

**City of Toronto Call for Applications
Rental Housing Supply Program:
Capital Funding Stream**

Addendum #2

April 17, 2025

Questions and Answers:

- 1. Will there be an opportunity to apply for the Capital Funding under the Rental Housing Supply Program later this year or early next year?**

The City expects to release another Call for Applications for Capital Funding in the next calendar year.

- 2. We are a charity that offers supportive housing through the provision of tiny homes, a community of peers and wrap around social support services. For the GTA build we would be looking at two build options: building a tiny home village or looking to purchase a building in which we could renovate to fit our needs. Are we a fit to apply?**

Purchasing an existing building would fall under the [Multi-Unit Residential Acquisition \(MURA\) Program](#).

This Capital Funding program is available for eligible rental residential projects, with full eligibility details provided in section 2.1 of the [Program Guidelines](#). For example, projects are required to provide rental housing where tenants are recognized by the Residential Tenancies Act or the Co-operative Corporations Act, and projects must be developed on land the Applicant controls for the portion of the affordability period (see section 2.1.5).

If you understand your project to be eligible, you can submit an application that clarifies your eligibility for the Program.

- 3. In Addendum 1, it was stated that Community Housing Providers will be prioritized first and then partnership between a community housing provider and a private sector organization would be prioritized second. With \$40M left after setting aside funds for Indigenous-led housing developments, do you have an expectation or a rough estimate of what proportion of this \$40M would likely go to community housing providers and partnerships involving them? And what proportion of it would likely be left to private sector?**

There is no specific proportion of funding allocated to specific sectors, beyond the allocation of 20% of the Funding for Indigenous Housing Providers. All applications will be evaluated with the same scoring, with applications meeting prioritization criteria receiving higher scores.

4. Regarding City Incentives— (1) Property Tax Exemption (subject to Council approval); (2) Planning Application Fees; (3) Building Permit Fees; and (4) Toronto District School Board Levies

- a. Please clarify whether the waiver of these fees would apply to the entire project or only to the affordable units provided.
- b. Re: (1) Proper Tax Exemption—Please confirm whether this would apply to the ‘Total Tax Rate’ (i.e., the sum of (a) City Tax rate, (b) Education tax rate and, (c) City Building Fund.
- c. (1) Property Tax Exemption is said to be “subject to Council approval”, at what point in the process can this be confirmed? Further, what is the likelihood of this being obtained for projects approved under the Capital Funding stream?
- d. Please confirm that upon qualification to the Capital Funding program, automatically waives the (2) Planning Application Fees; (3) Building Permit Fees; and (4) Toronto District School Board Levies for the eligible units.

Fees waivers and exemptions are provided through the separate Affordable Rental and Rent-Controlled Housing Incentives (ARRCHI) Stream and are not part of the Capital Funding Call. Program details, including eligibility, are provided on the City’s website [here](#).

Applicants can only request funding through the Capital Funding Call for Applications, not waivers or exemptions of municipal fees and charges. Applicants requesting these should apply to ARRCHI. City Incentives provided under the ARRCHI Stream are not eligible to be included in an application for Capital Funding as a request for grant funding.

5. Regarding Unit Mix (Section 2.2.4 of the Guidelines)—are the required maximum/minimum % measured in proportion to the number of Affordable units provided or to the whole project (in case of a mixed-income project)?

The percentages of units noted in section 2.2.4 is in reference to the total amount of Affordable Rental Units provided – i.e. a minimum of 10% of the Affordable Rental Units provided should be 3-bedroom units; if the project includes 100 Affordable Rental Units, 10 of these should be 3-bedrooms at a minimum. If the project provides more than 10 3-bedroom units, it will be prioritized in the scoring criteria.

6. Suppose a project has a pending ACLP application with CMHC; and the RHSP application requires inclusion of the CMHC viability assessment worksheet. Given that the prior CMHC application was put to together without the view of RHSP capital funding, there would be variances in assumptions (e.g., depth of affordability). How would the discrepancies be viewed in the evaluation?

Project teams are responsible for ensuring that they meet the terms of all funding they receive, including City and other sources. If the RHSP Rent Levels are lower

than a previously anticipated amount, it will be the responsibility of the project team to show that the project remains financially viable while meeting RHSP Rent Levels.

If a previous worksheet for ACLP (or other CMHC programs) has been prepared that doesn't incorporate RHSP Rent Levels, the worksheet should be updated to show how these rent levels impact the project's budget. Existing equity gaps can be shown in the worksheet or noted as Requested Capital Funding from City of Toronto as a source of funding.

7. Section 7.3 in the application package mentions RGI units seeking 'housing benefits'. Our units will be priced based off the affordable guidelines given by the City of Toronto. Is it necessary for us to fill out this table in the application? If so, does the 'Housing Benefits' value equate to the total value of capital funding we will be requesting to receive? Would we spread out the funding across each affordable unit to make up the difference in rents to achieve the 20% threshold?

As detailed in the Program Guidelines section 2.2.5 and 3.2, as well as Questions #41-48 in Addendum 1, Applicants must make a minimum of 20% of the Affordable Rental Homes in the development eligible for tenants in the receipt of housing benefits to provide an RGI-level home.

Housing benefits/Rent supplement are funded by the City of Toronto and do not require additional funding from the project, and they should therefore not change the pro forma. The revenue the landlord can collect will be the RHSP Current Rent; rent supplements and housing benefits are a further funding source from the City and reduce the rent paid directly by the tenant, to ensure it does not exceed 30% of their household income.

Actual Housing Benefits funding is subject to annual approval of Housing Secretariat's budget through City Council and would be negotiated with Housing Secretariat staff through the project's Access Plan.