

# Open Door Affordable Rental Housing Program

## 2019 Call for Applications

### Addendum #1, April 17, 2019

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For more information and specific questions, please contact us at [opendoor@toronto.ca](mailto:opendoor@toronto.ca)

## Eligibility

**1. Are we required to own the property that we submit an application for? Is it sufficient to have an option to buy, or be in the due diligence period?**

- A. There is no requirement to own the property you submit an application for, as long as the applicant has an interest in the land. This interest in the property can be in the form of, for example, a lease which permits the development the applicant is proposing, or an agreement of purchase and sale. The application should describe the ownership arrangements and support these with any available documentation.

**2. Are applications eligible for Open Door if they incorporate the required 20% affordable rental GFA within a condominium building?**

- A. Yes, this scenario would be eligible, however, the affordable rental homes must be purpose-built rental housing to be eligible for Open Door Program support i.e. they cannot be condominium registered units that are then rented out. To implement this, a separate legally conveyable parcel incorporating the rental units must be created for the rental component.

For example, an application would be eligible where affordable purpose-built rental housing is proposed in the podium of a condominium and the podium is a separate legally conveyable parcel from the condominium.

The 20% GFA requirement will apply to the entire building, not just the rental component.

**3. Are dwelling rooms in a licensed rooming house eligible for Open Door funding?**

- A. Yes, dwelling rooms and dwelling units in a licensed rooming house are eligible for Open Door funding, provided they represent net new dwelling rooms/units.

**4. I have reviewed the Affordable Housing Design Guidelines. How are these guidelines applied in the evaluation of Open Door proposals?**

- A. The Affordable Housing Design Guidelines are intended as a compendium of helpful information and guidance for the development of affordable rental housing. The City recognizes that every project is unique so the guidelines should not be treated as a rulebook to be applied to all aspects of a development.

**5. How is the gross floor area (GFA) of affordable homes calculated?**

- A. The minimum requirement for Open Door eligibility is that 20% of the total area of the residential units must be affordable. The fee exemptions will be calculated based on the eligible residential gross floor area or eligible number of units depending on the relevant approach to fee calculations.

**6. Can you please explain the phase out period of the affordability period?**

- A. The minimum affordability period for Open Door developments is 30 years, which includes a 5-year phase out period. Within the phase-out period, units which become vacant may be leased at market rents, subject to provincial legislation.

**7. In terms of meeting the requirement for 20% of the residential GFA be affordable, what constitutes a development? If the site consists of multiple buildings/phases, does each building/phase need to have 20% affordable units, or can this requirement be met across the entire site?**

- A. Multi-phase developments are eligible for Open Door support, however, the City's objective is for affordable homes to be delivered at roughly the same time as market homes. Flexibility will be considered so that the 20% affordable GFA requirement can be met across a phased site, when this is supported by a reasonable and defensible justification.

## Funding

**8. Are there funding limits on a per deal basis in addition to incentives (Planning Application fees, Development Charges, Building Permit fees, Parkland Dedication fees, Property taxes)?**

- A. There are no per unit limits for capital funding requests, but total funding is limited. Please note that applicants must support and justify a request for capital funding. Larger requests for funding should be justified with lower rents (below AMR) and/or longer terms of affordability (beyond the minimum 30 years).

The Open Door Program provides 100% waivers of fees, charges and taxes for the affordable portion of new rental housing. There are no caps in place for these incentives.

This means that the full value of planning application fees (that have not been paid), Development Charges (DCs), and Building Permit fees are not paid for the affordable rental portion of a development. Residential Property Taxes are also exempted for the affordable portion of the building for the duration of the affordability period (while rents are kept at affordable levels), which is a minimum of 30 years including a 5-year phase out to market rent levels. Parkland dedication is also waived when in the form of a cash-in-lieu payment.

**9. There are other potential funding sources that at the time of the Open Door application will be unconfirmed. How should I show this in the Open Door application?**

- A. Open Door applications should show all anticipated funding sources and identify which are confirmed and which are potential. The applicant's activities to date and plan to secure any unconfirmed funding should be detailed and supported as much as possible.

**10. We have a project that is viable with Open Door incentives at 100% average market rent (AMR) and we are in the process of applying to CMHC for additional funding with additional affordability requirements at 80% AMR. Should we submit two budgets with the Open Door application, one for each scenario?**

- A. Please submit only one budget including the anticipated or applied for funding and identify which funding sources remain unconfirmed. As above, please detail and support your activities to date and plan to secure any unconfirmed funding.

**11. Some projects may be dependent on other forms of funding, including CMHC. Would dependency on CMHC funding be considered to have a negative effect on a project's score?**

- A. The City appreciates that all sources of funding, including CMHC funding, may not be confirmed at the time of application. Open Door submissions will be evaluated on a variety of criteria, including funding, affordability, development timelines etc. as illustrated by the Evaluation Criteria in the Application Form.

As above, please identify all confirmed and/or potential funding sources along with assumptions made in your capital and operating budgets, all of which will be incorporated in the review.

**12. What is the source of the \$10 million in capital funding available to Open Door projects? Is there an opportunity to increase this through other sources, such as the provincial Investment in Affordable Housing (IAH) program?**

- A. The Open Door Program does not include any funding from federal or provincial governments. The \$10 million available represents a portion of development charges collected from across the City. Applicants are encouraged to apply for any and all possible funding sources, including from other levels of government, or philanthropic and other third party funders.

## Planning

**13. At what point in the planning process can an application to the Open Door Program be made?**

- A. An application to Open Door may be made at any point in the planning process.

**14. The financial incentives of the Open Door Program are easy to calculate but what does the Open Door Planning Service represent in terms of fast-tracked approvals?**

- A. Every planning application is different and has a unique set of site specific factors that must be considered and evaluated as part of the planning application review process. This process includes consideration of the Official Plan, Zoning By-law, Design Guidelines and the community consultation process. The timing for the review of a planning application depends on: how aligned a proposal is with the planning framework that applies to the lands; submission of a complete planning application; and a timely response to comments from the City. The Open Door Planning Service prioritizes the review of planning applications associated with approved Open Door projects and City Planning works to try to address and resolve issues related to the planning application efficiently and effectively.

**15. Can you provide an example of how the expedited planning process works?**

- A. Successful Open Door applicants will be assigned a dedicated City Planning staff member to act as point of contact through the application process to coordinate the development review process within City Planning, Toronto Building, the AHO and other City divisions. Open Door applications are also prioritized for review and comment.

**16. I have met with my district Community Planning office about my potential project and they provided a generally supportive response. How should I communicate that in my Open Door application?**

- A. City Planning will provide attendees of pre-application meetings with a summary of the required planning applications (Site Plan approval, zoning by-law amendment, etc.) and a checklist of required submission material. At the meeting, City Planning will also provide general comments about the prospective application. Open Door applicants should submit this checklist and a summary of the comments with their application.

**17. Are the other exemptions or leeway with zoning or planning requirements that can be applied to Open Door projects?**

- A. Planning applications for approved Open Door projects are subject to the full planning application review process.

**18. Regarding the City's rental replacement policies, would Open Door incentives apply to replacement rental units?**

- A. Developments that are mandated to provide affordable housing under Section 37 of the Planning Act, the City's Large Sites Policy (Policy 3.2.1.9), or the Rental Replacement Policy (Policy 3.2.1.6) as set out in Toronto's Official Plan are only eligible for the Open Door Program if they provide affordable housing benefits in addition to those already required. This includes additional affordable units, a longer period of affordability and/or lower affordable rents.

## Other Questions

**19. Is there a way to get feedback on whether these specific properties meet the criteria for Open Door before the application deadline and/or before the October 2 & 3 City Council meeting?**

A. The criteria for applying to Open Door are available in the Program Guidelines, found at <https://www.toronto.ca/community-people/community-partners/affordable-housing-partners/open-requests-for-proposals/>. Affordable Housing Office staff cannot comment on individual applications during the Call for Applications period, however, the Affordable Housing Office welcomes discussions about proposals at other times.

**20. Is there a reserve list for proposed projects that obtain a high score, but are not ultimately successful this year?**

A. Currently the City does not keep a reserve list, however, this will be considered for future years.

**21. Do you recommend any specific non-profit organization to work with?**

A. The City encourages partnerships between private sector and non-profit affordable housing organizations. No specific non-profit groups are recommended by the City.

**22. How will announcements regarding the Housing Now sites be made?**

A. Future announcements regarding the Housing Now sites will be available on the City's website ([www.toronto.ca/affordablehousing](http://www.toronto.ca/affordablehousing)) and shared via the Open Door Registry. Please sign up on the registry to receive notifications by emailing [opendoor@toronto.ca](mailto:opendoor@toronto.ca).

**23. Are there any updates available on the provincial Investment in Affordable Housing (IAH) or similar funding programs?**

A. There has not been an announcement on an extension to the 2014-2019 IAH Program. CMHC remains the only other government body directly funding or financing the development of new affordable housing at this time.

**24. If not-for-profits propose to provide affordability in perpetuity would property tax exemptions apply in perpetuity?**

A. Several recent affordable housing developments include 99-year residential property tax exemptions, which is considered to be perpetuity.