



OPEN
DOOR

**PROGRAM
GUIDELINES
2021**



CONTENTS

1. INTRODUCTION TO THE *OPEN DOOR PROGRAM*

1. Introduction.....	2
2. About the Guidelines	2
3. The Open Door Registry.....	2
4. Funding Through the National Housing Strategy	2
5. Activating Public Land	3

2. HOW THE *OPEN DOOR PROGRAM* WORKS

1. Who Should Apply?	5
2. What is Affordable Rental Housing?.....	5
3. Eligibility Criteria	6
4. Open Door Resources.....	7
5. Application and Review	9

1 INTRODUCTION TO THE *OPEN DOOR* *PROGRAM*

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

1. Introduction

Toronto City Council approved the *Open Door Program* in 2016 to accelerate affordable rental housing construction by providing City financial contributions in the form of capital funding, fees, charges and property tax relief, and fast-tracking planning approvals.

The *Open Door Program* is designed to support 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 affordable rental homes by 2030.

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

- Providing City financial contributions including capital funding and/or incentives such as exemptions from planning and building permit fees, development charges, parkland dedication fees and property taxes; and,
- Fast-tracking planning approvals through the *Open Door Planning Service* for projects that meet the intent of the City's Official Plan.

2. About the Guidelines

These Open Door 2021 Guidelines provide information to assist private and non-profit organizations that wish to join the City in creating new affordable rental housing. They include information about the available resources, eligibility criteria and requirements that will assist organizations in completing the *Application Form* for the 2021 *Open Door Program* Call for Applications.

Please note that any changes or updates to these Guidelines will be made available on the City's Open Door web page at: 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 by email of any program updates and when calls for applications and proposals are issued.

4. Funding Through the National Housing Strategy

As part of the National Housing Strategy, Canada Mortgage and Housing Corporation (CMHC) has programs to support the creation of new affordable rental housing, including the Rental Construction Financing Program

(RCFI), and the Co-Investment Fund (COI). For more information, visit: www.cmhc-schl.gc.ca/nhs

5. Activating Public Land

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

*As part of the **City's Housing Now Initiative**, City lands have been identified to create affordable rental housing as part of mixed-income and complete communities. More information is available at:*

www.toronto.ca/community-people/community-partners/affordable-housing-partners/housing-now/

2 HOW THE *OPEN DOOR PROGRAM* WORKS

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

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

AT A GLANCE

The City issues a competitive *Open Door Program* Call for Applications for capital funding and incentives on an annual basis.

The City has approximately \$10 million in grant funding available under the 2021 Call for Applications. There is no limit on the value of Open Door Program incentives available (exemptions from fees, charges and taxes) and projects that do not require grant funding are strongly encouraged.

Interested private and non-profit organizations should submit a complete Open Door Application package. The closing date to receive applications for the 2021 Call for Applications is February 24 2022.

The expected processing time (including reviewing, evaluating and obtaining City Council approvals for successful applications) is four months from the Call for Applications closing date.

1. Who should apply?

Private and non-profit organizations that are planning to build and operate quality, new rental housing are encouraged to apply.

The City particularly encourages applications that propose affordable rental housing for priority tenant groups under the HousingTO 2020-30 Action Plan, including Black/Indigenous people, women, seniors, youth, people with disabilities, and people experiencing homelessness. The City also encourages development 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, but 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 the Canada Mortgage and Housing Corporation (CMHC).

» The City is in the process of updating its Official Plan definitions of affordable housing. However, for the purposes of the 2021 *Open Door Program* Call for Applications, the current definition as outlined above will apply.

In buildings where a utility will be metered separately for each unit and residents will pay the utility costs directly, an allowance for utility is determined by the City and is deducted from the monthly rents. These utility allowances are updated annually by the City.

In 2021, Toronto’s average market rents and utility allowances (including hydro, hot water, water and heat) are as follows:

Unit Type	AMR*	Utility Allowance
Studio	\$1,211	\$90
1-bedroom	\$1,431	\$90
2-bedroom	\$1,661	\$126
3-bedroom	\$1,896	\$145

* Source: CMHC Rental Market Report Fall 2020

A development’s affordable rents will be updated to those reported by CMHC in the year the buildings begin occupancy. For more information on utility allowances, visit:

<https://www.toronto.ca/community-people/community-partners/social-housing-providers/affordable-housing-operators/current-city-of-toronto-average-market-rents-and-utility-allowances/>

3. Eligibility Criteria

Developments must meet the criteria below to be eligible for the *Open Door Program*.

1. Types of eligible projects:

- New construction
- Conversion of non-residential buildings to purpose-built rental housing
- Addition of new affordable buildings/ units to existing sites/ buildings
- Social housing redevelopment that involves building new affordable units/additions on social housing sites may also be eligible, provided appropriate consents are obtained under the *Housing Services Act, 2011*.

2. Minimum affordable housing target

(updated for 2021): The affordable rental housing should represent a minimum of 30% of the total buildable residential gross floor area of the development.

3. Length of affordability: Affordable rents must be provided for a minimum of 40 years, including a phase-out period during the last five years. During the phase-out period, market rents can be charged on units that become vacant, subject to provincial legislation. Rental tenure is secured for a minimum of 40 years.

4. 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 may also be non-profit housing co-operatives under by the *Co-operative Corporations Act*.

Residents & Operating Considerations

Private and non-profit organizations approved through the *Open Door Program* are to follow the City's requirements for tenant selection, income verification, reporting, and the overall administration of the affordable rental homes. These ongoing operating requirements are detailed in the Contribution Agreement template provided in Appendix 1 and will also be outlined in an Access Plan agreed to with the City before occupancy.

New prospective residents of *Open Door Program* affordable housing are to be income tested in order to ensure that their household income is no more than four times the rent of their unit. This applies for all new tenants, at initial occupancy and on turnover of a unit.

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

Projects that are not eligible

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

- Nursing and retirement homes
- Shelters and crisis care facilities

- Student residences
- Rental housing provided in a condominium-registered building

Developments that are mandated to provide affordable housing under Section 37 of the Planning Act, the Official Plan's Large Sites Policy (Policy 3.2.1.9), or the Rental Replacement Policy (Policy 3.2.1.6) 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, more affordable rents.

4. Open Door Resources

4.1 Financial Contributions

The *Open Door Program* offers financial support for new affordable rental housing in the form of capital funding, fees and charges exemptions, and property tax relief.

Exemptions from City Fees, Charges and Taxes

The City is authorized, pending Council approval, to provide exemptions from the following:

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

There is no limit on the value of Open Door Program incentives available and projects that do not require grant funding are strongly encouraged.

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

In mixed-use developments or those with a mix of affordable and market homes, only the affordable rental residential portion of the development can be eligible for City fees, charges and tax waivers under the *Open Door Program*. The exemptions will be calculated based on the eligible residential gross floor area or the 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.

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

» Fees and charges not covered by the *Open Door Program* are payable by the organization. Current rates can be found at:

<https://www.toronto.ca/services-payments/building-construction/> and <https://www.toronto.ca/city-government/planning-development/>

Capital Funding

The City has approximately \$10 million in funding available under the 2021 Call for Applications.

All *Open Door Program* applicants must justify a request for capital funding by showing it is necessary to support a viable project that is sustainable over the long term. Applicants should keep in mind that there is limited funding available and the Call for Applications is a competitive process. Requests for funding will be assessed based on the Affordability Details section of the application.

Funding for Indigenous Housing Providers

Of this funding, there will be a minimum 20% set-aside for Indigenous housing providers. If there are not sufficient applications from Indigenous housing providers to allocate this \$2 million, the funds will be “rolled-over” and made available in the next Open Door Program Call for Applications.

In September 2021 City Council authorized a Memorandum of Understanding (MOU) with Miziwe Biik Development Corporation (MBDC) to

support the creation of new affordable rental and supportive homes for Indigenous residents across the city. As part of the MOU, MBDC will act as the main intermediary between the City of Toronto and Indigenous housing providers. MBDC will assist the City in reviewing applications from Indigenous housing providers under the *Open Door Program*.

Housing Benefits

Monthly housing benefit payments may be available from the City to qualified households to help pay rents in affordable units. The availability of this funding will be determined near the time of occupancy. 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, should sufficient funding be available.

For these units, applicants are encouraged to partner with community-based non-profit organizations that can provide tenant supports and/or be willing to take referrals from non-profits funded through the City's housing benefit programs.

4.2 Open Door Planning Service

The *Open Door Planning Service* helps expedite 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 with City Planning is required prior to submission of an *Open Door* application.

» 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 who will coordinate and facilitate the development review process within City Planning, Toronto Building, and other City divisions commenting on the development application.

5. Open Door Application & Review

Private and non-profit organizations wishing to apply for *Open Door Program* support must submit an Application Form providing the following information about the project and development team:

- Details of the proposed project
- Development qualifications
- Management qualifications
- Corporate financial viability
- Building design
- Development schedule
- Capital and operating financial plans
- Community consultation plan

5.1 Review Process

Applications will be evaluated by a review committee comprised of City 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:

- Length of affordability beyond the program's minimum of 40 years
- Rent levels below the program's minimum of average market rent by unit type
- An applicant's contribution of resources such as equity, support services, additional government funding etc.
- Proposed tenant groups in relation to the City's priority populations in the Housing TO 2020-30 Action Plan, including women, Black/Indigenous people, seniors, youth, people with disabilities, people experiencing homelessness, and supportive housing tenants

As noted above, the Miziwe Biik Development Corporation will assist the City in reviewing applications from Indigenous housing providers.

Proposals must score a minimum of 70% in the evaluation process to be successful.

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 are to sign a Contribution Agreement with the City which will include details of the affordable housing to be provided by the applicant and the contributions provided by the City. The Contribution Agreement template is provided in Appendix 1.

As the last step in the Open Door approval process, successful applicants will receive a letter confirming Open Door incentives exemptions. To obtain fees and charges exemptions, applicants must submit this letter as part of a planning, development and/or permit application package.

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.

Participation in the *Open Door Program* can also be coordinated through the City's 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 report or an *Open Door Program* Call for Applications report.

5.3. Right to Negotiate

The City has adopted a negotiated transaction process. Following its initial review of a submission, the City may, but is not obligated to, (i) invite applicants to make a resubmission, and/or (ii) invite the applicants to be interviewed with respect to their submission. The City reserves the

right to continue to negotiate the terms of the successful applicant submission and the resulting Contribution Agreement.

Notwithstanding the results of such negotiations or renegotiations, the City will not be required to give an unsuccessful applicant an opportunity to resubmit their proposal, regardless of how the renegotiated terms compare to the submission made by the unsuccessful applicant.

ON-GOING APPLICATION PROCESS STARTING IN 2022

Beginning in 2022, after the closing date of the 2021 Call for Applications, the City will start accepting applications for affordable rental housing proposals requesting *Open Door Program* incentives (fees, charges and tax relief) but that do not require capital funding from the program. These applications will be accepted on an on-going basis, rather than annually. The annual Call for Applications for grants and incentives will continue.

