs and Ladders. As a result, the total envelope for COXX Demand Capital will be increased by \$2,000,000 from \$95,850,000 to \$97,850,000. However, the overall budget of \$133,250,000 for Demand Capital will not be increased, maintaining the original approved balance between Planned and Demand Capital.

Demand Capital Spend Monitoring

TCHC continues to monitor Demand Capital spending to ensure an effective balance of investment with a focus on more pro-active and planned capital projects that have deeper impacts towards portfolio condition improvement and preservation.

Attachment 2 provides a breakdown of the COXX Demand Capital spending by sub-category at the end of the first six months of the year. Reallocations totaling \$20,500,000 are proposed for redistribution across sixteen (16) sub-envelopes.

It is important to note that the Demand General Repair (“DGR”) program is trending towards a year-end expenditure of \$26,100,000. As a result, a reallocation of \$2,000,000 is being made to this budget envelope to enable continued delivery of demand in-suite repairs. While Management continues to implement a comprehensive approach to manage demand expenditures, which includes adoption of the necessary budget monitoring and control measures, an additional \$1,000,000 of contingency funding has been set aside, if required.

IMPLICATIONS AND RISKS:

The timely delivery and completion of TCHC’s SOGR capital projects are vital to maintaining an aging housing portfolio and meeting targets outlined in external funding agreements with the Canada Mortgage and Housing Corporation (CMHC) National Housing Co-Investment Fund (NHCI) and City of Toronto, including unit retention, accessibility, energy efficiency and building condition.

Funding from CMHC’s NHCI is scheduled to end in 2027. Without additional funding, TCHC’s State of Good Repair capital program will face a significant reduction—estimated at approximately 50%. To mitigate this risk, Facilities Management and Capital Planning teams actively monitor multi-year projects to ensure funding aligns with anticipated completion timelines. Continued strategic investment is critical to prevent accelerated unit closures and safeguard this vital public asset.

SIGNATURE(S):

"Lily Chen"

Lily Chen,
Chief Financial Officer

and

"Noah Slater"

Noah Slater,
Vice President, Facilities Management

ATTACHMENT(S):

1. SOGR Capital Renewal Plan - Variance and Reallocations by Budget Category and Envelope to June 30, 2025
2. COXX Demand Capital Components to June 30, 2025

STAFF CONTACT:

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Budget Category	Envelope Name	(A) 2025 Board Approved Budget	(B) 2025 Actual YTD (June)	(C) Reallocation n \$9.96M (Board Approved on April 28, 2025)	(D) Reallocation n \$40M (Board Approved June 24, 2025)	(E = A + C + D) 2025 Revised Approved Budget (as of June 30, 2025)	(F = B/E) Actual as % Budget	(G) Proposed Reallocation (as of June 30, 2025)	(H = E + G) 2025 Proposed Budget Pending Approval	(I = H - B) Remaining Cost to Complete	(J) Year-End Target
Planned	CA01 - Common Area Accessibility	12,200,000	2,438,655	0	0	12,200,000	20%	0	12,200,000	9,761,345	12,200,000
	CC01 - Commercial-Laundry Rooms	1,000,000	92,924	0	0	1,000,000	9%	(500,000)	500,000	407,076	500,000
	CC09 - Commercial Retail Repairs	800,000	39,384	0	0	800,000	5%	(300,000)	500,000	460,616	500,000
	HBRP - Holistic Building Retrofit Program	40,000,000	24,207,355	5,912,425	0	45,912,425	53%	2,275,000	48,187,425	23,980,070	48,187,425
	RC03 – Electrical	2,300,000	2,267,254	1,077,744	0	3,377,744	67%	663,000	4,040,744	1,773,490	4,040,744
	RC05 – Elevators	5,600,000	2,002,247	558,661	0	6,158,661	33%	0	6,158,661	4,156,414	6,158,661
	RC07 – Envelope	28,000,000	10,100,717	0	0	28,000,000	36%	757,000	28,757,000	18,656,283	28,757,000
	RC08 – Grounds	6,000,000	440,977	0	2,000,000	8,000,000	6%	180,000	8,180,000	7,739,023	8,180,000
	RC09 – Interiors	6,000,000	2,198,228	0	1,600,000	7,600,000	29%	629,000	8,229,000	6,030,772	8,229,000
	RC12 - Life Safety	8,000,000	3,142,970	0	0	8,000,000	39%	55,000	8,055,000	4,912,030	8,055,000
	RC15 – HVAC	15,000,000	2,274,285	0	2,300,000	17,300,000	13%	(2,000,000)	15,300,000	13,025,715	15,300,000
	RC16 – Plumbing	10,000,000	3,742,194	0	1,600,000	11,600,000	32%	1,791,000	13,391,000	9,648,806	13,391,000
	RC18 – Roofing	8,000,000	1,838,569	0	1,400,000	9,400,000	20%	0	9,400,000	7,561,431	9,400,000
	RC19 - Cameras and Access Control	6,000,000	3,204,302	1,100,321	0	7,100,321	45%	1,343,000	8,443,321	5,239,019	8,443,321
	RC22 - Single Dwelling Units	500,000	(51)	0	0	500,000	0%	0	500,000	500,051	500,000
	RC23 – Structural	6,000,000	1,115,986	505,485	450,000	6,955,485	16%	0	6,955,485	5,839,499	6,955,485
	RC24 - Parking Garages	15,000,000	2,860,044	0	0	15,000,000	19%	0	15,000,000	12,139,956	15,000,000
	RC39 - Common Area Hallway Repairs	2,500,000	640,918	0	1,800,000	4,300,000	15%	0	4,300,000	3,659,082	4,300,000
	RC41 - Swimming Pool Envelope	500,000	0	0	0	500,000	0%	0	500,000	500,000	500,000
	RCHH - Heritage Houses	200,000	(77)	0	0	200,000	0%	(200,000)	0	77	0
	SOGI - State of Good Repair-Interior	6,000,000	4,557,809	0	3,000,000	9,000,000	51%	1,000,000	10,000,000	5,442,191	10,000,000
	Sub-total Planned	179,600,000	67,164,690	9,154,636	14,150,000	202,904,636	33%	5,693,000	208,597,636	141,432,946	208,597,636

Budget Category	Envelope Name	(A) 2025 Board Approved Budget	(B) 2025 Actual YTD (June)	(C) Reallocation \$9.96M (Board Approved on April 28, 2025)	(D) Reallocation \$40M (Board Approved June 24, 2025)	(E = A + C + D) 2025 Revised Approved Budget (as of June 30, 2025)	(F = B/E) Actual as % Budget	(G) Proposed Reallocation (as of June 30, 2025)	(H = E + G) 2025 Proposed Budget Pending Approval	(I = H - B) Remaining Cost to Complete	(J) Year-End Target
Demand	CA02 - Tenant Units Accessibility	4,200,000	1,510,314	0	0	4,200,000	36%	0	4,200,000	2,689,686	4,200,000
	CA03 - Common Area Demand Accessibility Upgrades	1,700,000	298,863	0	0	1,700,000	18%	0	1,700,000	1,401,137	1,700,000
	CG01 - Waste Equipment Repairs	1,000,000	275,428	0	0	1,000,000	28%	0	1,000,000	724,572	1,000,000
	COXX - Demand Capital	70,000,000	48,658,356	0	25,850,000	95,850,000	51%	2,000,000	97,850,000	49,191,644	97,850,000
	LC - Local Demand & Residential Appliances	4,000,000	2,153,694	0	0	4,000,000	54%	0	4,000,000	1,846,306	4,000,000
	LM - Local Moveouts	22,500,000	8,940,921	0	0	22,500,000	40%	(2,000,000)	20,500,000	11,559,079	20,500,000
	SOGM - State of Good Repair-MLS Issues	4,000,000	759,194	0	0	4,000,000	19%	0	4,000,000	3,240,806	4,000,000
	Sub-total Demand	107,400,000	62,596,770	0	25,850,000	133,250,000	47%	0	133,250,000	70,653,230	133,250,000
Capital Operations	ADM - FM Labour Costs-Project Management (5%)	17,000,000	9,262,581	0	0	17,000,000	54%	0	17,000,000	7,737,419	17,000,000
	RC01 - Building Condition Audits	1,000,000	359,401	0	0	1,000,000	36%	0	1,000,000	640,599	1,000,000
	RCXZ - Unallocated	20,129,000		(9,969,495)	0	10,159,505	0%	(6,299,000)	3,860,505	3,860,505	3,860,505**
	Sub-total Capital Operations	38,129,000	9,621,981	(9,969,495)	0	28,159,505	34%	(6,299,000)	21,860,505	12,238,523	21,860,505

Budget Category	Envelope Name	(A) 2025 Board Approved Budget	(B) 2025 Actual YTD (June)	(C) Reallocation \$9.96M (Board Approved on April 28, 2025)	(D) Reallocation \$40M (Board Approved June 24, 2025)	(E = A + C + D) 2025 Revised Approved Budget (as of June 30, 2025)	(F = B/E) Actual as % Budget	(G) Proposed Reallocation (as of June 30, 2025)	(H = E + G) 2025 Proposed Budget Pending Approval	(I = H - B) Remaining Cost to Complete	(J) Year-End Target
Energy	EW01 - Water Conservation & Recommissioning	6,000,000	2,667,597	0	0	6,000,000	44%	606,000	6,606,000	3,938,403	6,606,000
	EW03 - Energy Retrofit and Recommissioning	275,000	0	0	0	275,000	0%	0	275,000	275,000	275,000
	EW08 - Metering / Monitoring	1,700,000	268,889	0	0	1,700,000	16%	0	1,700,000	1,431,111	1,700,000
	EW09 - BAS and Recommissioning	900,000	10,508	0	0	900,000	1%	0	900,000	889,492	900,000
	EW10 - In-Suite LED Lighting and E Renewable Program	5,900,000	1,939,661	814,859	0	6,714,859	29%	0	6,714,859	4,775,198	6,714,859
	Sub-total Energy	14,775,000	4,886,655	814,859	0	15,589,859	31%	606,000	16,195,859	11,309,204	16,195,859
TOTAL		339,904,000	144,270,096	0	40,000,000	379,904,000	38%	0	379,904,000	235,633,903	379,904,000
Additional NTCA Funding Received for 2025		40,000,000									
GRAND TOTAL		379,904,000	144,270,096	0	40,000,000	379,904,000	38%	0	379,904,000	235,633,903	379,904,000

*Note: The Non-tangible capital asset (NTCA) of additional \$40M was approved by City in February 2025.

** Amount to be allocated through the Q3 Reallocation Report

Envelope Name	(A) 2025 Board Approved Budget	(B) Reallocation \$40M (Board Approved on June 24, 2025)	(C) Adjustments for DGR Envelope Creation (Board Approved June 24, 2025)	(D) Adjustments for DGR Envelopes (as of June 30, 2025)	(E = A + B + C + D) 2025 Revised Budget	(F) 2025 Actual YTD (June)
CO01 - Component Capital-HVAC	10,000,000	0		6,200,000	16,200,000	8,871,140
CO02 - Component Capital-Plumbing	7,000,000	0		7,000,000	14,00,000	7,733,015
CO03 - Component Capital-Electrical	1,200,000	0		200,000	1,400,000	792,382
CO04 - Component Capital-Safety Systems	4,000,000	0		4,100,000	8,000,000	3,456,240
CO05 - Component Capital-Mould	900,000	0			900,000	427,933
CO06 - Component Capital-Elevators	500,000	0		600,000	1,100,000	471,288
CO07 - Component Capital-Grounds	3,000,000	0			3,000,000	1,492,925
CO08 - Component Capital-Waste Management	900,000	0			900,000	462,778
CO09 - Component Capital-Interior/Fire Door*	8,000,000	0		(3,000,000)	5,000,000	17,726,316
CO10 - Component Capital-Envelope/Roof	2,800,000	0		1,200,000	4,000,000	2,423,805
CO11 - Component Capital-Structural and Parking Garages	1,500,000	0			1,500,000	931,305
CO12 - Component Capital-Cameras	2,300,000	0			2,300,000	509,717
CO13 - Component Capital-Playgrounds	200,000	0			200,000	41,099
CO14 - Component Capital-Commercial	200,000	0		(200,000)	0	
CO15 - Component Capital-Redevelopment Repairs (RV09)	1,200,000	0		500,000	1,700,000	1,057,930
CO18 - Component Capital-Energy Management	1,000,000	0		(900,000)	100,000	12,384
CO19 - Component Capital-BAS and Recommissioning	500,000	0		100,000	600,000	4,991
CO20 - Component Capital-Hydro Vaults	600,000	0		200,000	800,000	25,335
CO21 - Component Capital-Roofs and Ladders	400,000	0		400,000	800,000	517
CO22 - Component Capital-Water Metering Program	1,000,000	0		(750,000)	250,000	135,005
CO23 - Component Capital-Interior Building Upgrades	700,000	0		(700,000)	0	9,835
CO24 - Regional Demand Capital - Central	3,000,000	0	(700,000)		2,300,000	807,966
CO25 - Regional Demand Capital - East	3,000,000	0	(700,000)		2,300,000	176,821
CO26 - Regional Demand Capital -West	3,000,000	0	(700,000)		2,300,000	348,392
CO27 - Regional Demand Capital - Seniors	3,000,000	0			3,000,000	739,238
CO28 - Demand Capital Contingency	10,100,000	4,850,000		(14,950,000)	0	
CO30 - Demand Regional General Repairs (DGR)**	0	21,000,000	2,100,000	2,000,000	25,100,000	
TOTAL	70,000,000	25,850,000	0	2,000,000	97,850,000	48,658,356

*CO09 Interiors shows over budget due to the inclusion of DGR program related work that will be moved to CO30 Demand Regional General Repairs.

**CO30 created to accommodate movement of DGR program related work orders from CO09 Interiors.

***Yardi will not have a solution for reallocating DGR expenses currently charged to CO09 to CO30 until the end of Q3.