

City of Toronto Call for Applications

For Community Housing Pre- Development Fund (CHPF)

Program Guidelines

Date Issued: November 8, 2024

Deadline for Submissions: February 13, 2025



1. INTRODUCTION

1.1 Overview

Toronto City Council approved a new Community Housing Pre-development Fund (CHPF) at its meeting in June 2024 to support non-profit, co-operative, and Indigenous housing organizations to deliver more Rent-Geared-to-Income (RGI), Supportive, Affordable Rental, and rent-controlled homes. The program is part of several new actions taken by the City of Toronto (the City) to accelerate the construction of rental housing and support a generational shift in Toronto's housing system to deliver more homes that are affordable to low- and moderate-income residents.

The CHPF is designed to support the City in achieving the goals of its [Housing TO 2020-2030 Action Plan \(HousingTO Plan\)](#). The HousingTO Plan sets targets for the development of 65,000 affordable rental homes by 2030, including 41,000 affordable rental and 6,500 RGI homes.

The CHPF assists Community Housing Providers, Toronto Community Housing Corporation (TCHC), and Toronto Seniors Housing Corporation (TSHC) with the costs of pre-development work related to the development of new RGI, Supportive, and Affordable Rental homes. The primary purpose of the program is to support Successful Proponents to undertake pre-development due diligence work required to bring projects on their own land from the earliest concept stage to completing necessary planning approvals. Proponents must demonstrate the project's viability and their ability to successfully advance the project through the pre-development stages and to construction start.

The CHPF complements the new Rental Housing Supply Program which provides a range of funding, and financial incentives to support the construction of new RGI, Affordable Rental and Supportive homes.

Key Program Definitions

Community Housing Provider: Collectively referred to as Non-Profit Housing Organizations, Non-Profit housing Co-operatives ("Co-ops"), and Indigenous Housing Providers.

Community Housing: Social and affordable housing that is owned and/or operated by the Community Housing Providers, as well as Toronto Community Housing Corporation (TCHC), and Toronto Seniors Housing Corporation (TSHC).

Affordable Rental Housing: The City's definition of affordable rent is the lower of the [City's new income-based definition of affordable rent](#), and the [Provincial Development Charges Act definition](#). (see page 6 for 2024 Affordable Rents). Rent increases must be maintained at Provincial Guidelines.

Supportive Housing: housing where additional wrap around support services are provided to tenants to improve their housing stability, health, and well-being. These homes are generally operated with rents geared to income and prioritized for individuals experiencing or at risk of homelessness.

Rent-Geared-to-Income (RGI) Housing: Also referred to as subsidized or social housing, is housing where rent is no more than 30% of a household's monthly Adjusted Family Net Income (AFNI).

Adjusted Family Net Income (AFNI): The total net income of all members of a family unit according to each members' applicable tax return minus net Registered Disability Savings Plan (RDSP) payments and excluding the non-benefit income of full-time students.

Pre-Development Activities: Activities related to site and project due diligence required to prepare a project for entering the development phase (i.e. detailed design, building permit, financing and construction).

Non-Profit Housing Organization: means a corporation in good standing incorporated under the Not-for-Profit Corporations Act, 2010, S.O. 2010, c.15 or the Canada Not-for-Profit Corporations Act, S.C. 2009, c.23, and includes an Indigenous Housing Provider or community land trust organized on a not-for-profit basis.

Non-Profit Housing Co-operative: means a co-operative corporation in good-standing incorporated as a non-profit housing co-operative as defined in the Co-operative Corporations Act, R.S.O. 1990, c. C.35.

Indigenous Housing Provider: Non-Profit Housing Organizations that are assessed based on meeting all of the following criteria:

- Organization identifies itself as Indigenous;
- Board is comprised primarily of Indigenous members*; and
- Organization is mandated to serve primarily Indigenous clients.

*Will be met if the Board is primarily comprised of members self-identifying as Indigenous.

Black-mandated organization – Non-profit Housing Organizations that are assessed based on the following criteria:

- Governance (Black-led) - Is led by a majority of staff and board members (50% plus 1) who self identify as Black or of African descent
- Population Served (Black serving) - Supports and prioritizes causes, services or programs that positively impact Toronto's Black communities, responds to Black communities' unique cultural identities, history and needs, and has Black beneficiaries (i.e. service users).
- Mandate of Mission (Black-focused) - Has a mandate that explicitly pertains to supporting Black communities, delivered through an anti-Black racism lens and grounded African-centred approaches.
- Community Accountability and Trust - Responds to community needs and continually develops and maintains relationships with the communities being served or with other Black-mandated organizations and groups (e.g. partnerships).

1.2 About the Guidelines

The Community Housing Pre-Development Fund Guidelines (the Guidelines) provide information to assist eligible organizations that wish to advance eligible housing development projects through pre-development stages. The Guidelines provide basic eligibility information and requirements, and how to apply.

Please note that any changes or updates to these Guidelines will be made available on the City's website at: <https://www.toronto.ca/community-people/community-partners/housing-partners/open-requests-for-proposals/>

1.3 Stay Informed

The Housing Secretariat maintains the *Affordable Rental Housing RFP & Opportunities Registry* of organizations interested in development funding programs. Organizations can join the registry by signing up on the City's website at: <https://www.toronto.ca/community-people/community-partners/housing-partners/open-requests-for-proposals/>. Registered organizations will be notified by email when calls for applications and proposals are issued.

1.4 Federal Affordable Housing Funding Programs

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 Seed Funding, the Affordable Housing Fund, Apartment Construction Loan Program and Affordable Housing Innovation Fund.

CMHC's Seed Funding provides financial assistance to help Community Housing Providers with the costs of early development activities related to the predevelopment costs of building a new affordable housing project. In 2024, CMHC's Seed Funding included an interest-free loan of up to \$350,000 for 18-24 months, and a non-repayable contribution of up to \$150,000.

Proponents are required to apply for CMHC funding and financing including for pre-development and development activities when available. For more information, visit: www.cmhc-schl.gc.ca/nhs

PROGRAM AT A GLANCE



- ✓ Available to Community Housing Providers, Toronto Community Housing Corporation, Toronto Seniors Housing Corporation only
- ✓ \$15 million in repayable loan funding available for 2024
- ✓ Set aside 20% of funding for Indigenous Housing Providers
- ✓ Applications accepted through a Call for Application process
- ✓ Funding approved based on proposed pre-development activities - Up to \$50,000 per proposed affordable rental home
- ✓ Priority scoring for projects led by and/or serving priority populations including Black and racialized communities, women and gender diverse people, seniors, youth, 2SLGBTQ+ communities, people with disabilities, people experiencing homelessness, and other equity deserving groups
- ✓ Priority scoring for projects that are 100% Affordable rental, RGI, or Supportive housing.
- ✓ Successful applicants must execute an agreement with the City and secure the value of the loan.

2. PROGRAM REQUIREMENTS

The CHPF assists **Community Housing Providers** with pre-development costs associated with building new affordable housing projects beginning at the earliest stages of concept development up until planning approvals have been completed.

2.1 Eligibility

Eligible Applicants

The CHPF is available to the following organizations with demonstrated interest and plans to expand their **RGI, Affordable rental, and Supportive housing** portfolio in Toronto. This includes:

- Non-Profit Housing Organizations
- Non-Profit Housing Co-operatives (co-ops)
- Indigenous Housing Providers
- Toronto Community Housing Corporation (TCHC)
- Toronto Seniors Housing Corporation (TSHC)

Eligible applicants can apply to CHPF for projects that are delivered in partnership with the for-profit sector. Note: The City requires ownership of the development to remain with an eligible non-profit or co-op organization during the period of operating the affordable housing in order to remain eligible for the CHPF program funding. CHPF funding will only be awarded to Eligible Applicants as outlined above for pre-development activities related to the construction of RGI, Affordable Rental, and Supportive housing.

Eligible Project Types

Rental housing where there is a landlord-tenant relationship and tenants are recognized by the *Residential Tenancies Act, 2006*, or non-profit housing co-operatives under the *Co-operative Corporations Act* are eligible for CHPF:

- New construction of multi-unit rental buildings (may include additions to existing rental buildings)
- Conversion of non-residential to multi-unit rental housing
 - Single family homes, stacked townhomes, semi-detached buildings are not eligible.
- Projects must have a minimum of five (5) units.
- Primary use of the proposed development must be residential.

Ineligible Project Types

The following project types are not eligible for funding under this program:

- Nursing and retirement homes
- Shelters and crisis care facilities
- Student residences
- Rental housing provided in a condominium-registered building
- Long-term Care facilities
- Transitional housing

2.2 Affordability Requirements

RGI, Affordable Rental and Supportive homes benefitting from CHPF will be required to commit to meeting the definitions as set under the Program.

The City’s [definition of affordable rent](#) is the lower of the City’s new income-based definition of affordable rent, and the Provincial Development Charges Act definition.

In 2024, affordable rents under the City’s Rental Housing Supply Program are as follows:

Unit type	Affordable Units
Studio	\$1,088
1-Bedroom	\$1,378
2-Bedroom	\$1,992
3-Bedroom	\$2,190

2.3 Eligible Costs

The Community Housing Pre-Development Fund provides repayable loan funding for a range of pre-development activities from early concept development, site due diligence, design, and up to the point of securing a planning approvals.

Costs incurred after June 26, 2024, and proposed costs including but not limited to the following activities are eligible:

- Analysis of need and demand for the proposed project
- Preliminary financial feasibility
- Business plans, including costs related to responding to requests for proposals
- Registration of security
- Professional appraisals, Completion appraisals Site surveys, Special purpose surveys
- Planning fees, if applicable
- Project viability study
- Geotechnical reports
- Costs associated with arrangement with an escrow agent
- Accessibility modelling study
- Engineering studies
- Preliminary design, project drawings and specifications
- Construction cost estimates
- Quantity surveyor
- Contract documents
- Development permits
- Final viability report
- Energy modelling study
- Environment site assessments

3. AVAILABLE FUNDING

There is approximately \$15 million in interest-free repayable loan funding available in 2024 through this Call for Applications.

Eligible projects will be provided funding for eligible pre-development activities proposed through the business case in their application, up to a maximum of \$50,000 per RGI and affordable rental home. This funding is provided in the form of an **interest free repayable loan** to ensure an ongoing, revolving fund for pre-development is available for Community Housing Providers in the city over a long-term period. Please see section 3.3 and Appendix 3 (Funding Agreement Template, to be issued by Addendum) for requirements on security of loan.

3.1. Advancing of Pre-Development Funds

The intent of pre-development funding is to ensure steady progress of Community Housing development projects towards securing planning approvals within no longer than 36 months following approval of CHPF by the City. Payment structure will generally reflect the following guidelines:

- Up to 30% of funding will be advanced following execution of the Pre-Development Funding Agreement;
- The remaining 70% of funding will be advanced only based on monthly invoices from the appropriate consultant or consultant team undertaking eligible work as outlined in Section 2.3. of these Guidelines.

The funding approved under this program will be held in escrow by the Successful Proponent's escrow agent and disbursed to Successful Proponent generally in accordance with the payment schedule above.

Proponents must submit a business case including planned expenditures, including with invoices where available, for up to 30% of the funds, and planned expenditures and cash flow schedule for the remaining 70% of the requested funds. As part of the review process, City staff will make the determination of the eligible amount for the first release based on the business case submitted by the Proponents and may alter the payment schedule from the above guidelines.

3.2 Repayment Structure

Repayment schedule of the pre-development funding will vary on a project-by-project basis; however, repayment will be required to begin no later than *the earlier* of:

- The date at which the Proponent has made their first construction funding or financing draw; or,
- Three years (36 months) from approval of CHPF by the City.

3.3. Funding Requirements

Proponents will be required to execute a Pre-development Funding Agreement (template to be released by Addendum) with the City outlining obligations of the Proponent with respect to the pre-development work. Proponents are required to review the CHPF Call for Applications Terms and Conditions prior to submitting an application. Key requirements of Successful Proponents under the CHPF include:

- Register a mortgage on title or any other appropriate security, as determined by the Executive Director, Housing Secretariat, in consultation with the City Solicitor, in favour of the City, for the value of the City's pre-development funding as security.
- Following approval for pre-development funding under the City's program, organizations will be required to apply for CMHC's Seed Funding when it becomes available. The Community Housing Pre-Development Fund is proposed to complement CMHC's Seed Funding.

3.4. Terms of Forgiveness

The pre-development loan funding may be forgiven in whole or in part at the sole discretion of the Executive Director, Housing Secretariat under limited circumstances. These may include where the Executive Director, Housing Secretariat determines that the project:

- i. is not feasible as an affordable rental development as a result of findings of pre-development site due diligence;
- ii. faces significant changes to project specifications and timelines as part of the pre-development due diligence work that render the project non-viable,
- iii. faces unresolvable barriers such as changes to government funding programs, or inability in securing construction financing against the Proponent's best efforts; and
- iv. faces other conditions beyond the Proponent's control including market, project governance or legislative changes that will prevent the project proceeding against the Proponents' best efforts.

4. HOW TO APPLY

All eligible organizations are invited to submit an application through this Call for Applications process following the instructions below and contained in the CHPF Application package.

Proponents are required to review all CHPF materials in detail prior to applying, including the Guidelines, Application Package, Terms and Conditions (Appendix 2), and the CHPF Template agreement (to be released by Addendum). By submitting an application, Proponents will be required to certify that they have reviewed all these documents and agree to the Terms and Conditions of the application process in Appendix 2.

4.1 Application Package

Applicants must submit an application package providing organizational information, demonstrating their project management experience, a description of their proposed housing project, the planned pre-development work, and proposed schedule. Funding requests must be justified by a clear scope of work and schedule demonstrating the work is necessary to advance their proposed development project towards achieving required planning approvals. Proponents should keep in mind that there is limited funding available, and the Call for Applications is a competitive process.

Detailed requirements are provided in the Application Package issued, available here: <https://www.toronto.ca/community-people/community-partners/housing-partners/open-requests-for-proposals/>

4.2 Review Process

Applications for pre-development funding will be evaluated by a review committee of City staff from the Housing Secretariat, City Planning, and Development Review Divisions. Proposals will be scored using a consistent set of criteria as outlined in the Application Package. Following the review process, City staff may invite select Proponent(s) to participate in an interview, to better understand and assess the proposed project and in particular, confirm their eligibility for pre-development funding.

4.3 Evaluation Criteria

Applications will be assessed based on the criteria set out below. A successful application must score a minimum of 70 points in total.

The City shall not be obliged to accept any applications in response to this Call for Applications. Please see the application package for more information on priority scoring.

Criteria	Available Evaluation Points
1 Project Information	30
2 Proponent Qualification and Experience	25
3 Business Case	30
4 Pre-development Work Schedule	15
TOTAL	100 Points

4.4 Approval Process

Successful Proponents will be notified in writing of the outcome of their application once the review process has been completed and approved by the Executive Director, Housing Secretariat. Proponents of projects approved for pre-development funding will be required to attend a project kick off meeting with City staff to outline requirements and next steps, including a timeline for the execution of the Pre-development Funding agreement. Best efforts by the City and Successful Proponent should be made to execute the agreement within 60 days of application approval.

5. Appendices

Appendix 1- CHPF Application Package

Appendix 1A - Proposal Submission Form

Appendix 1B – Capital Budget Form

Appendix 1C - Operating Budget Form

Appendix 1D – Mandatory Forms

Appendix 2 - Call for Application Terms and Conditions

Appendix 3- Pre-development Funding Agreement Template (to be released by Addendum)