



**OPEN
DOOR**
**AFFORDABLE
HOUSING
PROGRAM
GUIDELINES**



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1 INTRODUCTION TO THE OPEN DOOR PROGRAM

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This section provides general information about the *Open Door Program*, its objectives and how it complements other federal, provincial and City housing funding programs.

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1. Introduction

Toronto City Council approved the *Open Door Program* in 2016 to accelerate affordable housing construction by providing City financial contributions including capital funding and fees and property tax relief, fast-tracking planning approvals, and activating surplus public land.

The *Open Door Program* is designed to assist the City in achieving the goals of its Housing TO 2020-2030 Action Plan. The Action Plan sets targets for the development of 40,000 new affordable rental homes and 4,000 new affordable ownership homes by 2030. The HousingTO 2020-30 Action Plan updates and builds upon the City's first housing plan, Housing Opportunities Toronto Action Plan 2010-2020.

The *Open Door Program* assists private and non-profit affordable housing organizations to reduce the cost of developing housing and improve housing affordability through:

- Providing City financial contributions including capital funding and incentives such as exemptions from planning fees, development charges and property taxes;
- Fast-tracking planning approvals through the *Open Door Planning Service* for projects that meet the intent of the City's Official Plan, and;
- Unlocking opportunities on private, public and non-profit land for affordable housing, including properties owned by CreateTO, the Toronto Transit Commission, the Toronto Parking Authority and Toronto Community Housing, among others.

The *Open Door Program* is implemented through an annual Call for Applications for new affordable rental housing development. It aligns with the City's Official Plan and Poverty Reduction, Resilience and Seniors Strategies. The City has established an interdivisional *Open Door Review Committee* to streamline the *Open Door Program* approvals.

2. About the Guidelines

These Guidelines provide information to assist private and non-profit organizations that wish to join the City in creating new affordable housing. They include information about the available resources, eligibility criteria and the application and approval process for the *Open Door Program* and will assist organizations in completing the *Open Door Application Form*.

» Note that any changes and updates to these Guidelines will be available on the City's Open Door web page www.toronto.ca/affordablehousing

3. The Open Door Registry

The Housing Secretariat is maintaining an *Open Door Registry* of organizations interested in the program. Organizations will be notified of any program updates and when calls for applications and proposals are issued.

To sign up for the Open Door Registry, organizations should contact the Housing Secretariat at: OpenDoor@toronto.ca.

4. Funding Through the National Housing Strategy

As part of the National Housing Strategy, Canada Mortgage and Housing Corporation has several programs to support the creation of affordable rental housing, including the Rental Construction Financing Program, and the Co-Investment Fund. For more information, visit: www.cmhc-schl.gc.ca/nhs

5. Activating Public Land

The City is working with the federal and provincial governments, CreateTO, Toronto Transit Commission, Toronto Parking Authority, Waterfront Toronto, and Toronto Community Housing to activate surplus public land for affordable housing development. As these lands become available, the City and these agencies will issue site-specific RFPs.

As part of the City's Housing Now Initiative, 17 sites have been identified to create affordable rental housing as part of mixed-income and complete communities. More information is available at www.toronto.ca/affordablehousing

2 AFFORDABLE RENTAL HOUSING

This section explains resources available for building affordable rental housing, eligibility criteria, and the application, review and approval processes.



The *Open Door Program* is designed to support affordable housing developments that provide a mix of housing opportunities for low- and moderate-income households.

AT A GLANCE

The City will issue an annual Call for Affordable Rental Housing Applications to ensure a competitive process for providing *Open Door Program* benefits to successful private and non-profit organizations. Interested organizations must submit a complete Open Door Application package before the closing date to be considered.

The expected processing time (including reviewing, evaluating and obtaining necessary Council approvals for successful Open Door Applications) will be three months from the closing date of the Call for Applications.

Recipients of *Open Door Program* support will be required to enter into a legal agreement committing to the delivery of affordable homes.

1. Who should apply?

Private and non-profit organizations that are planning to build and operate quality rental housing or are looking to include affordable rental housing in their current development are encouraged to apply.

The City particularly encourages partnerships between private sector and non-profit affordable housing organizations.

2. What is Affordable Rental Housing?

The City, through its Official Plan and Municipal Housing Facility By-law, defines affordable rental housing as new housing where the total monthly shelter cost (gross monthly rent, including heat, hydro and hot water, excluding parking and internet/cable charges) is at or below Toronto's average market rent (AMR) by unit type (number of bedrooms), as reported in the fall of each year by CMHC.

In new developments where utility is metered separately for each unit and residents are required to pay the utility costs directly, the maximum monthly rents are set at AMR, less an allowance for each separately metered utility, as determined and updated annually by the City.

In 2020, Toronto's average market rents and the affordable housing utility allowances (including hydro, hot water, water and heat) are as follows:

Unit Type	AMR	Utility Allowance
Bachelor	\$1,148	\$90
1-bedroom	\$1,374	\$90
2-bedroom	\$1,591	\$125
3-bedroom	\$1,776	\$144

Source: CMHC Rental Market Report Fall 2019

» The affordable rents will be updated to the year the development opens. For more information on the utility allowances, visit the [City's website](#).

3. Eligibility Criteria

Projects must meet ALL the criteria as defined below to be considered eligible for the *Open Door Program*.

Types of eligible projects:

- New construction (all affordable or a mix of market and affordable rental housing)¹
- Acquisition and rehabilitation of existing residential buildings to increase or prevent the loss of affordable housing stock
- Conversion of non-residential buildings/units to purpose-built rental buildings/units
- Addition of new affordable buildings/units to existing buildings
- Social housing redevelopment that involves building new affordable units/additions on social housing sites may also be eligible, provided appropriate consents, as applicable, are obtained as per the *Housing Services Act, 2011*.

» 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 eligible for the *Open Door Program* if they provide affordable housing benefits in addition to those already required such as additional affordable units, a longer period of affordability and/or lower affordable rents.

Projects that are not eligible:

The City's Official Plan and Municipal Housing Facility By-law do not recognize the following facilities as affordable rental housing:

- Nursing and retirement homes
- Shelters and crisis care facilities
- Student residences

UPDATED FOR 2020

Minimum affordable housing requirement: The affordable rental housing must comprise at least 50% of the buildable residential gross floor area of the development.

Length of affordability: Affordable rents must be provided for a minimum of 40 years (inclusive of a five year phase-out). During the phase-out, market rents can be charged when units become vacant, subject to provincial legislation. Rental tenure is secured for a minimum of 40 years.

Rental tenure: Eligible projects are affordable rental housing where there is a landlord-tenant relationship and tenants are recognized by the *Residential Tenancies Act, 2006* or in non-profit housing co-operatives recognized by the *Co-operative Corporations Act*.

Residents and Operating Considerations: Private and non-profit organizations approved through the *Open Door Program* are required to follow the City's requirements for tenant selection, income verification, reporting, and overall administration of affordable rental homes.

¹ Only the affordable portion of mixed projects are eligible for the *Open Door Program*.

A Contribution Agreement template provided in Appendix 1 outlines these requirements.

Residents will be directed to *Open Door Program* rental opportunities by the City's Housing Access System. Projects approved through the *Open Door Program* will be assigned a dedicated City Housing Consultant to coordinate and facilitate the development of your project's Access Plan.

Projects approved through the *Open Door Program* are required to make up to 20% of the project's affordable units available to households in receipt of housing benefits from the City.

Applicants are encouraged to partner with non-profit organizations which can provide tenant supports and/or indicate a willingness to take referrals from community based non-profits funded through the City's housing benefit programs.

On occupancy, new prospective residents are to be income tested in order to ensure that the household income limit is no more than four times the rent of their unit. This applies at the initial occupancy and turnover.

As part of their agreements with the City, organizations approved through the *Open Door Program* are required to prepare periodic reports such as Occupancy Reports. Details of these operating considerations are outlined in the Contribution Agreement.

4. Open Door Resources

4.1. Financial Contributions

The *Open Door Program* offers a range of investments in affordable rental projects including fee exemptions, property tax relief and capital grants.

The City is authorized, pending Council approval, to provide exemptions from the following fees and charges for affordable rental housing².

- Planning Application Fees
- Development Charges
- Building Permit Fees
- Parkland Dedication Fees
- Residential Property Taxes (for the term of affordability)

» The City provides exemptions only and does not refund fees already paid.

The City does not provide exemptions for fees including, but not limited to:

- Toronto District Catholic School Board Development Charges
- Public Art Contribution
- Section 37 Contribution
- Hydro Levies
- Fees related to Urban Forestry
- Technical Services Fees
- Right-of-Way Permit Fees including:
 - Landscape Construction Permits
 - Street Occupation
 - Municipal Road Damage

» Fees and charges not covered by the *Open Door Program* are payable by the organizations as required.

² These fees and charges change periodically. Please check www.toronto.ca to confirm current rates.

In mixed market and affordable developments, the affordable portion of the development is eligible for these exemptions. The 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.

For example, in a 100-unit development, if 40 affordable homes make up 50% of the residential gross floor area, 50% of the applicable Building Permit Fees will be waived and the Development Charges related to the 40 affordable homes will be exempted.

Capital Funding

The City has funding available for affordable rental housing from a dedicated Development Charges Reserve Fund. The City has approximately \$10 million in capital funding available through the *Open Door Program* in 2020.

Applicants must support any request for capital funding to show it is necessary to create a viable and long term sustainable project. Applicants must justify the amount of funding they are requesting keeping in mind that there is limited funding available. Applicants' requests for funding will be assessed in conjunction with the Affordability Details section of the application.

Housing Benefits

Monthly housing benefit payments may be available from the City to qualified households to help pay rents.

Projects approved through the *Open Door*

Program are required to participate in the City's Housing Access System and make up to 20% of the project's affordable units available to households in receipt of housing benefits, if sufficient funding is available.

4.2. Open Door Planning Service

The *Open Door Planning Service* streamlines the approval process of planning applications for affordable rental housing projects approved through the *Open Door Program*.

Open Door Program applicants are required to make all necessary planning applications applicable for the type and scale of the proposed development.

If the applicant has not yet submitted a planning application, a pre-application meeting is required with City Planning prior to submission of an application to the Open Door Call for Applications.

» **In order to qualify for the *Open Door Planning Service*, the proposed project must meet the Official Plan's definition of affordable rental housing as described in these Guidelines.**

Projects approved through the *Open Door Program* will be assigned a dedicated City Planning staff member to coordinate and facilitate the development review process within City Planning, Toronto Building, the Housing Secretariat and other City divisions commenting on the development application.

5. Application and Review

The Housing Secretariat will issue annual *Open Door Program* calls for applications from private and non-profit organizations.

The *Application Form for Affordable Rental Housing* requires applicants to provide details on the following:

- Details of the proposed project
- Development qualifications
- Management qualifications
- Corporate financial viability
- Project design and confirmation of the required Pre-Application meeting with City Planning
- Development schedule
- Capital and operating financial plans
- Community consultation and communications outreach plan

The *Open Door Application Form* will also require applicants to, among other matters, describe the proposed development plan, outline and support the requested financial contributions, and provide information on all the organizations involved.

Participation in the *Open Door Program* can also be coordinated through the planning approval process. In these cases, City Planning staff will refer the interested applicants to the Housing Secretariat for an *Open Door Program* evaluation based on the criteria in these Guidelines. The *Open Door Program* approvals will be reported to Toronto City Council either through a planning approval report or an *Open Door Program* report.

5.1. Review Process

Applications will be evaluated by the *Open Door Review Committee*, comprised of staff from the Housing Secretariat, City Planning, Corporate Finance, and Shelter, Support and Housing Administration, based on the above-mentioned criteria and the following additional factors:

- Mix of units and proposed tenant groups
- Length of affordability
- Depth of affordability
- Contribution of resources such as funding, support services, equity etc.

Following the review, the applicant will be advised of their application's status and whether further information is required.

5.2. Approval Process

Successful applicants will meet with City staff and review next steps, including a timeline for City Council approvals.

Note that City staff must obtain Council approval to request that the Municipal Property Assessment Corporation (MPAC) exempt qualifying units from municipal property taxes.

Within 60 days following Council approval, successful applicants will sign a Contribution Agreement with the City which will include details of the affordable housing to be provided by the applicant and the contributions to be provided by the City.

The Contribution Agreement template is provided in the Appendix.

As the last step in the Open Door approval process, successful applicants will receive a letter confirming *Open Door Program* approval. To obtain fees and charges exemptions, applicants must submit this letter as part of a planning, development and/or permit application package, as well as executing the City's Contribution Agreement, and satisfying the applicable conditions therein.

Applicants will continue to work with their dedicated City Planning staff member who will assist with facilitating planning approvals. It is the applicants' responsibility to ensure their Planning Application is complete and addresses all of City Planning's requirements.

» **Please note approval under Open Door does not guarantee approval of the planning application(s). The planning applications are still subject to the full review process, and must meet the City's planning objectives and requirements.**

5.3. Right to Negotiate

The City has adopted a negotiated transaction process. Following its initial review of the submissions, the City may, but is not obligated to, (i) invite all or a select group of applicants to make resubmissions, and/or (ii) invite all or a select group of applicants to be interviewed with respect to their submissions. The City reserves the right to continue to negotiate the terms of the successful applicants' submission and the resulting Contribution Agreement.

Notwithstanding the results of such negotiations or renegotiations, the City will not be required to allocate all of the available capital funding or give unsuccessful applicants an opportunity to resubmit their proposals, regardless of how the renegotiated terms compare to the submissions made by the unsuccessful applicants.

