Toronto Community Housing

Review of Q2 2025 Financial Results

Item 9
September 11, 2025
Building Investment, Finance and Audit Committee

Report:	**BIFAC: 2025-82**
To:	Building Investment, Finance and Audit Committee ("BIFAC")
From:	Chief Financial Officer and Treasurer
Date:	August 22, 2025

PURPOSE:

This report provides an update on Toronto Community Housing Corporation's ("TCHC") financial results as of Q2 2025. Beginning in 2025, and in alignment with the City of Toronto's request, this report will exclusively present results related to TCHC.

RECOMMENDATION:

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

FINANCIAL IMPACT STATEMENT:

At its December 12, 2024 meeting, the Board of Directors approved TCHC's 2025 Operating Budget and 10-Year Capital Plan. Subsequently, at its February 14, 2025 meeting, the Toronto City Council approved TCHC's 2025 Operating Budget and 10-Year Capital Plan at the same amount.

As at Q2 2025, TCHC had a favourable operating variance of $21.7M which was comprised of favourable revenues for Rent-Geared-to-Income and Market rent and less than budgeted expenditures for utilities, mortgage principal and interest, maintenance work, and salaries and benefits due to delayed hiring in various divisions.

As at Q2 2025, TCHC had a favourable capital variance of $86.2M for all components of the 2025 Capital Budget. Most of the variances are attributed to project timeline adjustments for various Development and IT projects.

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:

Per TCHC's Financial Control By-law, TCHC management commits to providing BIFAC with quarterly reports on financial results, including capital spend and operating expenses.

Pursuant to this, a summary presentation of Q2 2025's results have been included in Attachment 1.

Q2 2025 Financial Results Summary

Table 1: TCHC's Q2 Year-To-Date Financial Results

(In $000s)	Q2 2025 Actuals	Q2 2025 Budget	Variance $	Variance %
Q2 Results (before prior year surplus carryover)	17,468	(9,710)	27,178	(280%)
Q2 Results (after prior year surplus carryover)	17,468	(4,209)	21,677	(515%)
SOGR Building Repairs Capital (in-year spend)	144,249	189,952	45,703	24%
Development Capital Spend	28,947	64,793	35,846	55%
IT/Corporate Capital Spend	5,496	10,067	4,571	45%
Swansea Mews Spend	202	250	48	19%

Operational Spend Highlights

The Q2 2025 results reflect a surplus of $21.7M after prior year surplus carryover. This is due to the following factors:

- Revenue: $3.9M favorable variance for Rent-Geared-to-Income ("RGI") rent and $1.5M for Market rent , driven by recently completed rent reviews for RGI households and the 2.5% Ministry guideline increase.

- Operating expenses:
    - $9M favorable variances in Operations due to underspending on maintenance from the three Regions, timing of the Tenant Action Fund (TAF) program implementation and other tenant activities, as well as vacancies in the Business Operations division (primarily on Call Centre Agent);
    - $6.3M favorable variances in Corporate Services due to timing of software license fees, various consultant projects and staff training, as well as due to delayed hiring;
    - $2.7M favorable variances in Facilities Management due to timing of maintenance work such as ground maintenance and delayed hiring;
    - $2.9M net favorable variances on Utilities primarily on natural gas due to removal of carbon tax starting April 1, 2025; and
    - $2.5M favorable variances on Mortgage Principal & Interest due to rate decreases and delay of the IO loan for Regent Park Phase 3 due to extended construction timeline.

State of Good Repairs (SOGR) Building Capital Spend

Table 2: SOGR Building Capital Spend Q2 2025 YTD Financial Results

(In $000s)	Q2 2025 Actuals	Q2 2025 Budget	Variance $	Variance %	Yearend Forecast
Planned Capital	67,190	99,913	32,723	33%	213,064
Demand Capital	62,597	73,652	11,055	15%	133,250
Energy	4,841	7,388	2,547	34%	15,590
Capital Other	9,622	9,000	(622)	-7%	18,000
Total	**144,250**	**189,953**	**45,703**	**24%**	**379,904**

- The Planned Capital year-to-date spend of $67.2M is $32.7M below budget. Compared to the same period prior year, it is $27.7M below the 2024 spending rate. The underspending is mainly due to more jobs completed in early 2024 compared to new jobs started and completed in the early part of 2025. FM is actively working on accelerating the planned capital jobs for Q3 and Q4.

- The Demand Capital spend of $62.6M is $11M lower than the budget. Compared to the same period prior year, the Demand Capital is under by $0.4M. This reflects the ongoing review and work of the cross-divisional Demand Working group's plans for managing Demand Capital. Ongoing monitoring of spending rate will continue.
- Energy Capital spend of $4.8M is $2.5M below budget. Compared to last year, spending is $1.6M higher, and this is mainly due to more energy projects starting in early 2025.
- The $379M SOGR budget envelope is projected to be fully spent by year end.

Development Capital Spend

The Q2 2025 overall development spend is $35.8M below budget. All the projects are forecasted to remain on budget with some schedule adjustments required. Major variances are due to the following:

- Regent Park Phase 3***:*** overspend due to timing of the soil remediation invoices. These costs are fully recoverable from the Province.
- Regent Park phase 4/5: underspend due to delayed construction start date for building 4A resulting from delayed site plan and design approvals.
- Alexandra Park Phase 2***:*** underspend due to additional air tightness and consultant sign-off delays.
- Lawrence Heights Phase 1***:*** lower than budgeted expenditures due to revised Guaranteed Maximum Price (GMP) terms and Anchor Business Plan (ABP) changes.
- Firgrove: underspend due to site plan approval delays and infrastructure design delays with majority of expenditures shifted out to 2026.
- Swansea Mews***:*** underspend due to delayed demolition - pending demolition permit issuance by the City.

IT and Corporate Capital Spend

The overall IT & Corporate capital spending is $4.6M below budget.

- IT Capital spend is $1.4M below the budget mainly due to timing of project implementations.

- Corporate Capital has no spending to date. Facilities Management team is currently working with internal and external stakeholders to complete scoping on commercial projects. The HRIS refresh project implementation is expected to be deferred until 2026, with the RFP concluded and vendor awarded this year.

Other Capital Spend

- Carbon projects: deep retrofits at Sparroway and Scarlettwood sites have no spending to date. Procurement will be commencing shortly with spending planned for later in the year.
- RPEI: the $3.2M current spend includes cost of equipment & installation of $2M, plant extension (shell) of $0.9M for block 16N and project management fee of $0.3M.
- Tenant & Community Support*:* One Malvern buyback of $0.12M was completed to date, two more buybacks are expected to take place later in the year.

2025 Year End Forecast

TCHC currently projects a $5.5M operating surplus at year end. This is a preliminary forecast based on the known information, especially given the United States tariff impact on potential cost implications are still being monitored & assessed.

TCHC is proactively managing resources, implementing cost-efficiency measures and optimizing spending to ensure a balanced budget by year-end.

SIGNATURE:

"Lily Chen"

Lily Chen
Chief Financial Officer and Treasurer

ATTACHMENTS:

1. Q2 2025 Financial Results Presentation

Confidential Attachment 2:	Q2 2025 Financial Results Presentation
Reason for Confidential Attachment:	The attachment to this report contains financial information which, if disclosed, could reasonably be expected to significantly prejudice the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization.

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Toronto Community Housing

2025 Q2 Financial Performance Update (Public Session)

BIFAC Committee

September 11, 2025

Q2/2025 – Operating Results Highlights

TCHC (excluding TSHC): a surplus of $21.7M after prior year surplus carryover

Revenue: Favourable variance of $2.98M, *primarily resulting from*

- Favourable variance of $3.9M - RGI rent revenue mainly due to recently completed rent review
- Favourable variance of $1.4M - Market rent revenue driven by RGI households being charged market rent due to LOE (Loss of Eligibility), and Ministry guideline increase of 2.5%

partially offset with

- RPEI Plant Revenue ($0.5M) – primarily driven by lower-than-budgeted revenue on hot water capacity & energy phase, thermal and electricity sales

Expenses: Favourable variance of $24.2M*, primarily resulting from:*

- Utilities $2.9M: underspending on natural gas (due to lower average rates as a result of carbon tax cancellation) and hydro (due to lower rates partially offset with higher consumption)
- Mortgage Principal & Interest $2.5M: resulting from the interest savings from the operating subsidy & capital funding the City advances to TCHC as well as timing of the loans
- Divisional Spend:
  - Operations $9.0M:
    - The 3 Regions - underspending of $6M on maintenance and salaries & benefits. Budget management group is currently implementing mitigating plans to optimize resources management and budget spend
    - Business Operations – underspending of $0.9M due to vacancies for Call Centre Agents; and
    - Engagement Refresh – underspending of $0.9M due to timing of Tenant Action Fund program and other tenant activities
  - Facilities Management: underspending of $2.7M due to timing of maintenance activities, including ground maintenance
  - Corporate Services $6.3M:
    - Information Technology – underspending of $2.2M due to timing on software license fees and vacancies
    - People & Culture – underspending of $1.9M due to timing on staff training and lower than expected other payments; and
    - Finance – underspending of $1.2M primarily due to vacancies and timing of various consulting projects
- Others – RPEI operating expenses are $0.8M lower than budgeted mainly due to Fuel-Nature Gas Boilers and Maintenance-Consumables

Q2/2025 – Operating Results

(in $000's)	YTD Actual TCHC	YTD Budget TCHC	Actual vs Budget TCHC $ Change	Actual vs Budget TCHC % Change	Prior Year Actual (June 2024) TCHC	Actual vs PY Actual TCHC $ Change	Actual vs PY Actual TCHC % Change
CASH INFLOWS							
Residential rent - RGI	100,799	96,899	3,900	4%	97,306	3,492	4%
Residential rent - Market	45,233	43,785	1,448	3%	42,663	2,570	6%
Bad Debt Expense	(3,220)	(3,184)	(37)	-1%	(2,528)	(692)	27%
Subsidies - City	160,733	160,733	(0)	0%	133,609	27,124	20%
Subsidies - Regent Park	1,228	3,000	(1,772)	-59%	1,228	-	0%
Subsidies - City (one-time)	-	-	-	0%	14,624	(14,624)	-100%
Parking, laundry and cable fees	8,029	8,106	(77)	-1%	7,806	224	3%
Commercial rent	9,861	9,808	54	1%	9,847	14	0%
Other revenue	900	955	(54)	-6%	915	(15)	-2%
RPEI revenue	3,323	3,801	(478)	-13%	3,040	283	9%
	326,886	**323,902**	**2,984**	**1%**	**308,510**	**18,377**	**6%**
CASH OUTFLOWS							
Utilities	65,484	68,464	2,980	4%	61,141	(4,343)	-7%
Municipal taxes	9,973	10,917	944	9%	12,324	2,351	19%
Mortgage Interest & Principal	64,687	67,229	2,542	4%	64,913	226	0%
Operations	98,186	107,200	9,015	8%	92,673	(5,513)	-6%
Facilities Management	21,473	24,141	2,668	11%	20,937	(536)	-3%
Corporate Divisions	41,022	47,331	6,309	13%	33,626	(7,395)	-22%
Office of the Commissioner of Housing Equity	612	578	(34)	-6%	589	(23)	-4%
Senior Housing Unit	(2,500)	(2,500)	-	0%	(2,500)	-	0%
Development	-	(0)	(0)	0%	2	2	100%
Swansea Mews	202	250	48	19%	237	35	15%
Other	7,407	6,280	(1,127)	-18%	4,551	(2,856)	-63%
RPEI operating expenditure	2,874	3,722	848	23%	2,751	(123)	-4%
	309,419	**333,612**	**24,194**	**7%**	**291,246**	**(18,173)**	**-6%**
Total Cash Surplus (Shortfall)	**17,468**	**(9,710)**	**27,178**	**280%**	**17,263**	**205**	**1%**
Available Prior Year Surplus Carryover	-	5,501	(5,501)	-100%			
Total Cash Surplus (shortfall)	**17,468**	**(4,209)**	**21,677**	**-515%**			

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Q2/2025 Headcount Report by Division

Division	June 2025 Actual	June 2025 Budget	June 2025 Vacancies	June 2025 Vacancy %	Full Year Budget
OPERATIONS	**1,463**	**1,600**	**137**	**8.6%**	**1,601**
Regional Operation East	321	349	28	8.0%	349
Regional Operation West	371	388	17	4.4%	388
Regional Operation Central	360	385	25	6.5%	385
Tenancy Resolution Office	29	33	4	12.1%	33
Engagement Refresh	4	9	5	55.6%	9
Programs and Partnerships	45	55	10	18.2%	56
Business Operations	97	118	21	17.8%	118
Chief Operating Office	2	2	-	0.0%	2
Community Safety Unit	234	261	27	10.3%	261
FACILITY MANAGEMENT	**270**	**297**	**27**	**9.1%**	**303**
Facility Management	262	288	26	9.0%	294
Commercial	8	9	1	11.1%	9
CORPORATE	**346**	**394**	**48**	**12.2%**	**407**
Legal	55	59	4	6.8%	59
People & Culture	66	67	1	1.5%	67
Information technology (IT)	71	89	18	20.2%	95
Finance	104	124	20	16.1%	129
Chief Executive Office	2	3	1	33.3%	3
Centre for Advancing Interests of Black People	11	11	-	0.0%	11
Strat. Planning & Communication	37	41	4	9.8%	43
OFFICE of the COMMISSIONER of HOUSING EQUITY	**12**	**12**	-	**0.0%**	12
DEVELOPMENT	**55**	**63**	**8**	**12.7%**	**63**
TOTAL DIVISIONAL HEADCOUNT	**2,146**	**2,366**	**220**	**9.3%**	**2,386**
			-		
Trades	51	58	7	**12.1%**	58
Summer Hires/Intern	**178**	**67**	**(111)**	**-165.7%**	**224**
Maternity Leave	**43**	-	**(43)**	**0.0%**	-
TOTAL HEADCOUNT	**2,418**	**2,491**	**73**	**2.9%**	**2,668**

Average Divisional vacancy rate
- June overall **vacancy rate is 9.3%** (8.2% for base positions and 60.8% for business cases), compared to the gapping target of 6% in the 2025 budget

Operations vacancy rate
- Total Operations averaged 8.6% vacancy rate, primarily on roles including CMP1, Sr. Superintendent & Cleaners for the 3 Regions, Call Centre Agent and Special Constables (CSU)

FM vacancy rate
- Facilities Management averaged 9.1% vacancy rate, primarily on roles like Energy Management, Service Level Agreements (SLA) management and Interiors

Corporate Services Divisions vacancy rate
- Corporate Services averaged 12.2% vacancy rate, primarily in Finance and Information Technology

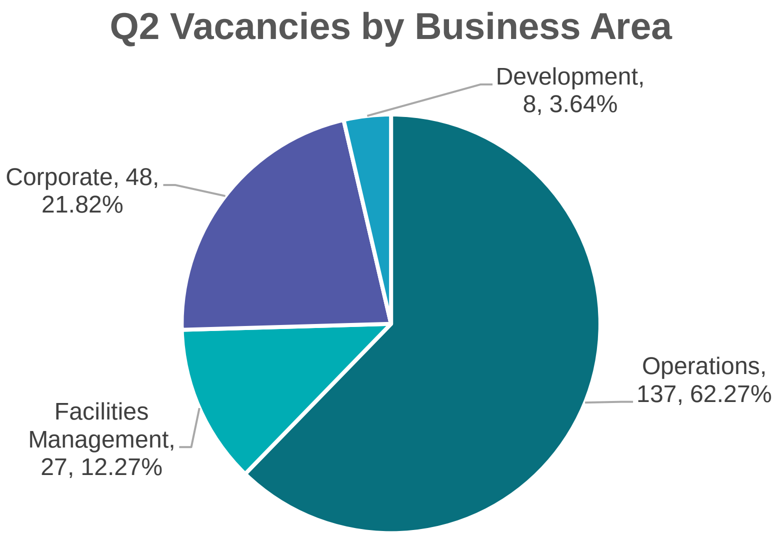
Development vacancy rate
- Development had a 12.7% vacancy rate for roles including Associate Construction Manager, Program Supervisor, and Coordinator Tenant Participation

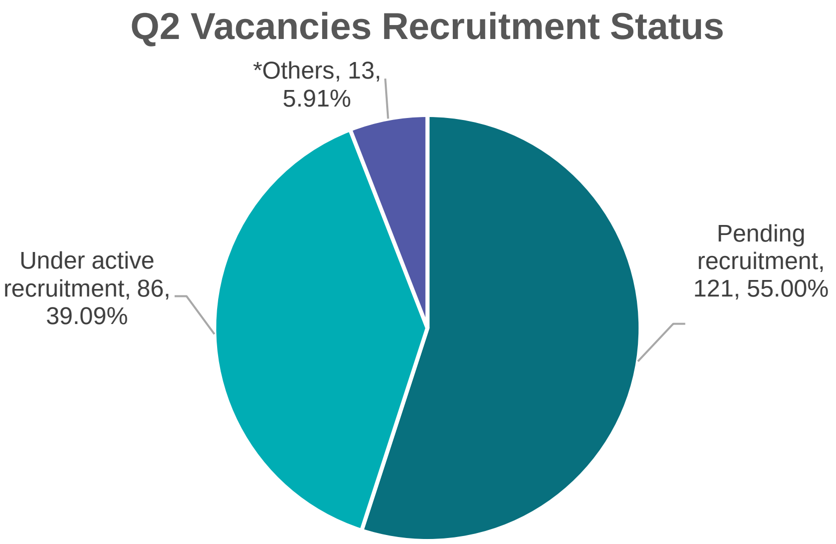
Please note the difference between June budget and full year budget reflects seasonality (e.g. Programs and Partnerships had Interns/Youth Workers/Camp Site Leads) to be hired during the summer.

Q2/2025 – Vacancies

At the end of June, excluding TSHC, trades, summer/intern and staff currently on leave:

- **Total of 220 vacancies**. The charts below highlight vacancy data and recruitment status:
    - Q2 Vacancies by Business Area breaks down the 220 vacancies by divisions
    - Q2 Vacancies Recruitment Status shows the current recruitment status; pending recruitment reflects the positions not yet started the recruitment process





* “Others” refers to base positions for employees currently under acting assignment, staff on leave without backfill or new hire pending to start.

Q2/2025 – New & Enhanced Initiatives Tracking

Business Case #	Division	Project Name	City Subsidy (Base)	City Subsidy (One-Time)	2025 One-Time Bridging Strategy	Total (Full Year Budget)	YTD Budget	YTD Actual	Variance	Yearend Forecast	YE Forecast vs. FY Budget	Variance Commentary
OPS-09	OPS	Tenant Engagement System	0	535,099	386,443	**921,542**	459,351	0	459,351	748,828	(172,714)	New headcount under recruitment. In process to develop RFP for capacity building sessions for tenants and staff.
OPS-14	OPS	Rookie League	200,643	0	0	**200,643**	0	33,955	(33,955)	221,422	20,780	Camp Inspire is scheduled for July and August, with related expenditures expected to occur during that period.
OPS-17	OPS	Tenant Action Fund	0	0	1,018,243	**1,018,243**	508,798	0	508,798	978,877	(39,367)	YTD vacancy; anticipated spending to increase significantly in Q3.
OPS-13	OPS	Supporting Communities with Chronic Violence	284,373	0	0	**284,373**	87,850	10,019	77,831	271,559	(12,814)	Anticipated spending to start in Q3.
OPS-13	OPS	Supporting Communities with Chronic Violence	62,929	0	0	**62,929**	20,976	0	20,976	62,929	0	
OPS-06	OPS	Semi-Skilled Training	0	169,602	169,602	**339,205**	169,602	172,000	(2,398)	344,001	4,796	Semi-skilled training project is in line with budget and planned objectives.
OPS-06	OPS	Semi-Skilled Training	0	3,988	3,988	**7,977**	3,988	0	3,988	0	(7,977)	
OPS-12	OPS	Growing Vulnerable Tenant Supports	661,007	0	661,007	**1,322,014**	631,040	63,547	567,493	1,232,664	(89,351)	Recruitment efforts began slower than anticipated, resulting in a temporary underspend. A plan has been developed to reallocate surplus funds. Pest control and waste disposal activities are scheduled for Q3/Q4 as planned.
OPS-12	OPS	Growing Vulnerable Tenant Supports	4,603	0	4,603	**9,206**	3,452	0	3,452	9,206	0	
OPS-15	OPS	Accessibility Program Staff Supplement	65,325	0	65,325	**130,649**	43,233	0	43,233	43,550	(87,099)	Delayed spending due to pending recruitment, forecast to hired by late Q3
			1,278,880	**708,690**	**2,309,213**	**4,296,782**	**1,928,293**	**279,522**	**1,648,771**	**3,913,037**	**(383,745)**	

Regular Variance review/monitoring sessions with Operations teams are monthly and on-going.
Operations Division will ramp up the spend rate to ensure the approved annual budget will be spent by the fiscal year end.

Q2/2025 – Accomplishments

Division	Key Accomplishments
Finance	▪ Kick off the 2026 Budget process months earlier compared to prior years ▪ Clean 2024 yearend external financial audit and City AGM reporting ▪ Procurement Transformation Project well underway ▪ Completed the roll-out training of adopting City practice of “Financial Impact Statement” on all Board/Committee reports across the organization ▪ Past tenant Arrears write-off policy approved by the Board/Updated Collection procedure for past tenant arrears
People & Culture	▪ Completion of Local 416 collective bargaining negotiation ▪ Successfully filling various senior leadership vacancies – Chief Development Officer, VP Facilities Management and Centre Director ▪ Semi-skill program: In collaboration with Operations 58 semi-skill (plumbing module) training sessions were delivered to 556 front line building services staff (Superintendents and Custodial maintenance Persons)
Information Technology	▪ Cybersecurity Project NOVA 1.0 completed and proceeding to NOVA 2.0
Programs & Partnerships	▪ Violence Reduction Program has successful launched the Urban Rez Solutions’ Community Mobile Unit in Category 4 communities and work expansion to continue in Q3 ▪ Care Occupancy Audit project – with 75% of the building audits completed
Engagement Refresh	▪ LIFT policy approved by the Board to ensure funding is available for tenants’ use with annual amount of $1.1M
Regions	▪ Sparroway Community Space Lauch ▪ Mural completions for 52 Cataraqui and 530 Kingston Rd ▪ Started implementation of social procurement projects

2025 Operating Year-End Forecast

Full Year Preliminary Forecast reflects a $5.5M surplus after prior year surplus carryover

Revenue:

- Favourable variance of $2.8M due to higher RGI and Market rent revenues, partially offset with lower RPEI plant revenue

Expenses:

- Utilities savings of $7.7M primarily resulting from removal of carbon tax from natural gas price starting April 1, 2025
- Mortgage P&I underspending of $3.7M for due to interest savings on decreased line of credit borrowing (*interest rate 4.2% vs. budget rate of 7.2%)* and delay on IO loan for Regent Park Phase 3 due to extended construction timeline

partially offset by

- Increased False Fire Alarm charges; with full year forecast to be $2.6M over budget
- Other - unfavourable variance primarily due to increased external security guards spending (full year forecast to be $1M over budget) and post retirement benefits due to reallocation of interest expense portion from non-cash to cash (full year forecast to be $1.2M over budget)

Implications of US Tariffs on building repairs and other items are being monitored & assessed and will be managed throughout the year

Q2/2025 – Full Year Forecast vs. Budget

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	Full Year Forecast	Full Year Budget	Forecast vs Budget		Prior Year Forecast (June 2024)	FY Fcst vs. PY Fcst	
(in $000's)	TCHC	TCHC	TCHC $ Change	TCHC % Change	TCHC	TCHC $ Change	TCHC % Change
CASH INFLOWS							
Residential rent - RGI	199,944	195,227	4,717	2%	191,696	8,248	4%
Residential rent - Market	89,145	88,349	795	1%	85,573	3,571	4%
Bad Debt Expense	(5,782)	(6,048)	267	4%	(4,621)	(1,161)	-25%
Subsidies - City	321,466	321,466	(0)	0%	267,218	54,248	20%
Subsidies - Regent Park	4,080	6,000	(1,920)	-32%	6,000	(1,920)	-32%
Subsidies - City (one-time)	-	-	-	0%	29,248	(29,248)	-100%
Parking, laundry and cable fees	16,028	16,212	(184)	-1%	15,891	136	1%
Commercial rent	19,706	19,652	54	0%	19,403	303	2%
Other revenue	1,907	1,909	(2)	0%	1,803	104	6%
RPEI revenue	7,082	8,044	(962)	-12%	7,495	(413)	-6%
	653,575	**650,811**	**2,764**	0%	**619,707**	**33,868**	5%
CASH OUTFLOWS							
Utilities	125,119	132,796	7,677	6%	123,773	(1,346)	-1%
Municipal taxes	16,227	18,792	2,565	14%	16,758	531	3%
Fire Alarm Tax Charges	5,599	3,041	(2,557)	-84%	6,134	536	9%
Mortgage Interest & Principal	118,136	121,820	3,684	3%	116,080	(2,056)	-2%
Operations	218,382	217,581	(800)	0%	201,991	(16,391)	-8%
Facilities Management	50,115	50,196	81	0%	46,143	(3,972)	-9%
Corporate Divisions	94,155	95,185	1,030	1%	86,001	(8,154)	-9%
Office of the Commissioner of Housing Equity	1,196	1,163	(33)	-3%	1,157	(39)	-3%
Senior Housing Unit	(5,000)	(5,000)	-	0%	(5,000)	-	0%
Development	0	-	(0)	100%	-	(0)	100%
Swansea Mews	472	500	28	6%	948	476	50%
Modern TO	115	115	(0)	0%	-	(115)	100%
Other	17,032	12,560	(4,472)	-36%	9,485	(7,547)	-80%
	648,095	**656,312**	**8,217**	1%	**610,376**	**(37,718)**	-6%
Total Cash Surplus (Shortfall)	**5,480**	**(5,501)**	**10,981**	**200%**	**9,330**	**(3,849)**	**-41%**
Available Prior Year Surplus Carryover	-	5,501	(5,501)	-100%			
Total Cash Surplus (shortfall)	**5,480**	-	**5,480**	**100%**			

Q2/2025 – Capital Spend – Summary

2025 Capital Variance Report	2025- Cash Flow & Project Status							
Project/Sub-Project Name	**2025 Plan**	**Actual $**	**Accruals / Adjustment $**	**Adjusted Actual $**	**Unspent $**	**% Spent**	**Projected Actuals $ to Year-End**	**Projected Actuals % to Year-End**
SOGR	379,904,000	144,249,353		144,249,353	235,654,647	38.0%	379,904,000	100.0%
Development	165,235,350	28,947,564		28,947,564	136,287,786	17.5%	80,213,796	48.5%
IT/Corporate Capital	17,000,478	5,495,999		5,495,999	11,504,480	32.3%	12,460,992	73.3%
Community and Tenant Support	650,000	122,470		122,470	527,530	18.8%	450,000	69.2%
Carbon Budget	28,470,000	0		-	28,470,000	0.0%	350,000	1.2%
Regent Park Energy Inc. (RPEI)	10,115,000	3,233,020		3,233,020	6,881,980	32.0%	10,115,000	100.0%
Program Total	**601,374,828**	**182,048,406**	**0**	**182,048,406**	**419,326,423**	**30.3%**	**483,493,788**	**80.4%**

Item 7 - BIFAC:2025-82 - Attachment 1 - PRESENTATION

Q2/2025 – Building Renewal Capital Spend (TCHC/TSHC)

SOGR (Amount in $000s)	Year-to-Date Actual	Year-to-Date Budget	Year-to-Date Variance	Year-to-Date % Variance	Full Year Forecast	Full Year Budget *	Full Year % Budget **	Jun 2024 Actual	Jun 2025 vs. Jun 2024 Variance
Planned Capital	67,190	99,913	(32,723)	-49%	213,064	199,825	34%	94,851	(27,661)
Demand Capital	62,597	73,652	(11,055)	-18%	133,250	147,304	42%	62,962	(365)
Energy	4,841	7,388	(2,547)	-53%	15,590	14,775	33%	3,203	1,638
Capital Other	9,622	9,000	622	6%	18,000	18,000	53%	9,708	(86)
Subtotal	**144,249**	**189,952**	**(45,703)**		**379,904**	**379,904**		**170,724**	**(26,474)**
2023 Advancement	-	-	-		-	-		31,119	
Total Spend Against Adjusted Budget	**144,249**	**189,952**	**(45,703)**		**379,904**	**379,904**		**201,843**	**(26,474)**

* Included $40M additional funding provided by the City

** % Budget refers to percentage complete based on the 2025 annualized budget.

- Spending on Planned Capital is currently $32.7M below budget and $27.7M below the spending rate for 2024. This variance is primarily due to a higher volume of work completed in early 2024 compared to the number of new projects initiated and completed in the early part of 2025. The 2025 Planned Capital Budget includes $14.2M in new NTCA funding, which was approved for commencement late in Q1 2025. Additionally, the removal of certain items historically carried under the SOGR envelope—such as Risk and RPEI—has created greater capacity for Planned Project spending. While this shift supports the overall balance and effectiveness of the capital plan, new project starts typically require more time to ramp up spending. Changes to procurement policies have also contributed to extended project timelines.

- Demand Capital spending is lower than the budget by $11M and is on par with last year's spending. This reflects the ongoing review and work of the cross-divisional Demand Working group's plans for managing Demand Capital. Ongoing monitoring will continue.

- Energy Capital is lower than the budget by $2.5M. Compared to last year, Energy Capital spending is $1.6M higher. This is mainly due to more energy projects starting in early 2025. Most projects are expected to be completed in the latter part of 2025.

- The SOGR envelope is expected to be fully spent by year end.

Q2/2025 – Development Capital Spend

Summary of Outflows & Inflows:

	YTD Actual	YTD Budget	Variance	Full Year Forecast	Full Year Budget	Variance
Dev Outflows	28,947	64,793	35,846	80,214	165,235	85,022
Dev Inflows	38,637	13,079	(25,559)	70,515	69,928	(586)
Funding from City	**9,690**	**(51,715)**	**(61,405)**	**(9,699)**	**(95,307)**	**(85,608)**

Outflow Commentary:

- The overall Development underspend is resulting from delayed demolition / construction in Alexandra Park Phase 2, Lawrence Heights Phase 1, Swansea, Firgrove and Regent Park phase 4/5.
- Overall, the projects remain on budget with some schedule adjustments required, resulting in reduced outflow in Q2 of 2025.

Inflow Commentary:

- Regent Park – final payment on block 1 received in Q1 2025. Remaining proceeds are due to completion timeline extension for block 16N to March 2025 and its subsequent IO loan proceeds being pushed out to March 2025.

Q2/2025 – IT/Corporate Capital

IT Capital (Amount in $000s)	Year-to-Date Actual	Year-to-Date Budget	Year-to-Date Variance	% Budget	Full Year Forecast	Full Year Budget	Full Year Variance	% Budget
IT Asset Management	-	92	92	0%	-	275	275	0%
NOVA 1.0	1,076	500	(576)	215%	1,204	1,000	(204)	108%
NOVA 2.0	703	1,500	797	47%	2,500	3,000	500	23%
End User Device Refresh with Windows 11	2,880	-	(2,880)	0%	2,880	2,880	-	100%
Firewall Replacement	423	250	(173)	169%	500	500	-	85%
Keep the Lights On	311	608	296	51%	1,140	1,215	75	26%
Next Gen Secure Network Planning	-	500	500	0%	200	1,000	800	0%
Carryforward from prior year	102	3,449	3,347	3%	747	793	46	13%
Total IT Capital	**5,496**	**6,898**	**1,402**	**80%**	**9,171**	**10,663**	**1,492**	

Corporate Capital (Amount in $000s)	Year-to-Date Actual	Year-to-Date Budget	Year-to-Date Variance	% Budget	Full Year Forecast	Full Year Budget	Full Year Variance	% Budget
Commercial Support	-	1,325	1,325	0%	2,650	2,650	-	0%
HRIS (one-time)	-	1,524	1,524	0%	-	3,047	3,047	0%
Improving Capital Management	-	320	320	0%	640	640	-	0%
Total Corporate Capital	**-**	**3,169**	**3,169**	**0%**	**3,290**	**6,337**	**3,047**	
TotalTotal IT & Corporate Capital	**5,496**	**10,067**	**4,571**	**55%**	**12,461**	**17,000**	**4,539**	

- IT Capital spend is at 51.5% of total budget, mainly due to timing of project implementation
- Corporate Capital projects have no spend-to-date. Facilities Management team is currently working with internal and external partners to complete scope tasks on commercial project and expect spending to come later in the year. HRIS project expected to be delayed to 2026.

Appendices

Q2/2025 – Divisional Operating Expense Variances

(in $000's)	June 2025 Actuals $	June 2025 Budget $	June 2025 Variance $	June 2025 Variance %	June 2024 Actuals $	June 2025 vs. June 2024 Variance $	June 2025 vs. June 2024 Variance %
Operations	98,186	107,200	9,015	8%	92,673	5,513	6%
Facilities Management	21,473	24,141	2,668	11%	20,937	536	3%
Corporate Services	41,022	47,331	6,309	13%	33,626	7,395	22%
Office of the Commissioner of Housing Equity	612	578	(34)	-6%	589	23	4%
Total Operating Expenses (All Divisions)	**161,293**	**179,251**	**17,958**	**10%**	**147,826**	**13,467**	**9%**

- The favourable variance in Operations is mainly contributed by the 3 Regions $6M, Engagement Refresh $0.9M, Business Operations $0.9M and Programs & Partnerships $0.9M.

- Operations has stopped the formal triage process due to the operating surplus and proceeding to attend work orders as they happen while still prioritizing matters of health, safety, and emergency first. As at June 2025, there are work orders in the pipeline. Operations is now having monthly meetings to track Work Orders and spend to Budget and reviewing trending.

- Savings in Corporate Services is mainly driven by Information Technology $2.2M (due to timing on software license fees), People & Culture $1.9M (timing on staff training and lower than expected other payments) and Finance $1.2M (mainly on vacancies).

- Favourable variance in Facilities Management due to timing on maintenance work, such as ground maintenance, building & equip supplies and vacancies.

Q2/2025 – Swansea Mews Impact

Swansea Mews (Amount in $000s)	Year-to-Date Actual	Balance of Year Forecast	Full Year Total	Total Financial Impact to date (since May 2022)
EXPENSES	**202**	**270**	**472**	**22,397**
Accommodation, per diem, moving and transporation	-	(15)	(15)	5,283
Security and Staff Overtime	202	270	472	2,749
Shoring, Abatement, Engineering	-	15	15	14,365
Capital Assets Write off	**-**	**-**	**-**	**5,031**
Total Income/(Loss)	**202**	**270**	**472**	**27,428**

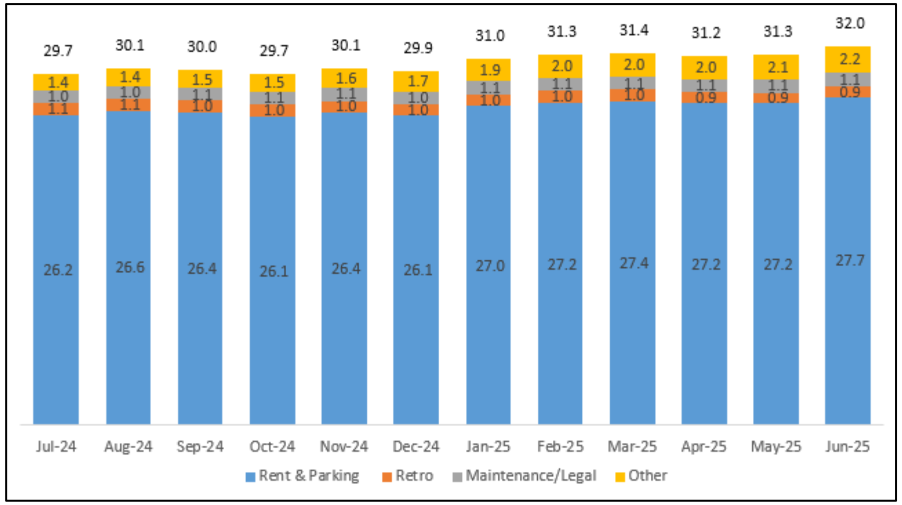
Insurance Update:

- In July 2023, both BIFAC and the Board approved and authorized the Chief Executive Officer and/or General Counsel & Corporate Secretary (or designate) to proceed to engage with TCHC's Insurer and pursue its claim for reimbursement in accordance with its policy entitlements.
- TCHC and Housing Services Corporation (HSC) continue to be in discussions. (Please refer to in-camera report TCHC:C2024-28.)
- In addition, until such time that the permit to fully decommission the site can be secured, there is an obligation to continue to provide security and other site safety related provisions.

Initial Development Plan approved by the City Council on April 23, 2025:
https://secure.toronto.ca/council/agenda-item.do?item=2025.PH20.8

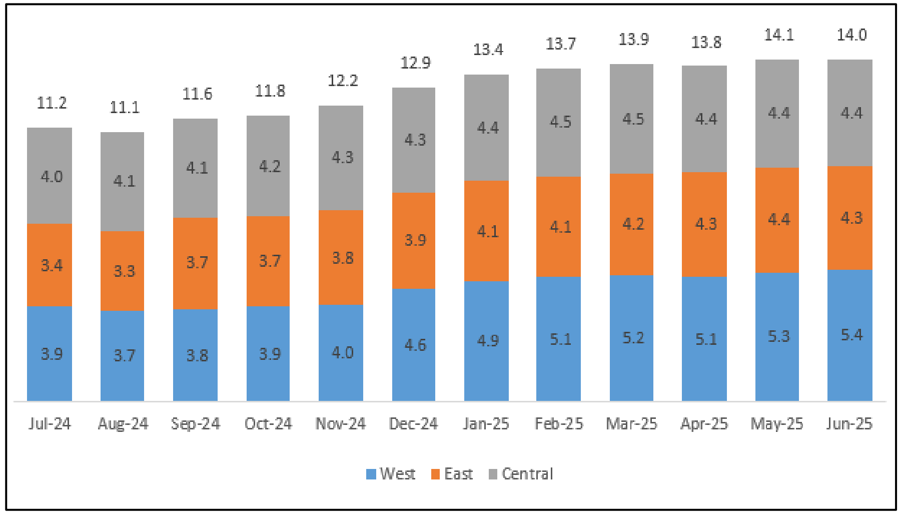
Q2/2025 – Current Arrears

Current Arrears Total (in $M)



- Current arrears represent arrears of active TCHC tenants
- A bad debt allowance or provision for non-collectability, is provided for all current arrears greater than 45 days old
- As of the end of June, an allowance for bad debt was provided for $24.9M of the current arrears

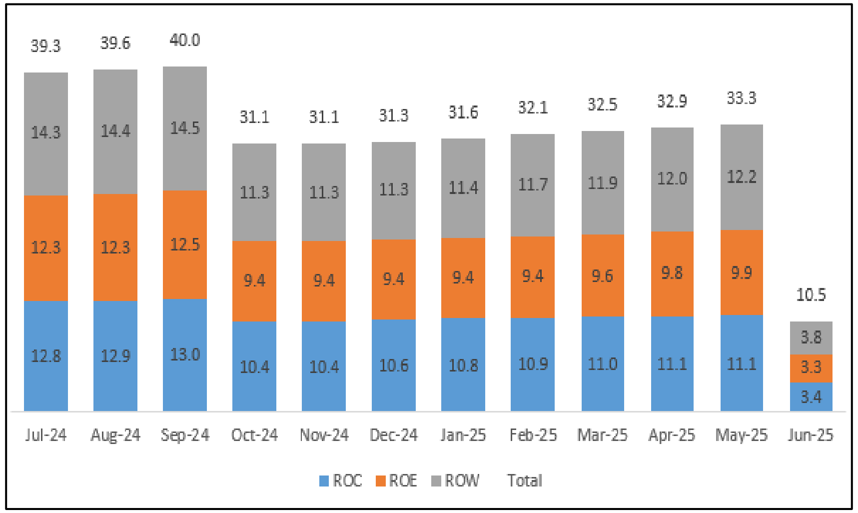
Current Arrears in repayment plan (in $M)



- Amounts collected are used to reduce the total current arrears and thus the bad debt allowance / provision for non-collectability
- Repayment agreements are powerful tool used by staff to address arears. Tenants who have a signed repayment agreement in place that they pay on time each month are considered to be ‘in good standing’ with TCHC. Moving tenants into repayment agreements is one of two desired outcomes at all stages of the Arrears Collection Process (along with ‘repayment in full’).

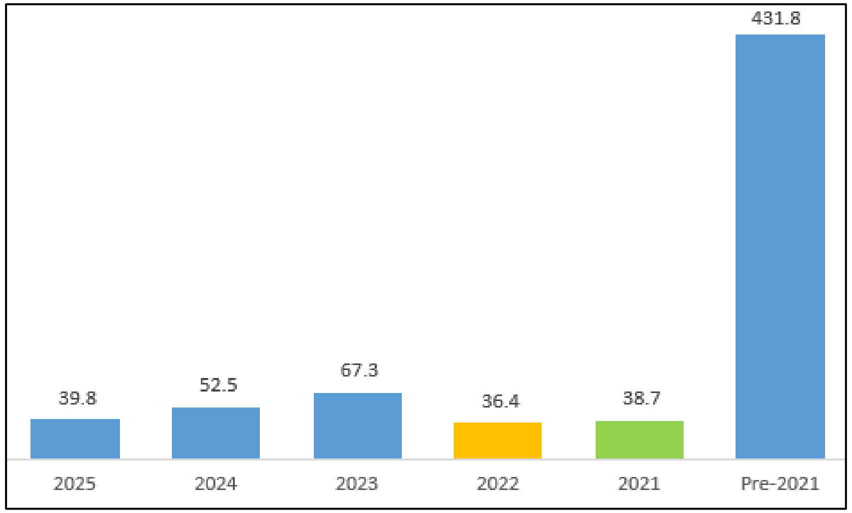
Q2/2025 – Past Arrears

Past Arrears (in $M)



- Past arrears represent arrears of former TCHC tenants
- Similar to current arrears, a bad debt allowance or provision for non-collectability, is provided for all past tenant arrears
- As of the end of June, a bad debt allowance was established for all of the past arrears

Past Arrears Collections (in $000s)



- Past tenant arrears are passed on to a collection agency if TCHC staff are unable to collect the outstanding balance within 90 days after move out
- As of the end of June the Agency has collected about $39.8K net from past tenant arrears in their care

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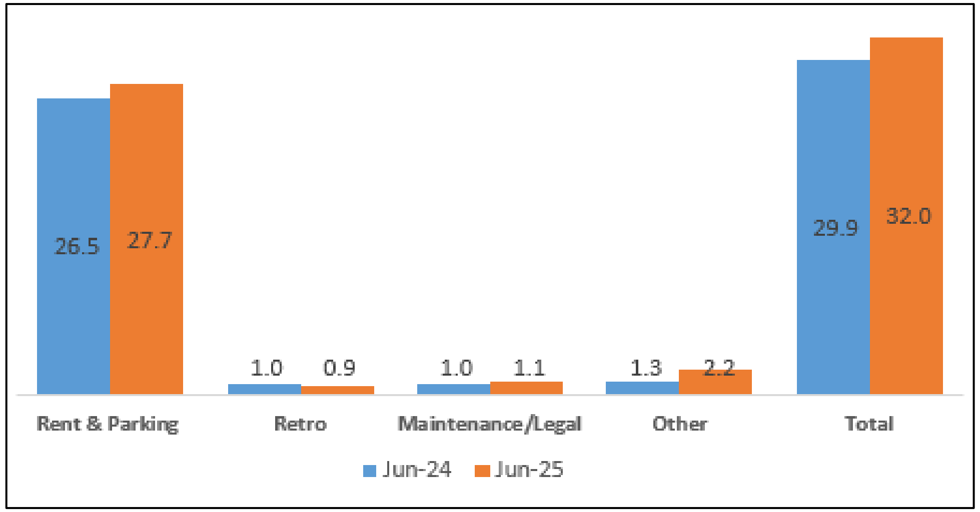
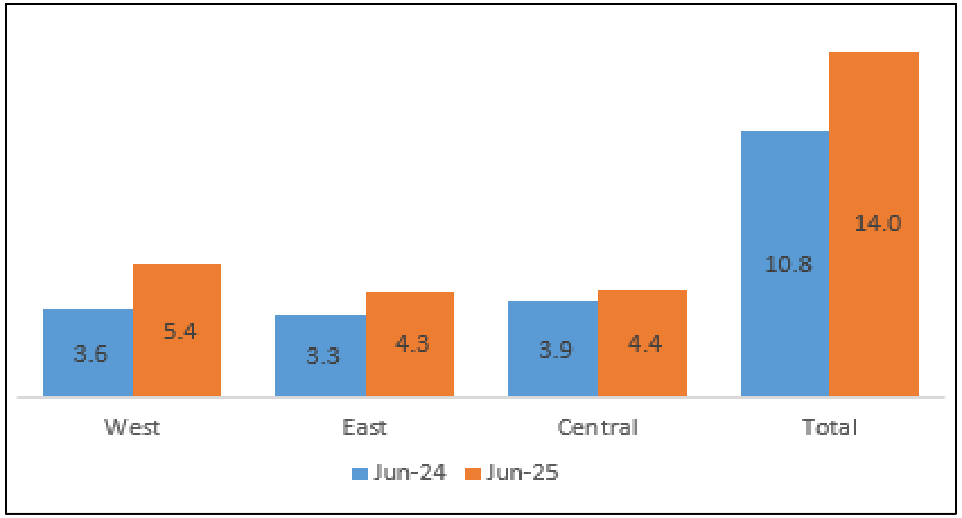
Q2/2025 – Current & Past Arrears (vs. Q2/2024)

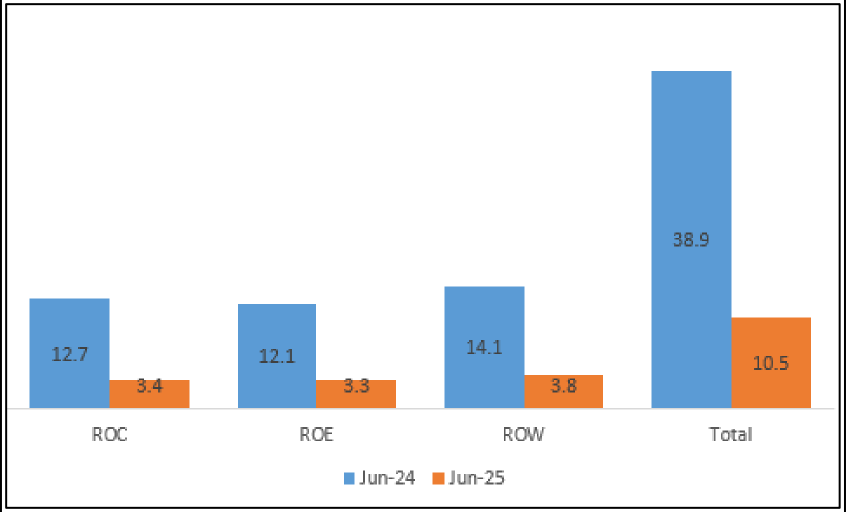
Current Arrears (in $M)



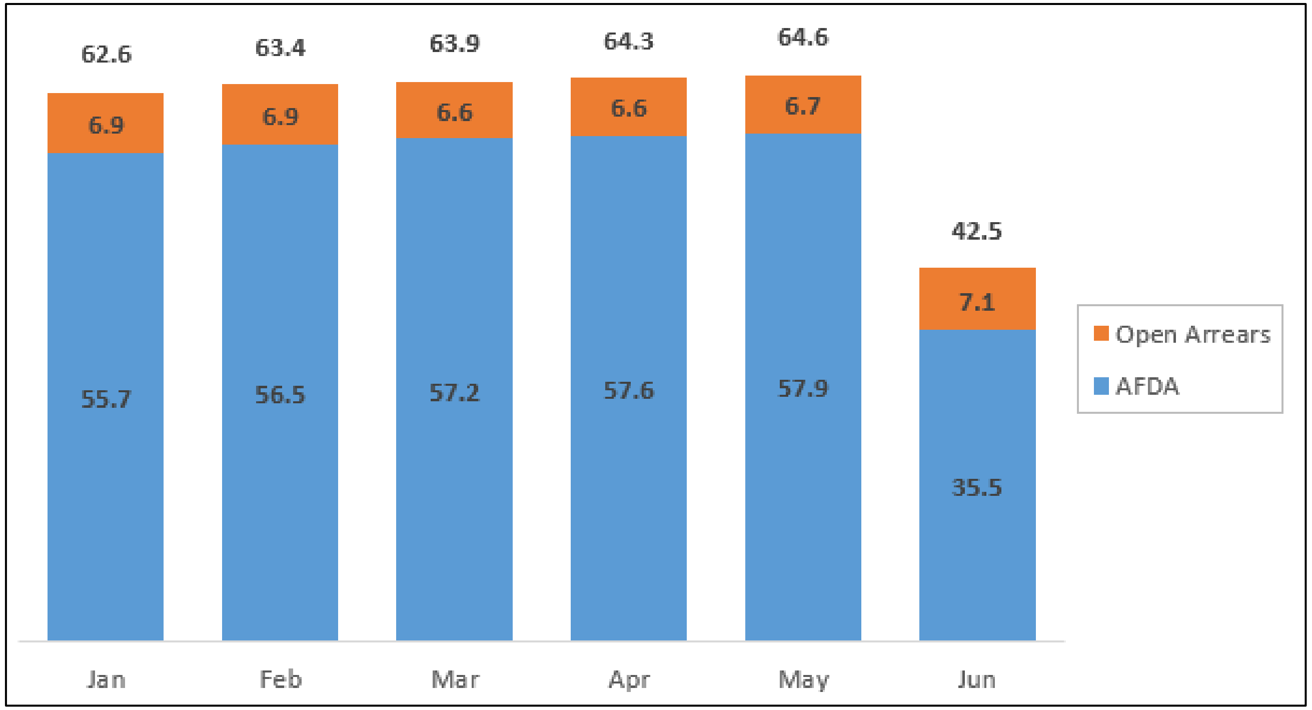
Current Arrears in repayment plan (in $M)



Past Arrears (in $M)



Q2/2025 – Allowance for Doubtful Accounts (AFDA) ($M)



- All past tenant arrears $10.5M are fully recorded as potential bad debt expense
- For current arrears of $32.0M, we have recorded a potential bad debt expense of $24.9M
- Bad debt expense for Q2 2025 is at 2.4% of the total rent revenue