

Open Door Affordable Housing Program - 2020 Call for Applications Results

Supporting 971 New Affordable Rental Homes

Presentation to the Planning and Housing Committee

March 2, 2021



Overview



- 1) HousingTO 2020-2030 Action Plan
- 2) Overview of Open Door Affordable Housing Program
- 3) Results of Open Door Program to date
- 4) Highlights of 2020 Open Door Call for Applications
- 5) Financial implications of 2020 Open Door Call for Applications
- 6) Updates to Open Door Program



HousingTO 2020-2030 Action Plan

- The HousingTO 2020-2030 Action Plan proposes 13 strategies and 76 actions to help over 341,000 households by 2030
- A key target is the approval of **40,000** new affordable rental homes, including **18,000** supportive housing units by 2030
- The Open Door Affordable Housing Program is the City's primary tool to incentivize development of affordable rental housing on non-City-owned lands
- Provincial and Federal contributions are also needed to achieve the HousingTO Action Plan targets

HOW WILL IT BE DONE?

1. Adopt a revised "Toronto Housing Charter – Opportunity for All"
2. Enhance Partnerships with Indigenous Community Partners
3. Prevent Homelessness and Improve Pathways to Housing Stability
4. Provide Pathways to Support Women
5. Maintain and Increase Access to Affordable Rents
6. Meeting the Diverse Housing Needs of Seniors
7. Ensure Well-Maintained and Secure Homes for Renters
8. Support Toronto Community Housing and its Residents
9. Continue the Revitalization of Neighbourhoods
10. Create New Rental Housing Responsive to Residents' Needs
11. Help People Buy and Stay in Their Homes
12. Improve Accountability and Transparency in Delivery of Housing Services to Residents
13. Enhance Partnerships and Intergovernmental Strategy



The Open Door Affordable Housing Program

- Approved by Toronto City Council in 2015 and administered through annual call for applications process
- Provides City financial incentives to non-profit and private sector developers to support the creation of new purpose-built affordable rental homes
- City financial incentives include capital grants and/or exemptions from: Development Charges; Planning Application Fees; Building Permit Fees; Parkland Dedication Fees; and Residential Property Taxes (for term of affordability)
- Also includes fast-tracked planning approvals for complete applications



Success of the Open Door Program To-date

- Since 2015, **10,172** affordable rental homes have been supported through the Open Door Affordable Housing Program.
 - This includes **5,982** new affordable rental homes approved since adoption of the HousingTO 2020-2030 Action Plan
- Subject to approval of this report by Council, the total number of affordable homes supported with Open Door incentives will be some **11,143** homes across the city.



City Financial Contributions towards Affordable Rental Housing

- Between 2016 and 2020, the City has invested over \$1.4 billion towards the creation of 10,172 homes including:
 - Open Door Incentives: \$635.45 M
 - Capital Funding: \$184.58 M
 - Land Value: \$587.60 M
- The average City contribution, including land (for City-owned sites), is about \$138,000 per affordable rental home.
- The average City contribution for non City-owned sites is approximately \$80,000 per affordable rental home.



2020 Call for Application Highlights

- **15** affordable rental developments recommended, representing a total of **971** new affordable rental homes
 - **11** of the 15 recommended developments are **non-profit** led
 - **412** homes are intended to be supportive housing (i.e. affordable rental housing with wraparound support services)
 - **3** of the recommended projects are Indigenous led affordable rental projects
 - Affordability periods secured range from 40 to 99 years



Financial Implications of Report Recommendations

- Total combined value of **\$75.67 M in incentives and capital funding**, with a total average contribution of approximately \$78,000 per home, comprised of:
 - \$10.90 M proposed in City capital grant funding, (approximately \$28,000 per home); and
 - Approximately \$64.77 M in Open Door incentives/waived fees and charges (approximately 67,000 per home)
- \$100,000 in proposed pre-development grant assistance



Enhancements to the Open Door Program

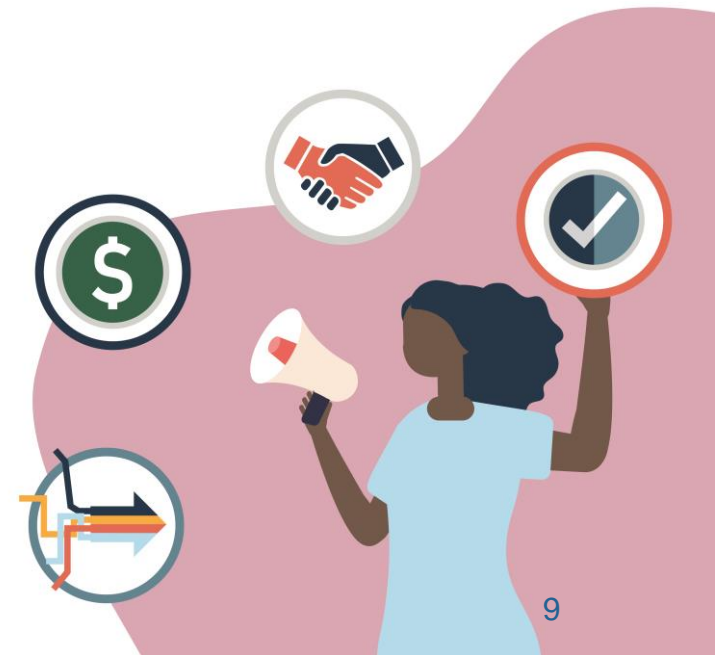
- The report outlines enhancements to the program moving forward which will:
 - Further incentivize the creation of affordable rental projects on non City-owned lands
 - Increase the number of new affordable homes, with longer affordability terms and deeper levels affordability
 - Further support the non-profit development sector
 - Better align with current Canadian Housing and Mortgage Corporation (CMHC) programs under the National Housing Strategy to help projects qualify for funding and financing



Enhancements to the Open Door Program (cont'd)

Changes to the program from 2021 will include:

- Simplified non-profit Planning Application Fee waiver process
- Streamlined and continuous application process for incentives only requests (i.e. no longer limited to annual call)
- Annual Call for Applications to focus on projects requesting capital funding
- Target of 30% of gross floor area as affordable rental housing



Summary



- 971 affordable rental homes recommended for Open Door program incentives
- Enhancements to the program outlined in the staff report will help expedite the approval process, provide certainty for developers, and also increase the number of projects to be approved annually in order to meet the increased targets under the HousingTO 2020-2030 Action Plan
- Subject to Council approval of the recommendations in this report:
 - a total of **6,953** homes would have been supported with Open Door incentives and contribute towards the 40,000 approval target under the HousingTO 2020-2030 Action Plan); and
 - A total of 11,143 affordable rental homes would have been approved for incentives since the inception of the program in 2015



Thank You