

**City of Toronto Call for Applications
Rental Housing Supply Program:
Affordable Rental and Rent-Controlled Housing Incentives**

Addendum #2

January 29, 2025

Revised Application Package / Materials

- A revised Application Package has been provided as of January 29, 2025, replacing the previous version of the Application Package. Going forward, applicants are required to use the revised Application Package when making submissions.
- Revisions are noted in the new Application Package.
- Applications already made on or before January 29, 2025 using the previous version of the Application Package do not need to resubmit. A City Contact will be in contact directly if submission of any additional materials is required.
- A new Appendix 3 – Submission Checklist has been provided to assist applicants in ensuring a complete application is made.
- The Terms and Conditions have been amended to include Aria Popal, Project Manager, Housing Secretariat, Aria.Popal@toronto.ca (437) 229 6618 as a City Contact. Please see the revised Terms and Conditions, posted on January 29, 2025.

Clarifications

- This incentives stream provides exemptions and/or waivers from fees or charges that have not yet been paid. Through this program, the City is unable to refund any fees that have already been paid related to advancing your project.
- This Call for Applications will remain open on a rolling basis and continue to accept applications until the City has exhausted all financial incentives available for affordable and rent-controlled rental homes, which are approved annually.
- All organizations including non-profit, co-operative, Indigenous housing provider and private company applicants are required to submit Articles of Incorporation/Letters of Patent for the Applicant as part of their application.
- All applicants are required to submit a current copy of the parcel register for the property as part of their application.

Questions and Answers:

General Program Information, Eligibility, and Prioritization

- 1. We are interested in applying for capital funding for our project. In 2023 we received approval for Open Door incentives but no capital funding. Funding is required for the project to proceed. We are currently preparing an application**

for funding and financing under CMHC's AHF program and would like to do this in parallel with the City's new program. How should we approach this application?

The Affordable Rental and Rent-controlled Incentives Stream currently receiving applications is for financial incentives only. No capital funding is available through this stream.

A Call for Applications for capital funding will be released in early Q1 2025, with more details on how to apply visit the City's [website](#). Projects requiring funding will need to apply separately under the funding call, regardless of whether an applicant is also applying for Affordable Rental and Rent-Controlled Housing Incentives.

2. Can individuals come from the Developmental Services Ontario or organizations own waitlists, or do they need to use the City's waitlist?

Access to all affordable rental homes supported under the program will need to be in accordance with an Access Plan, approved by the Executive Director, Housing Secretariat. As part of the Access Plan, applicants may identify other access pathways than the City's affordable housing waitlists to serve priority tenant populations. The [HousingTO 2020-2030 Action Plan](#) outlines priority tenant populations, including women, Black/Indigenous people, seniors, youth, people with disabilities, and people experiencing homelessness.

3. Is the Open Door program still part of the funding framework or is it unpacked into these new streams?

The Rental Housing Supply Program (RHSP) replaces the previous Open Door program. Whereas Open Door offered funding and incentives together through one, time limited annual call, the new RHSP has a time-limited, competitive call for funding, and an open, ongoing application process for incentives.

4. Would fourplexes be accepted into this program?

Yes, Fourplexes would be eligible to apply for financial incentives as long as the affordable rental homes meet the minimum requirements of the program. Please note in alignment with the EHON Initiative, for projects with 10 units or less the City does not require a minimum of 20% of the homes in the development be affordable rental in order to be eligible for incentives.

5. We are a Land Trust who are interested in potentially applying for RHSP (maybe also CHPF) incentives for the redevelopment of several small sites. These are vacant single family homes, so would constitute a series of small developments, some of which would hit the RHSP minimum requirement of 4

units and some of which would be smaller. Would it be possible to submit an application for 5 units across multiple sites, using a portfolio-type approach?

Please note there is no minimum number of units that a project must be proposing to apply for incentives under this program. In addition, the City encourages applicants proposing the development of new rental homes across several small scattered sites to submit one application for a portfolio of homes, where there is some consistency across locations in terms of housing program being provided. Please note that the projects would still need to meet all eligibility requirements, including the creation of net new rental housing and policies around rental replacement.

6. Is program eligibility tied to net new units only? Would redeveloped properties or properties acquired for affordable use be eligible?

The RHSP program is for net new units only. This program doesn't provide funding for acquisitions. Please consider the [Multi-unit Residential Acquisition \(MURA\)](#) program which provides funding to Community Housing Providers to acquire rental housing. If a project was applying that involved the demolition and replacement of rental units in a building, those demolished rental units would not be eligible for incentives (see page 9 of the RHSP Program Guidelines).

7. Where are the City requirements for tenant selection listed?

Please see a high-level description in Section 2.2 of the RHSP Program Guidelines. An addendum will also be posted on the website shortly with a template of the Contribution Agreement, which will provide more information and explain the City's expectations around the access plan and access to units.

8. Can you please explain how the affordable stream differs from the purpose-built rental stream?

The Purpose-Built Rental stream, which has now closed, was a new initiative on a time limited basis to provide incentives towards Purpose-Built Rental homes in buildings which also contained at least 20% affordable rental homes.

This Call for Applications is intended to provide incentives towards Affordable Rental homes, or if you are a Community Housing Provider, Rent Controlled Homes that meet the program requirements. This stream is not time-limited and is open on an ongoing basis until the City has exhausted all financial incentives available for affordable and rent-controlled rental homes, which are approved on an annual basis. The building can be mixed use and include rental and condo tenure, as long as the at least 20% of the residential units are Affordable Rental meeting the RHSP requirements outlined in the RHSP Program Guidelines.

9. How do you work with CreateTO? Can you please explain that process.

This Call for Applications is led by the Housing Secretariat, in consultation with other City Divisions. Where a project is being developed on City owned land, CreateTO may be engaged as part of the review and evaluation process.

10. Student residences are exempt — does that include student housing cooperatives?

Student residences are exempt from the Residential Tenancies Act (RTA) and therefore are not eligible for this Call for Applications. Note that non-profit housing cooperatives would be eligible, regardless of the intended tenant group, subject to meeting all other program requirements and being a recognized as a non-profit housing cooperative as defined in the *Co-operative Corporations Act*.

Please send any site-specific questions to the City Contacts for this Call for Applications: HousingSecretariatRFP@toronto.ca or Aria.Popal@toronto.ca

11. Is income testing required for rent-controlled homes?

New prospective residents of Affordable and Rent-Controlled rental homes 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. See Section 2.2 of the RHSP Program Guidelines for more information.

12. Where is the website to find the Program rules, guidelines for rental amounts?

All information related to this Call for Applications is available at our website here: <https://www.toronto.ca/community-people/community-partners/housing-partners/open-requests-for-proposals/>

13. Can you explain how the 20% affordable rent layers into the Rent-Controlled Units (i.e. if you are a community housing provider applying under this stream, you still must have 20% of units at the Affordable Rental Units level)?

To be eligible, all projects must contain at least 20% of the rental homes as Affordable Rental homes. Community Housing Providers are eligible for apply for additional financial incentives towards Rent-Controlled Homes in these developments, which meet the requirements outlined in Section 2.2(c).

Rent Controlled Homes are not counted towards the 20% requirement of Affordable Rental Homes for the project.

14. Is the exemption of DC fees, parkland CBC and permit is for 100% for the entire development or just for the 20% affordable?

Affordable Rental Homes meeting the program requirements are eligible for financial incentives as outlined in the Guidelines (Section 3). Rental homes that do not meet the Affordable Rental requirements are not eligible for incentives.

Community Housing Providers are eligible for additional incentives towards homes meeting the Rent-Controlled Homes requirements, outlined in Section 2.2(c). For example, if a Community Housing Provider offers 20% of the units in the development as affordable rental, they would be eligible to receive incentives for the rest of the rental homes in the project should they meet the requirements of Rent Controlled units set out in the RHSP Program Guidelines.

15. Please confirm if these incentives are only for people that want to build? Not looking for affordable rentals?

Yes, this Call for Applications is to support the development of new rental housing in Toronto.

For more information on finding housing in the City of Toronto, please see the City's website: <https://www.toronto.ca/community-people/housing-shelter/rental-housing-tenant-information/finding-housing/>.

16. With the Purpose-Built Rental program there was a limit of 2 applications per Proponent, is that still the case or is it unlimited for qualifying projects?

There is no limit on the number of applications that can be submitted by one proponent under this Stream. Please note that each project should be applied for separately.

17. What if we get approved for this affordable housing incentives stream but denied for the capital funding stream, and therefore cannot proceed with the development because the project does not meet our return threshold?

We encourage eligible projects that require financial incentives to apply and secure these incentives at any time through this ongoing Call for Applications. These incentives can then be factored into the development pro forma as part of a later application for funding, and/or funding and financing from other governments and programs. Projects that also require capital funding to proceed will need to separately apply for capital funding through the Call for Applications, which will be released in early Q1 2025.

The City recognizes that projects receiving incentives may also require funding to proceed, however is not able to guarantee capital funding to projects approved for financial incentives under this Call for Applications. Capital funding is limited, and additional investment from all orders of government are needed to support rental housing development in Toronto.

18. Is there a maximum number of projects or units you will fund before the program runs out?

The maximum number of incentives available is based on the number of incentives approved as part of the annual budget process. City Council has delegated authority to City staff to approve incentives up to this amount for eligible projects through this program. Should the number of applications exceed the amount approved by City Council, staff may request additional incentives be approved through a report to Council.

19. When does the city expect to issue the capital funding stream proposal call?

Early in Q1 2025.

20. The rent controlled rental homes stream is not eligible for private businesses, correct?

Correct. Only Community Housing Providers are eligible for the incentives for Rent-Controlled Homes.

21. How does the Rent Controlled stream work for a partnership between a non-profit and a private organization?

Partnerships between Community Housing Providers and private developers are eligible. However, the applicant would need to be a Community Housing Provider and information would need to be provided about the partnership, explaining how the ownership is structured and ensuring the Rent-Controlled Homes supported by the program will remain in Community Housing Provider ownership.

Please send any site-specific questions to the City Contacts for this Call for Applications: HousingSecretariatRFP@toronto.ca or Aria.Popal@toronto.ca

22. Can you please explain how this program relates to Bill 23 development charges exemptions?

The City's Rental Housing Supply Program has been designed to align with new statutory exemptions introduced through Bill 23, and associated changes to the Development Charges Act and Planning Act, namely the exemption of fees and charges for units meeting the Provincial Affordable Rent. The Affordable Rent under the RHSP is the lower of the City's Official Plan definition and the Provincial definition, to ensure eligible projects qualify for exemptions from development charges, community benefits charges, and parkland dedication under the Development Charges Act and Planning Act. In addition, non-profit housing developments may also be eligible under the Development Charges Act and Planning Act for exemptions from development charges, parkland dedication fees, and community benefits charges.

For Community Housing Providers who do not meet the Provincial definition of a non-profit housing development, Affordable Rental Housing units and Rent-Controlled Homes that meet RHSP Program Guidelines but will be eligible for exemptions from the City directly.

23. Is there a limit for tenure? Can part of the building be commercial, condo, mix use? Or all rental to qualify?

The building can be mixed use and include rental and condo tenure, as long as the at least 20% of the residential units are Affordable Rental meeting the RHSP requirements outlined in the RHSP Program Guidelines.

24. How quickly will you find out if you are approved or not?

Review and approval of applications will be completed as applications are received, however actual timelines will be dependent on the timing and volume of applications received.

25. What are the minimum eligibility requirements for community housing providers?

Eligibility requirements for Community Housing Providers are included in the RHSP Program Guidelines, see Section 2.1 for more information on eligibility for organizations, as well as projects, land control, affordable housing, and securing City benefits. Community Housing Provider is also defined in the Definition section.

26. What are the rents for 4-bedroom units?

For 4+ bedroom sized units, please refer to the 3-bedroom unit maximum rental amounts.

27. Can you please provide a recap of the new affordable definition?

The Rental Housing Supply Program incorporates an income-based definition of affordable rental housing, being the lower of the City's Official Plan definition adopted in 2021, and the Provincial Affordable Rent definition under the Development Charges Act. The Program will apply the lower of the provincial affordable rents, as issued in "Affordable Residential Units bulletin", and the City's income-based definition of affordable rental housing under the Official Plan.

For the 2024 Rental Levels for both Affordable Rental Housing and Rent-Controlled Homes, you can see the RHSP [Program Guidelines](#), [Application Package](#), and the City's RHSP website [here](#).

28. Would Rooming houses be included?

The development of new multi-tenant housing is eligible for financial incentives under this Call for Applications. Applicants looking to develop multi-tenant housing should consider the City's new regulatory framework including zoning and licensing requirements before making an application for incentives, to be sure they will be able to meet City requirements to operate a licensed multi-tenant house.

29. What is the best way to project the affordable rent in 5 years based on the 2024 figures published? Proformas have an escalation contingency for projects built 2-3 years from now. How do we project 2024 affordable rent figures for projects anticipated to be occupied 3-4 years down the road?

The City does not have guidelines or instructions on how to calculate or forecast rent increases. For Affordable Rental Homes, applicants are encouraged to consider previous trends/increases to the Provincial Rent Increase Guidelines, with an allowance for unit turnovers. For Rent-Controlled Homes, consider previous trends/increases to the Provincial Rent Increase Guidelines, +2%, with an allowance for unit turnovers.

30. Are the Capital Funding stream incentives provided via a grant?

The RHSP capital funding stream is separate from this Incentives Stream. Capital funding will be provided as a grant by way of a forgivable loan. The capital funding stream will be released early in Q1 2025.

31. We are planning to apply to The Community Housing Pre-Development Fund and the Rental Housing Supply Program Streams for upcoming supportive care housing projects. These projects will create new affordable and deeply affordable supportive care housing for high-risk and vulnerable women experiencing or at risk of homelessness, and are would be a landlord-tenant relationships as defined by the Residential Tenancies Act. We see in the program guide that shelters and crisis care facilities, and transitional housing are listed as ineligible projects. We'd like to confirm that the projects below do not fall into these categories and are eligible for this funding.

Upcoming Projects:

- In pre-development to build 50+ new affordable and deeply affordable supportive care housing units targeting homeless women.
- Through renovations of 2 owned properties, plan to add 14+ new affordable and deeply affordable supportive care housing units targeting homeless women.
- Through renovations to a recently acquired property, plan to add 10+ new affordable and deeply affordable supportive care housing units targeting homeless women.

Please see the eligibility requirements outlined in the RHSP Program Guidelines. In particular, please note that projects must create net new rental housing to be eligible for

incentives, and existing rental housing units are not eligible for incentives under this program. There must also be a landlord-tenant relationship, as recognized by the Residential Tenancies Act, or the units must be part of a non-profit housing cooperative under the Co-operative Corporations Act, to be eligible. Facilities where an occupant or resident does not have a lease of tenancy rights would not be eligible (e.g. a shelter, crisis care facility).

32. During the Q&A, you advised that the stream is generally targeted to net new housing development and asked I send additional information to determine if our intended property would be eligible:

- **We are a non-profit organization providing community services, including supportive housing, to vulnerable clients.**
- **We recently acquired a vacant property that had previously operated as a youth hostel and/or a rooming/guest house.**
- **The operator had been defunct for some time prior to the property being put on the market.**
- **Our intention is to extensively renovate the building to provide community services space and four self-contained apartments (ranging from studio to 2-bedroom).**
- **We did not request MURA funding for this property in our recent application because the acquisition had already been completed prior to the MURA CFP.**

To be eligible, this project would need to be creating net new rental housing units. Any existing rental units that may be lost due to renovation would not be eligible. As part of the application, please demonstrate that the recently acquired vacant property did not operate as rental housing (i.e. with a landlord-tenant relationship) and/or is uninhabitable and in need of repair or renovation.

33. I note the Unit Mix Criteria below of 40% 1 BR, 40% 2 BR, 15% 3 BR and 5% 4 BR from the Affordable Rental Housing Design Guidelines. However, our interest is in building primarily family-sized units or maybe a unit split as follows: 2 and 3 bedrooms - approximately 90% of units and 1 bedroom - approximately 10% of units (or maybe 0%). Would you be supportive of this?

In addition, a 2 bedroom 725 sf unit is not large for certain people and is akin to a 1 bedroom unit such as for an elderly person or elderly couple who may need a second bedroom for a full-time caregiver or visiting grandkids/kids.

Yes, the RHSP Program Guidelines are intended only as a guide and the City recognizes that different projects may require a different mix of unit types and sizes to best serve the intended population. Projects are welcome to exceed the minimum unit size requirements outlined in the RHSP Program Guidelines.