

Toronto Community Housing



State of Good Repair Program and Process Review - Update

Item 15C

September 11, 2025

Building Investment, Finance and Audit Committee

Report: BIFAC:2025-80**To:** Building Investment, Finance and Audit Committee
("BIFAC")**From:** Vice President, Facilities Management**Date:** August 18, 2025

PURPOSE:

This report provides the Building Investment, Finance and Audit Committee ("BIFAC") and the Board of Directors (the "Board") with an update on Toronto Community Housing Corporation's ("TCHC") State of Good Repair ("SOGR") program review implementation plan.

RECOMMENDATIONS:

It is recommended that the Building Investment, Finance and Audit Committee receive this report for information and forward it to the Board of Directors for information.

FINANCIAL IMPACT STATEMENT:

There are no financial impacts resulting from the recommendation in this report.

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

REASONS FOR RECOMMENDATIONS:

Background

At its meeting on June 25, 2024, the Board of Directors received the *State of Good Repair Capital Program Update In-Camera Report* (TCHC:C2023-18) which provided an overview of the SOGR capital program, trends in demand capital spending, impacts of inflation and implications for TCHC's facility portfolio.

As part of its ongoing efforts to strengthen capital project planning and delivery, TCHC retained GEI Consultants Inc. ("GEI") to conduct a comprehensive review and evaluation of TCHC's State of Good Repair (SOGR) capital project planning and delivery processes. This engagement included an assessment of the maturity of TCHC's SOGR plan implementation, a comparison of its business management practices against leading industry standards, and the identification of opportunities for improvement.

GEI's report provided 19 recommendations, grouped into five categories, along with a proposed implementation timeline spanning short term (less than 3 years), medium term (4–10 years), and long term (over 10 years). The report was received by the Board of Directors at its July 18, 2025 meeting (TCHC:2025-48), where the Board recommended that TCHC report back on the proposed implementation plan at the September 11, 2025 BIFAC meeting and the October 17, 2025 Board meeting.

Implementation Plan

Attachment 1 provides a detailed view of the proposed implementation plan for the GEI report recommendations. Initial target dates have been assigned and will be updated based on operational feasibility, financial impact, and the organizational readiness.

As current funding arrangements through the Canada Mortgage and Housing Corporation (CMHC) National Housing Co-Investment Fund (NHCI) for State of Good Repair (SOGR) capital are scheduled to conclude in 2027, TCHC will work proactively to make the case for continued strategic investment. Sustained funding is essential to prevent accelerated unit closures, safeguard a vital public asset, and support the transition to resilient, energy-efficient housing.

TCHC is reimagining its State of Good Repair capital programs—not simply as a means of replacing aging components, but to revitalize our housing stock for long-term sustainability, modernization, and resilience.

While many of our current investments still focus on essential repairs and replacements, we are actively working toward a more transformative model that:

- **Extends the Life of Assets** - by integrating targeted upgrades and restorative interventions, we aim to go beyond maintenance and breathe new life into our buildings.
- **Modernizes Housing for the Future** – continue to incorporate energy-efficient systems, climate-resilient materials, and accessibility improvements to better serve residents and reduce environmental impact.
- **Aligns Capital Investments with Sustainability Goals** - to ensure that every dollar spent contributes to a more durable, adaptable, and efficient housing portfolio.
- **Supports Community Well-being** - recognize that revitalization is not just physical, it's about creating safe, healthy, and inclusive spaces that foster long-term stability.

This evolving approach reflects our commitment to transitioning from reactive maintenance to proactive stewardship, with the goal of aligning our capital programs with broader social, environmental, and economic outcomes.

NEXT STEPS:

As TCHC continues to develop a more concrete roadmap, the BIFAC and the Board will receive ongoing updates to ensure continued oversight and alignment with strategic priorities.

IMPLICATIONS AND RISKS:

The implementation of the GEI recommendations presents both opportunities and risks that must be actively managed to ensure successful outcomes.

Strategic Implications

The transition to a more transformative SOGR model supports TCHC's vision for quality housing that is sustainable and resilient. This shift requires alignment across departments and sustained leadership commitment. Failure to implement key recommendations may limit TCHC's ability to meet future regulatory, environmental, and accessibility standards, potentially impacting funding eligibility and public trust.

Operational Risks

The scale and complexity of the proposed changes may strain existing resources and operational capacity. Execution delays could impact service delivery and tenant satisfaction. Ensuring organizational readiness through staff training and effective change management, is critical to the smooth adoption of new practices and technologies.

Financial Risks

While the current implementation plan does not have an immediate financial impact, successful long-term execution will depend on securing sustained capital funding beyond 2027. Uncertainty regarding future investments from CMHC or other sources may jeopardize TCHC's ability to meet medium- and long-term targets, potentially resulting in deferred capital needs and increased lifecycle costs.

Reputational Risks

Transparent communication and timely reporting to stakeholders, including tenants, funders, and government partners, will be essential to maintaining confidence in TCHC's ability to deliver on its commitments. Any lack of progress or perception of inaction could erode public trust and weaken stakeholder support.

Mitigation Strategies

TCHC will continue to refine its implementation roadmap, prioritize high-impact actions, and monitor progress through regular reporting to BIFAC and the Board. Strategic engagement with funding partners and ongoing advocacy for sustained investment will remain a key priority. Risk

management practices will be integrated throughout the implementation process to proactively identify and address emerging challenges.

SIGNATURE:

“Noah Slater”

Noah Slater,
Vice President, Facilities Management

ATTACHMENT:

1. Proposed Implementation Plan

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Ref. No.	Category	Recommendation	Phase	Target Date	GEI Notes	TCHC Notes
Initiate in the Short Term: 1-3 Years						
5.1.1	SOGR Strategy and Oversight	Develop and Approve a Formal SOGR Plan	Short	Q4 2026 (for the 2027 Budget Process)	Critical first step. Forms the foundation for nearly all other recommendations. Must be approved and understood before KPIs, prioritization, and budgeting systems can be trusted or scaled.	
5.4.4	Data to Drive SOGR Performance	Develop a 10-Year SOGR Plan	Short	Q1 2027	Should be nested within the formal SOGR Plan. Requires clear prioritization logic (5.2.2) and aligned metrics (5.4.1). Must be living and regularly updated.	The recommendation notes a 15-Year Plan. The City of Toronto has a 10-Year Plan. Capital Projects can be identified for outside of the 10-Year Plan.
5.1.3	SOGR Strategy and Oversight	Revisit the FCI Target and Rationale	Short	Q4 2025 (for the 2026 Budget process), Revisit Annually	Tied to metrics framework and strategic communications; revisit target after SOGR Plan clarifies purpose. Needed to reframe funding narratives and manage external expectations.	
5.2.2	SOGR Investment Planning	Implement Priority Ranking Framework	Short	Q1 2026	Enables project selection for both short- and long-term capital plans. Pre-condition for budget planning (5.2.3) and automated tools.	
5.2.3	SOGR Investment Planning	New SOGR Budget Format	Short	Q1 2027	These are interdependent: revised structure is most effective if demand is capped, and excess is diverted through the reserve. Supports long-term stabilization goals.	A number of measures are inflight including new reporting requirements with the establishment of SOPs. This requires discussion with the City of Toronto as the SOGR funding source is Debt which is not a source that can be used to create a reserve.
5.2.4		Enforce Spending Controls and Gaps		Q1 2027 (Ongoing)		
5.2.5		Establish a Demand Contingency Reserve		End of Short Term - Q3 2028		
5.4.1	Data to Drive SOGR Performance	Create a Centralized SOGR Metrics Framework	Short	Q1 2027	Must align with SOGR Plan and FCI rationale. Enables business review processes and annual KPIs (5.1.2, 5.1.3). Key dependency: Needed for funding asks, risk analysis, and public comms. Pairs with 5.4.1 to frame a realistic case for sustained investment.	
5.2.1	SOGR Investment Planning	Define and Communicate Unconstrained SOGR Needs		Include as part of 2026 Budget – Q1 2026, Revisit Annually		Unconstrained SOGR needs reflect the annual backlog of SOGR that is reported through the annual budget process.
5.5.1	Culture, Collaboration & Communication	Strengthen Communication Channels	Short	Q3 2026 (Ongoing)	Cultural shift required. Start informal if needed. Requires leadership modeling and linkages to executive reviews.	

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Initiate in the Short Term: 1-3 Years						
5.5.3	Culture, Collaboration & Communication	Pilot a SOGR Success Card	Short	Q1 2026	Early win. Early transparency win and supports future KPI reporting.	
5.1.2	SOGR Strategy and Oversight	Institute Monthly Business Reviews	Short	Q1 2026 (Ongoing)	Relies on KPIs and metrics to be meaningful (5.4.1). Builds early executive visibility and discipline. Quick win to set tone.	Monthly business reporting has been instituted for the executive leadership team.
Initiate in the Medium Term: 4-10 Years*						
5.4.3	Data to Drive SOGR Performance	Track Budgets and Performance at the Project Level	Medium	Q3 2029	Enables deeper capital control and project performance tracking. Depends on process documentation (5.3.1) and some systems improvements.	
5.3.1	Effective Project Delivery	Document Core SOGR and Capital Delivery Processes	Medium	Before year 4	Essential for consistent practice, training, and accountability. Must reflect finalized roles, approval authorities, and priority logic.	Standard Operating Procedures for as-is processes have been completed by Ameresco Inc. This would be future state processes.
5.2.7	SOGR Investment Planning	Improve Planning Integration Across Divisions	Medium	Before year 4	Depends on having documented roles and SOPs. Enables improved project scoping, fewer delays, and better tenant outcomes.	
5.3.2	Effective Project Delivery	Vendor Procurement	Medium	Q3 2030	Needs standardization before automation or dashboarding. Enhances quality and reliability of capital delivery.	
Initiate in the Longer Term: 10+ Years						
5.2.7	SOGR Investment Planning	Lifecycle Costing	Long	Before year 10 (Q3 2034)	Higher maturity initiative. Best implemented once short-and medium-term planning and prioritization are embedded.	
5.4.2	Data to Drive SOGR Performance	Integrate and Consolidate Capital Planning Data	Long	Before year 10 (Q3 2034)	This may be brought into the medium term, especially if advanced analytics or automation is pursued. Resource-intensive. Requires clarity on budget structure, SOPs, and prioritization before centralizing data.	
5.5.2	Culture, Collaboration & Communication	Foster a Collaborative, Risk-Aware Planning Culture	Long	Before year 10 (Q3 2034)	End-state goal. Dependent on success of internal communication channels (5.5.1). and consistent practices (5.3.1). Benefits from visible leadership commitment.	

* Aspects of these initiatives can be progressed in the short-term; however, the completion is dependent on several of the short-term tasks