

Stabilization Without Transformation: Evaluating the NHS and Toronto's Legacy Social Housing

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Land Acknowledgement

We wish to acknowledge this land on which the University of Toronto operates. For thousands of years it has been the traditional lands of the Huron-Wendat, the Seneca, and most recently, the Mississaugas of the Credit. Today, this meeting place is still the home to many Indigenous people from across Turtle Island and we are grateful to have the opportunity to work on this land.



Stabilization Without Transformation

Evaluating the NHS and Toronto's Legacy Social Housing

Collin Bernard, PhD

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Agenda

What was the impact of National Housing Strategy (NHS) repair programming on Toronto's legacy social housing stock?

- How to think about housing condition
- Toronto's pre-NHS repair crisis
- The NHS repair response
- What changed in Toronto

Housing condition has multiple dimensions



Basic habitability

Safety, sanitation, minimum adequacy

From: legal minimum standards and adequacy measures



Everyday functioning

Accessibility, usability, reliability in daily use

From: accessibility standards and tenant needs



Resident experience

Comfort, livability, quality of life

From: resident and provider surveys



Capital sustainability

Repair backlog, renewal, energy performance

From: asset management and capital planning

FCI Measures Accumulated Deferred Reinvestment

FCI

Facility Condition Index =

$$\frac{\text{Cost of Accumulated Backlog}}{\text{Current Replacement Value}} \times 100\%$$



Useful for

- Tracking backlog
- Comparing condition
- Planning capital renewal

Important limits

- Does not capture resident experience
- May miss future needs
- Sensitive to inflation and reassessment

Has real-world implications

Toronto's Legacy Social Housing Stock

- ~90,000 city administered units
- ~58,000 Toronto Community Housing Corporation (TCHC)
- ~31,000 non-profit and co-operative
- Mostly built from 1940s to 1980s



Source: City of Toronto

TCHC Before the NHS

- Stock was old
- Rising repair backlog
- FCI worsened
- Units were closed
- Resident dissatisfaction grew
- Dire projections



Source: CBC. 50 Torbolton Drive. 18 TCHC units closed in 2008.

Devolution left TCHC with an unsustainable funding model

Municipal responsibility + limited revenues + weak reserves → deterioration + need for outside support

- RGI rents limited internal revenue
- Reserves were weak
- City held responsibility but had limited fiscal tools
- Creative financing helped, but could not fill the gap
- Senior government support remained intermittent

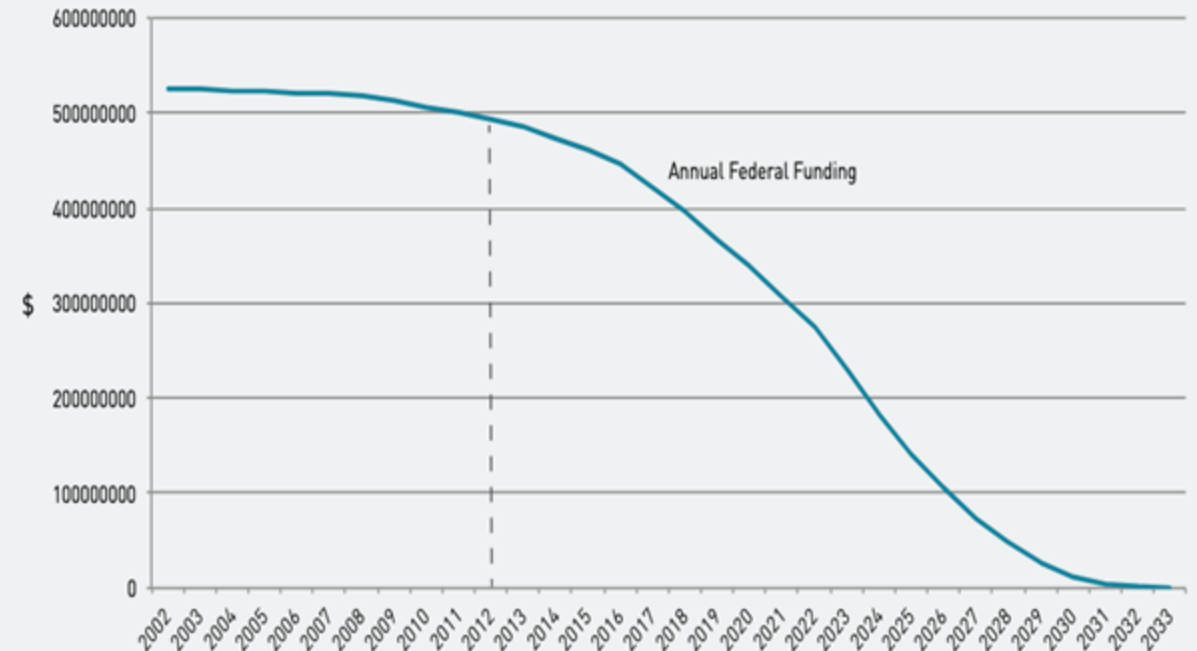
Beyond TCHC

Larger sector dynamics

- Expiring federal subsidies
- Viability issues for providers with weak revenues and reserves
- Possibility of closures or loss of affordability

FIGURE 9

Decline in Annual Federal Funding for Social Housing Mortgages and Operating Subsidies in Ontario



Source: Ontario Ministry of Municipal Affairs and Housing, based on Schedule E in the Canada-Ontario Social Housing Agreement, 1999

(Zon et al. 2014)

NHS brought legacy preservation into federal policy

Legacy stock problem

- Aging buildings in physical decline
- Energy and accessibility deficits
- Risk of unit loss

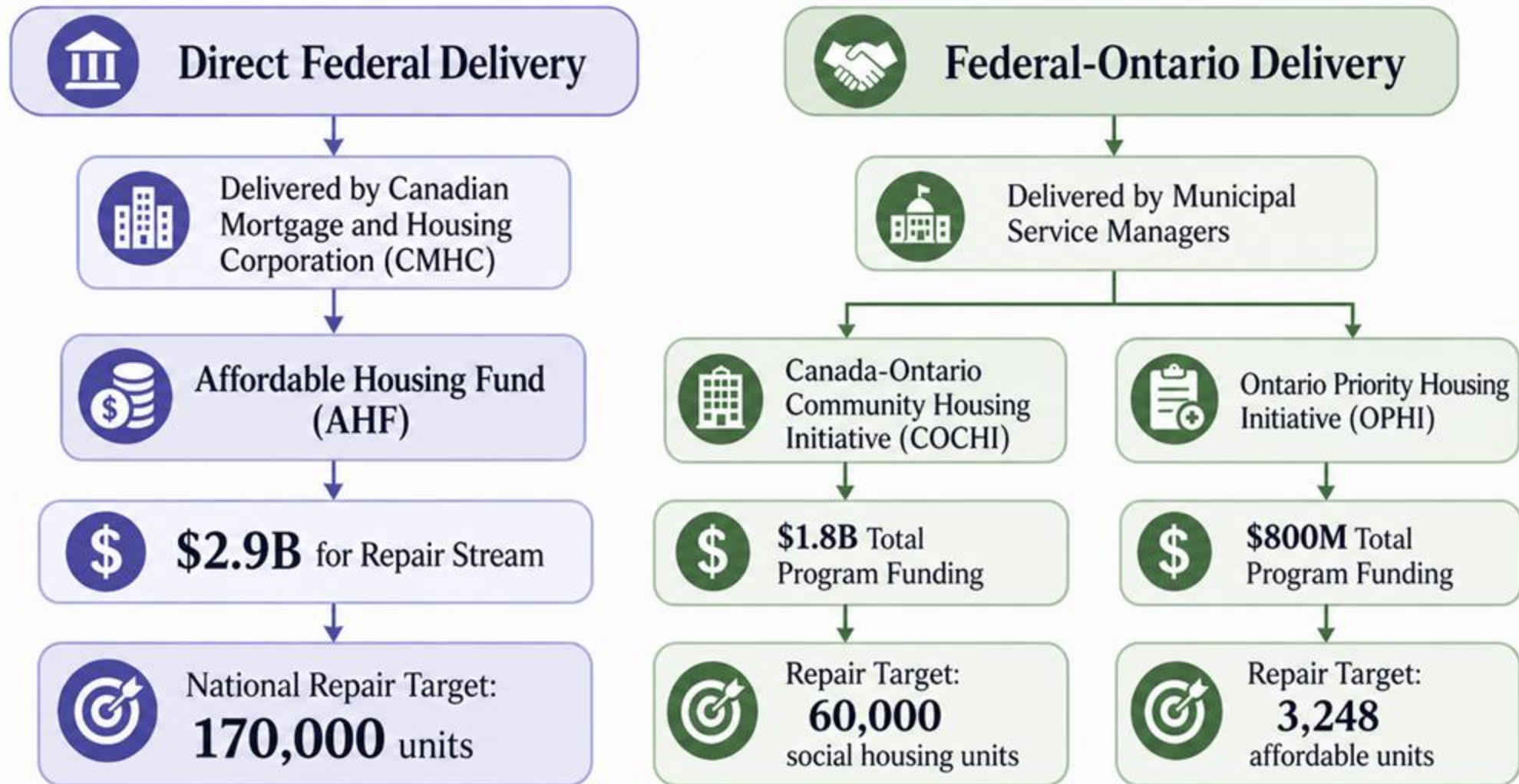
NHS response

- Repair 300,000 affordable units nationally

Funding conditions:

- Affordability
- Energy efficiency (-25% GHG/energy)
- Accessibility (20% of units)

National Housing Strategy Repair Programs in Ontario



NHS repair reporting

Official reporting showed success

- Repair targets were met or exceeded

But unit counts do not show

- Whether work was completed, underway, or committed
- The scale or type of repairs
- Portfolio condition
- Future repair need reduced

Reported Totals

- **AHF:** 175,000/170,000 units
- **COCHI:** 86,000/60,000 units
- **OPHI:** 12,000/3,248 units

Toronto is a revealing but unusual NHS case

Large legacy system

~90,000 city-administered units makes Toronto a significant testing ground for NHS repair

Major direct federal investment

\$1.34b AHF loans/grants to TCHC

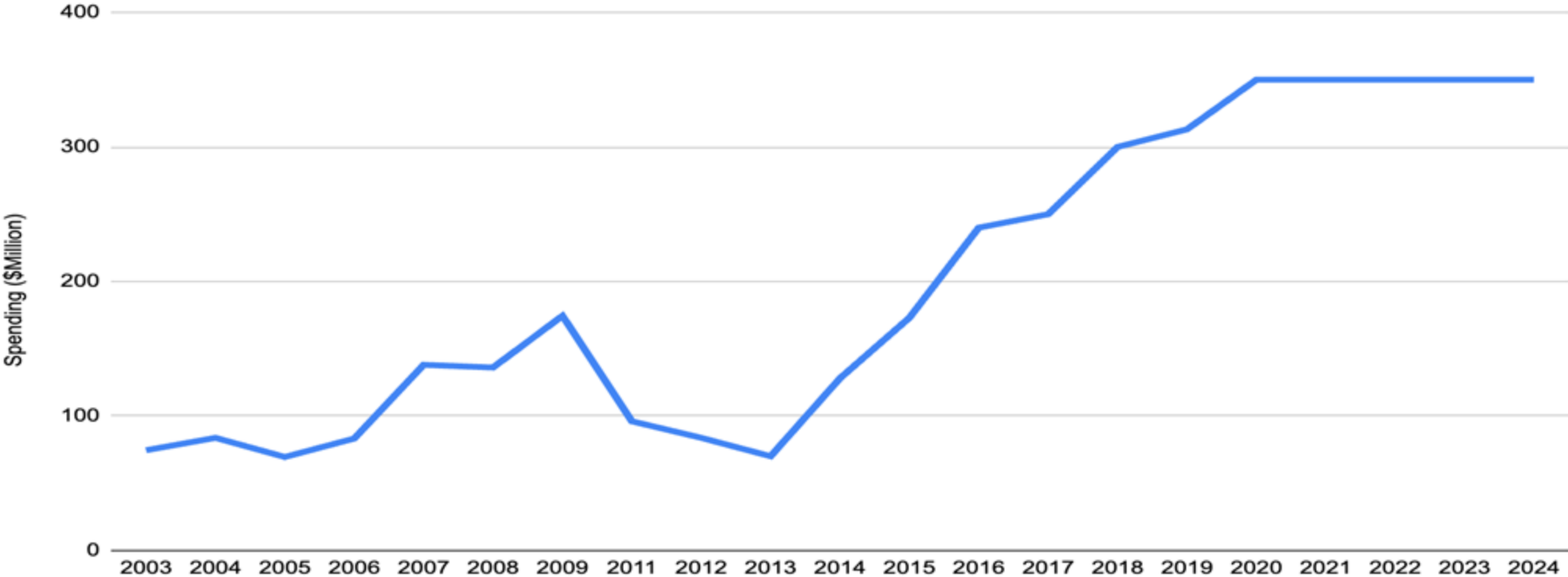
Unusual delivery model

Portfolio-wide AHF funding, not only project-by-project

The NHS entered an already growing repair program

TCHC Capital Spending on Repairs 2003-2024

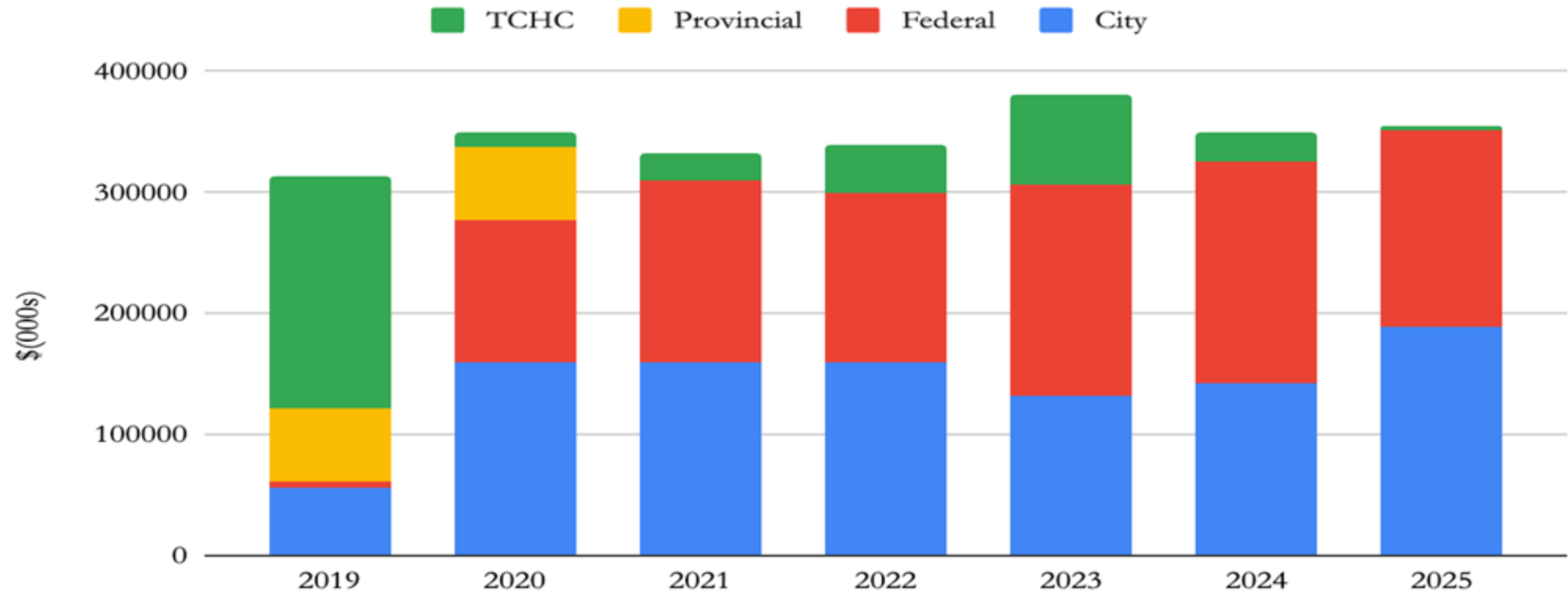
Author's calculations using Toronto Community Housing Corporation, Annual Reports (2003–2024).



NHS funding helped sustain the higher spending baseline

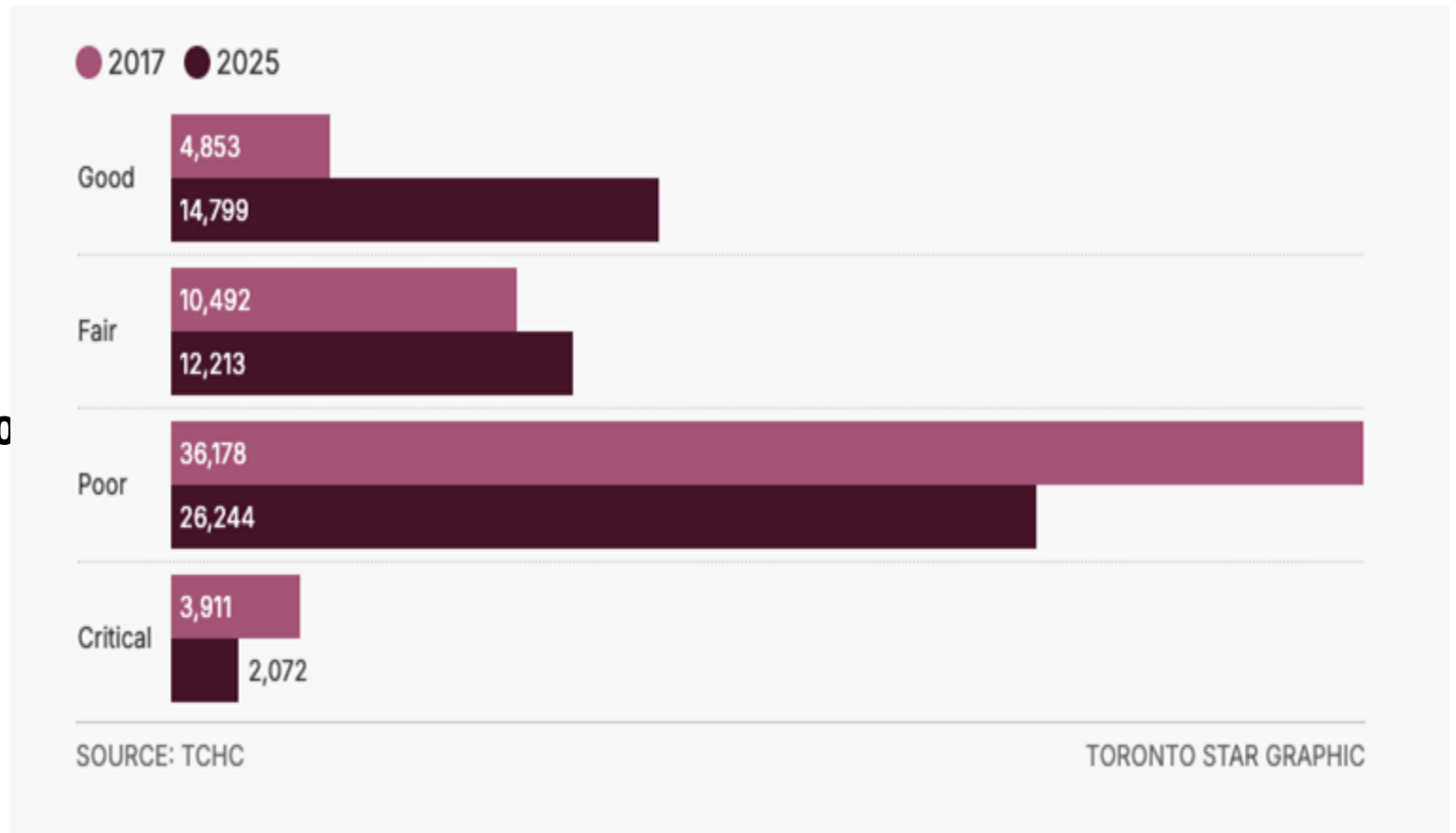
Building Repair Capital by Funding Source

Author's Calculations based on TCHC Budget Notes (2019-2026)



TCHC unit condition improved significantly

- Fewer units in poor and critical condition
- Many more units in good condition
- Vast majority of units 70% or above according to RentSafeTO
- Improved tenant satisfaction

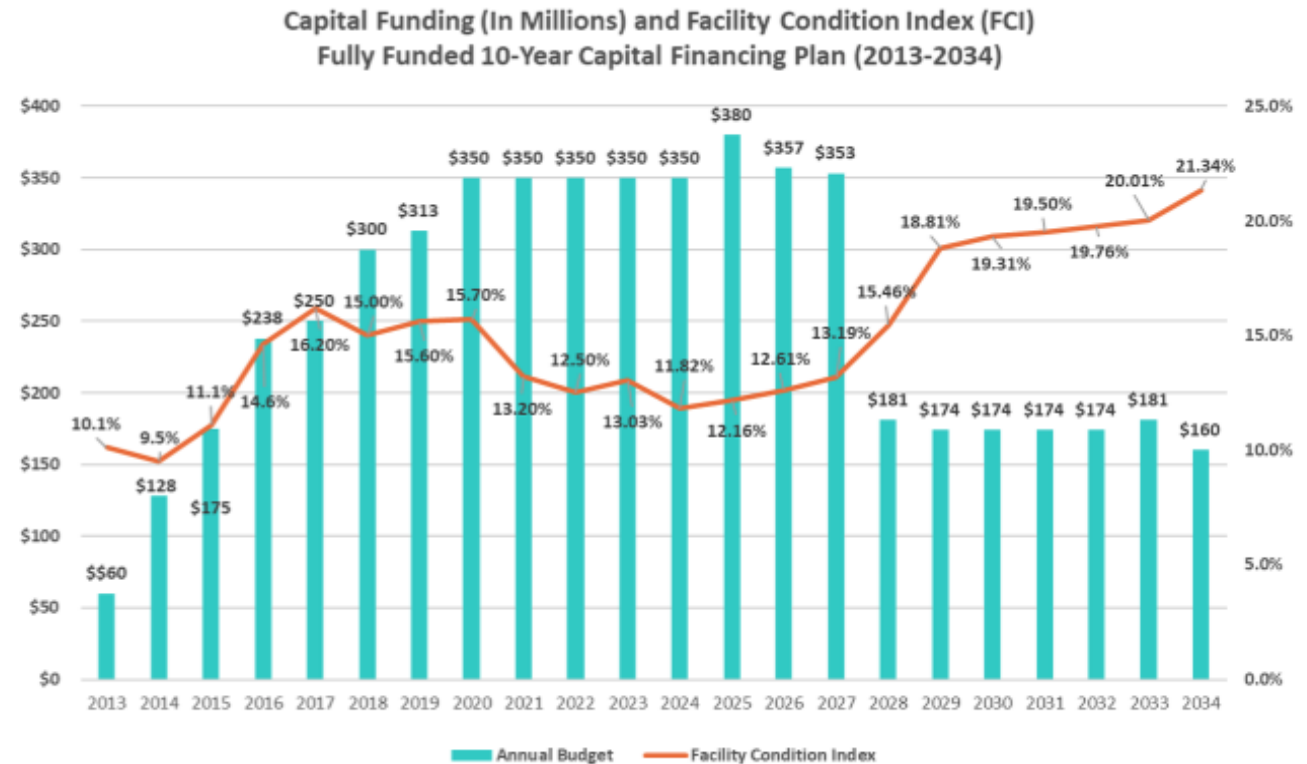


Higher spending improved condition but did not secure sustainability

FCI improved but stayed above target

Gains slowed despite continued high spending

FCI is projected to rise



Source: (Toronto Community Housing 2025)



Post-NHS funding gap threatens renewed deterioration

TCHC estimates \$600 million/year is needed to reach 10% FCI

Planned funding falls below projected needs

Additional costs not included

Planned spending vs need

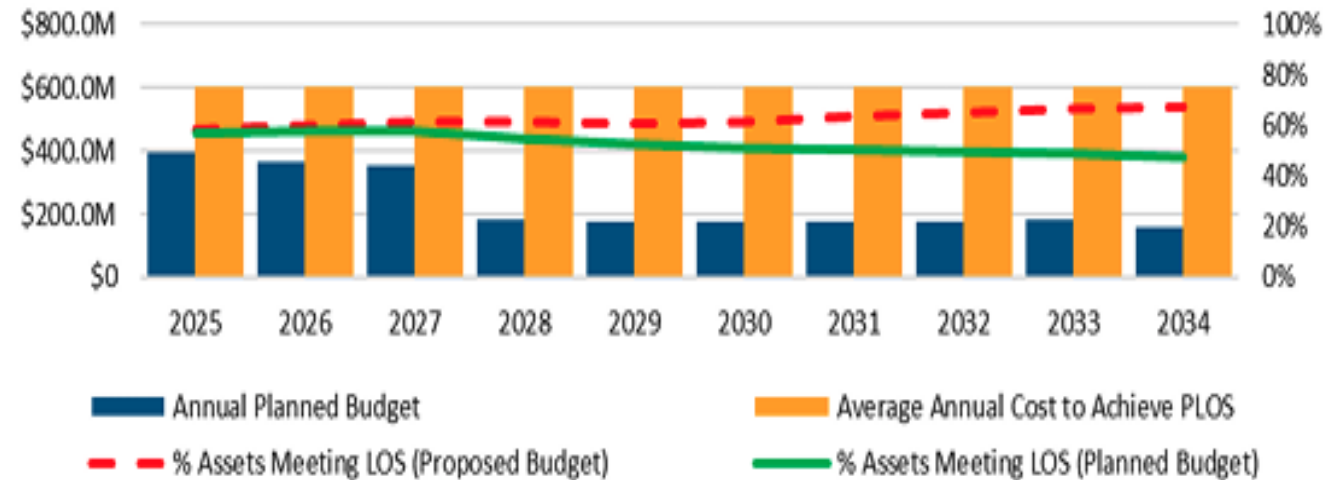


Figure 1-10 Community Housing Expenditure Forecast for Planned Budget and Achieving PLOS.

Source: TCHC Budget Note 2026

Stabilization, Not Transformation

Real gains: Higher repair spending, improved unit condition, fewer poor and critical units

Limited transformation: improved condition did not secure long-term portfolio sustainability

Going forward: rising repair needs and weak revenues/reserves leave TCHC dependent on continued government investment

From stabilization to stewardship

Federal role

Keep legacy preservation in NHS 2.0.

Program logic

Add building condition to outcome goals, beyond units repaired.

Work with others to encourage sustainable models

Support provinces/territories, municipalities, and providers in ensuring durable revenue and reserve models

Social housing financing system

Help create a self-sustaining social housing financing system that combines government funds and private capital to absorb rising costs

Thank you

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