

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

Addendum #1

April 9, 2025

Corrections and Clarifications:

1. A revised Program Guidelines has been provided as of April 9, replacing the previous version of the Program Guidelines:
 - a. Section 2.1.5 of the Guidelines has been updated to reflect the ability to submit a signed APS:
 - The lands should be owned by the applicant or leased by the applicant with at least 40 years remaining on the term of the lease. (existing language)
 - If the lands are not currently owned by the applicant but there is a signed agreement of purchase and sale (APS) in place, the signed APS **must** be submitted with the application. The application must include:
 - A statement that the APS is in full force and effect and has not been terminated
 - All conditions that are required to be met as of the date of the application have been met or waived by both the purchaser and the vendor
 - Confirmation of the anticipated closing date
 - Evidence that applicants are able to fund the closing of the purchase.
 - Projects would be eligible to apply and be approved under the RHSP, with execution of the Contribution Agreement conditional on the closing of the transaction. Should the purchase not occur within the timeframe identified on the APS and in the application, the City may withdraw the Funding offer. (new language)
 - b. Section 2.2.4 of the Guidelines has been updated to reflect additional unit size/mix information below:

Applicants should demonstrate their project supports the creation of a range of unit sizes, including family-sized units, and delivers positive affordable housing outcomes. To clarify the requirements in the Program Guidelines, applicants should:

 - Achieve the following unit mix:
 - A minimum 10% of units as 3-bedroom units
 - A minimum of 15% of units as 2-bedroom units
 - A maximum of 10% of units as studio units
 - Projects will be prioritized for delivering a higher proportion of family sized units (i.e. 2- or 3-bedroom units) than the targets above
 - Projects with a rationale for not including family-sized units based on the intended tenant group, i.e. supportive housing for single adults, will not be expected to meet these unit mix requirements

- In mixed-income projects, the unit size of the affordable rental homes should be in line with, or larger than, those of the market residential units in the development
2. A revised Template Contribution Agreement has been provided as of April 9, replacing the previous version of the Template Contribution Agreement. Correction to language in Section 4.4 to Payment Milestones – Payment #3 will occur after “written confirmation that structural framing is complete, or a quantity surveyor’s report confirming that construction is 50% complete”.
 3. A clarification on email submission – Applicants may use links to submit large submission packages that will exceed attachment capability (Dropbox, WeTransfer, etc.).

Questions and Answers:

General Program Information and Eligibility

- 1. We are preparing to apply for the Federal Lands Initiative, led by CMHC with support from Canada Lands Company, Public Services and Procurement Canada, and Housing, Infrastructure, and Communities Canada. Given that confirmation of a successful award is expected later this year, we would like to clarify whether we can submit our RHSP funding application to the City now and, if approved, have the funding allocated contingent on securing the project site.**

The City expects applicants to have ownership or control of the land (with sufficient term on any lease to meet the 40-year affordability requirement) as noted as above in Clarification #1. Please note a PAC (pre-application consultation) with Development Review is also required for project eligibility.

The Contribution Agreement (CA) requires the value of any Capital Funding to be registered on title to the lands in the form of repayable loan (‘City Charge’).

- 2. Can we apply before we purchase a lot? Ownership is anticipated later in 2025 but will not occur prior to close of Call.**

The City expects applicants to have ownership or control of the land (with sufficient term on any lease to meet the 40-year affordability requirement) as noted as above in Clarification #1. Please note a PAC (pre-application consultation) with Development Review is also required for project eligibility.

The Contribution Agreement (CA) requires the value of any Capital Funding to be registered on title to the lands in the form of repayable loan (‘City Charge’).

3. Does the land need to be secured at submission, when awarded, or later, as defined perhaps by the City through a Contribution Agreement?

The City expects applicants to have ownership or control of the land (with sufficient term on any lease to meet the 40-year affordability requirement) as noted as above in Clarification #1.

4. Would my project be eligible? I am designing and constructing a new four plex with a garden suite, I plan to make 1 of the 5 units affordable rental homes. Is the 20% based on gross floor area or unit percentage?

Yes, this project is eligible. There is no minimum number of units to be eligible to apply for Capital Funding.

Further, as noted in Section 2.1.6 of the Program Guidelines, projects with 10 units or less are exempted from the requirement to provide 20% of residential units as Affordable Rental homes. For projects greater than 10 units, 20% of the units are required to be Affordable Rental Homes.

5. Are multi-tenant (rooming) homes eligible under the RHSP Capital Funding?

Yes, they are eligible to apply for Capital Funding if the multi-tenant house would also be eligible to be licensed by the City under the new [Multi-tenant Houses Regulatory Framework](#).

Evidence must be provided of the Proponent's ability to obtain a new Licence including information on compliance of the proposed development with zoning requirements for multi-tenant houses. Applicants would also be required to obtain a license prior to first occupancy of any room in the project, and this would be incorporated into the Contribution Agreement.

6. I understand the City would like applicants to stack RHSP funding on top of financing from other sources, including mortgage financing. Yet I understand that CMHC's RHI program prohibits there being mortgage financing on a project receiving RHI funding. Will you permit an application for RHSP funding even though it will not have any mortgage financing because of RHI rules?

While projects are not required to include funding and/or financing from other orders of government to apply, stacking other government contributions towards affordable housing is strongly encouraged.

Potential applicants currently delivering RHI-funded projects should contact their Housing Development Officer to discuss their application to RHSP.

7. Can you clarify that a proponent can apply and combine for this program along with the PBR stream.

Yes, applicants with projects approved under other streams of the RHSP (Purpose Built Rental (PBR) Stream as well as the Affordable Rental and Rent-Controlled Incentives (ARRCHI) are eligible to apply for Capital Funding.

8. Can MURA and RHSP be stacked benefits?

These programs are not generally designed to be stackable. If an applicant has been approved for MURA funding and owns the property, RHSP funding can be stacked to develop additional affordable rental units on the property. If you have project specific questions around the ability to stack these programs please contact City staff at HousingSecretariatRFP@toronto.ca.

9. If the property we intend to apply for is an apartment building (not affordable) that has been vacant for 10 years and units are uninhabitable. We envision building a 42 unit affordable housing building. Would all 42 units be net new and eligible for funding?

RHSP Capital Funding is intended to support the construction of net new housing. Proposals to convert existing rental housing to affordable rental housing are not eligible. If the proposal relates to renovation/repair of existing units, documentation and evidence must be provided as part of the application demonstrating the units are currently uninhabitable/lost to the housing stock (and therefore would be net new upon completing the renovations.

As part of reviewing the application, City staff will need to verify that Official Plan rental replacement policies do not apply if demolition is required. Project specific questions around the ability to stack these programs please contact City staff at HousingSecretariatRFP@toronto.ca.

10. If we have a project where all residential units will be affordable, but the overall project includes agency workspace, is the project eligible? 10,000 sq ft office and agency workspace, and 8,000 sq ft residential.

Projects containing non-residential components are eligible to apply. Please note, Capital Funding can only be provided towards Affordable Rental housing components of the project. Please review the Program Guidelines for other Eligibility Requirements, including rent levels, affordability period, etc.

11. If affordable units are being provided as a strata ownership within a market building would the application be for the entire building or just the affordable component? Thanks.

Applications for Capital Funding must reflect the entire building in which the Affordable Rental Units will be constructed, regardless of whether the affordable units will be provided through strata ownership. A minimum of 20% of the project's total residential units must be Affordable Rental Homes.

12. If construction has started or first permits have been issued, would we be waiting on this program to be adjudicated before we decided to commence or not? Are you ineligible if you have a permit already?

Projects that have already obtained building permits/started construction are eligible to apply for Capital Funding.

13. If a not for profit and private organization are partnering in a mixed use development project where the not for profit organization will be owning and operating the affordable component of the project through strata ownership, while the private developer will be selling their units as condos. Can the two partners put a joint application, or should the not for profit organization apply for their affordable component only?

Applications for Capital Funding must reflect the entire building in which the Affordable Rental Units will be constructed, regardless of whether the Affordable Rental Units will be provided through strata ownership or owned and operated by a different organization than the one undertaking the development. A minimum of 20% of the project's total residential units must be Affordable Rental Homes. Projects that contain a mix of Affordable Rental Units and condominium units are eligible to apply.

14. In your criteria, community housing provider as a priority, what if you have projects that have a partnership between private and non-profit? Do we have to demonstrate that we own the majority of the project?

Projects that are delivered wholly by Community Housing Providers will be prioritized first. Projects that include a partnership between a community housing provider and a private sector organization would be prioritized second, regardless of the proportion of ownership.

15. Would residential buildings being built in Durham region qualify for this fund? Is there a map of the areas that qualify?

This Capital Funding, as with all City of Toronto programs, is available within the boundaries of the City of Toronto. A map is available on the City website showing the municipal boundary [here](#).

Project Application, Evaluation and Prioritization

16. I believe that the presentation that was delivered this morning mentioned that capital funding per unit would be a consideration in the evaluation process, however I am not sure that the evaluation criteria makes any reference to that, nor does the prioritization criteria. Could you clarify the City's position with respect to the Capital funding per unit?

Prioritization criteria #5 speaks to this: *Proposals that are eligible for or have secured funding and/or low-cost financing from other orders of government, and require smaller amounts of RHSP Capital Funding from the City will be prioritized.* See Section 4 the Application Package for the full list of Evaluation and Prioritization criteria.

17. You mention projects that have exhausted all other sources of funding will be prioritized. How is this evaluated? Does this read that projects with higher amount of construction debt will be prioritized?

Projects should demonstrate a capital budget that captures funding/financing from other levels of government (e.g. Affordable Housing Fund) the project is confirmed to or expected to leverage. Applicants are to submit their CMHC viability workbook if they

plan to, or in the process of, obtaining CMHC funding or financing to support their project.

It is not the City's intent to replace or displace funding sources from other governments, rather to address outstanding funding gaps after those sources have been maximized. Projects that require smaller amounts of funding from the City will be prioritized.

18. If I understand the role of the prioritization criteria, if there are two proposals that score 71% and 99%, respectively, if the proposal that scores 71% fulfills more of the prioritization criteria than the one that scored 99%, the lower scoring would be selected over the higher scoring proposal.

The prioritization criteria will be applied throughout the scoring process, leading to a higher overall score for projects that meet multiple prioritization criteria.

19. Is the 1 through 9 prioritization criteria listing a ranking (most important to least important) or a list of equally-weighted priorities? How are you scoring or weighting the prioritization criteria?

The prioritization criteria will be applied throughout the scoring process, leading to a higher overall score for projects that meet multiple prioritization criteria.

20. The application asks for the Applicant's housing development experience and the Applicant's experience securing capital and construction financing. Can applications outline the Applicant's consultant team's experience (development consultant, design-builder, etc.)?

Yes, consultant team information can be included where applicable. However, the applicant themselves should demonstrate experience securing capital and construction financing.

21. What division of the City will be prioritizing and selecting the proponents? Housing Secretariat? Housing Policy? Development and Revitalization?

The Housing Secretariat will be leading the review of applications received under the Call for Applications. Other divisions, including the Development Review Division will be included as part of the review of applications.

22. Are the guidelines provided in the package or is there a separate booklet?

All application materials are provided on the [Open Calls for Affordable Housing Initiatives webpage](#), under the Capital Funding Stream dropdown.

It is the Applicant's responsibility to review all materials for the Call for Applications before submitting, including the Program Guidelines, Application Package, appendices, as well as any Addenda posted.

23. On the project data sheet, there is an "HST self supply" line. Is the intention to have all HST recorded here? Direction on how the City wants us to show the HST applicable to project costs is appreciated.

The intention is to understand the amount of HST the project will be paying, net of any rebates. If no 'HST self supply' is eligible, you can leave this line blank.

24. Are projects prioritized for providing more family sized affordable units, or for providing more overall family sized units in the development?

Proposals that include more Affordable Rental Homes sized as family units (i.e. 2-3 bedrooms) will be prioritized. Additional clarification on the City's unit mix expectations and requirements related to various design guidelines is provided in Clarification #1 above.

25. In Development Qualifications, it asks to provide examples of projects completed over the past 10 years. Can we also include projects that are currently under construction?

Project completed are preferred but project under construction can also be included.

26. What type of information would we need to provide for turnkey/design-build projects? (private developer turnkey to non profit)

Applications that include a partnership between a private sector organization and non-profit organizations are eligible to apply, and applications must reflect the entire development, not only the affordable/"turnkey" component.

Approved applicants will be required to sign a Contribution Agreement with the City to register the Capital Funding amount in the form of a forgivable loan on title (the 'City Charge'). If a Non-Profit will be the future owner and/or operator of residential units seeking Capital Funding, all agreements between the project partners and details of the current and future ownership structure should be submitted as part of an application for the Program to confirm future ownership.

27. The prioritization criteria that indicates projects should have secured provincial/federal funding – can you confirm if you already have to have supports listed from other levels of government before applying for the City's Capital Funding?

It is not a requirement to have secured federal or provincial funding or financing. It is understood that Applicants will likely be applying for Capital Funding in advance of, or congruent with, applications for other sources of funding.

An application for Capital Funding from the City should indicate the Project's financial plan – if that includes secured funding or a proposed application for funding or financing through other government programs, that should be indicated in the application. This information should include what the plan or projection of this project that can be leveraged through CMHC or other funders is, as well as clarifying what City support is going to be needed at this stage for a project to proceed.

Projects that plan to apply for one of CMHC's affordable housing programs (i.e. ACLP, AHF, CHDP) must include a completed relevant CMHC viability assessment worksheet

with their application to the City to demonstrate anticipated performance under these programs.

28. Does the Capital Funding Program apply to supportive housing developments, as we are hoping to develop supportive housing?

Supportive housing proposals are eligible to apply, and will be prioritized per the criteria described in the Application Package.

Capital Funding Amounts

29. How much funding is provided? Is it grant or a loan?

A maximum of to \$260,000 per Affordable Rental Unit may be provided to affordable rental homes in approved projects. This will be provided by way of a forgivable loan, registered on title as a mortgage or 'City Charge'. \$50 million is made available through this call for applications.

Please note, Capital Funding is limited and is subject to a thorough, competitive evaluation process managed by City staff. The amount of funding requested from the City of Toronto should be detailed and fully supported in the application.

The City may provide up to \$260,000 in Funding per Affordable Rental Home where Applicants can demonstrate this funding is required to fill an equity gap after contributions from the Applicant, other government sources, and construction financing have been maximized.

30. What is a realistic assumption per unit? \$260,000 is less than 200 units.

Applicants should not assume any project will receive \$260,000 per Affordable Rental Unit. This is not a target and is only a maximum value for the purpose of program policy. The City is not able to estimate or provide information on assumptions for potential applicants on an amount of funding they may receive. Funding decisions will be made on a project-by-project basis.

31. Is there a cap for private sector?

There is no separate cap for the private sector. Evaluation criteria, including Prioritization listed in Section 4 of the Application Package, are applied to all projects.

32. Is there a maximum allocation of funds for one applicant/project? (I.e. 10% of program for 1 applicant/project?)

No.

33. If someone applies for \$100,000 per unit is that the amount that will be allocated or could the City come back to say you only have a certain amount of funding available per unit?

Funding levels for approved Affordable Rental Units will be determined by the City through the evaluation process. The City's decision will be made based on the capital funding information that justifies the funding ask submitted prior to the deadline.

Please note, Capital Funding is limited and is subject to a thorough, competitive evaluation process managed by City staff. The amount of funding requested from the City of Toronto should be detailed and fully supported in the application. Projects that request smaller amounts of funding from the City will be prioritized.

34. Supportive housing requires other amenities given the nature of the type of use, intended for the residential components of the project - is that a consideration when supportive housing is reviewed? Is the cost of construction for these other components considered and if so how they would be taken into account?

The City recognizes that supportive housing requires additional support spaces and amenities. These spaces are ancillary to the residential use and therefore will be considered part of the residential component of the project. Because the Capital Funding allocation is provided per Affordable Rental Unit, the \$260,000 cap per unit would need to account for the construction of these ancillary spaces.

35. Could you elaborate on how the \$50 Million funding availability was determined? Between the \$470 Million of Housing Accelerator Funds (HAF) and \$114 Million in Provincial Building Faster Funds (BFF), why is only \$50 Million allocated to this program?

The City has determined \$50 million is available in 2025 based on available funding. There are over 200 in-flight affordable housing developments being supported or led by the City that must be considered when making decisions on application of resources.

As context, in 2022, the province of Ontario adopted Bill 23, which removed affordable housing as an eligible charge when municipalities are collecting development charges, reducing a key revenue source for City affordable housing programs (\$1.2 billion over 10 years). The HAF and BFF are valuable sources of funding that contribute to the City's housing goals, and have been fully allocated to support a range of City housing programs and individual development projects. Additionally, the City has only received the first installment under HAF, with the remaining three installments pending progress through the remaining three years of the program.

The City understands the need for funding and low-cost financing to support new affordable rental housing exceeds the \$50 million available through this call. The City continues to advocate for additional funding and program changes from other orders of government to support a range of new rental housing.

36. If multiple strong applications are submitted, is there a future state where staff will return to the Council and request a funding award beyond the \$50 Million allocation?

City staff anticipate many strong applications through this program; staff will evaluate the program scope on an ongoing basis and present a rationale for a funding increase for Council consideration as needed.

Funding Agreements and Security

37. How will the affordability period and terms be secured?

The City Charge (mortgage) is registered on title as security and for the duration for the term of affordability. The principal amount owing under the City Charge decreases over the term of the agreement as a portion of the principal amount is forgiven on an annual basis during the affordability period. The City Charge will be discharged at once fully forgiven. For full details see the [Template Contribution Agreement in Appendix 5](#).

38. When does the Capital Funding get released if approved?

Capital Funding under this Program is subject to approval at City Council, targeted for July, 2025.

Payments of the grant funding is provided in payment milestones, which are shown in the [Template Contribution Agreement in Appendix 5](#).

39. Could you share that breakdown of 'typical' funding milestones?

Typical funding milestones are described Section 4.4 of the [Template Contribution Agreement in Appendix 5](#)

40. Will the City allow its Charge to sit second the CMHC on title?

The City works with CMHC to ensure that requirements of each order of government's security can be accommodated and enable project to proceed.

Housing Benefits, Access Plans

41. Can you layer in rent supplements to achieve the affordable rental housing target? For example all units at market rent, but then a % made affordable through the application of a rent supplement?

Any percentage of the Affordable Rental Units can be requested to receive Housing Benefits from the City, with the City aiming that a minimum of 20% of affordable rental homes in each project being made available.

Rent supplement and housing benefits do not generate additional revenue, 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 reduce the rent paid directly by the tenant, to ensure it does not exceed 30% of their household income.

42. Central access system and Housing Benefits - is it one of either or you have to have both?

Units in receipt of Housing benefits would be filled by the City's Centralized Waitlist (for subsidized housing). The Affordable Units will be filled by the Centralized Affordable Housing Access System, which is still in development.

43. What happens in the event that the Housing Benefits program ceases to exist at a certain point?

Funding for housing benefits is approved annually by City Council as part of the Housing Secretariat's budget. Creating new rent-geared-to-income homes through the provision of housing benefits, is a priority of Council, with a target of an additional 6,500 new homes by 2030. The City also relies on provincial funding for rent supplements. The City cannot guarantee the permanent availability of housing benefits as they are subject to annual budget approval by provincial and municipal governments. In the event that such funding is not available, the City will work with housing providers to develop solutions for existing tenants, for vacant units the unit would be treated as an Affordable Rental unit.

44. What are access plans supposed to look like?

A Template Access Plan is a Schedule to the [Template Contribution Agreement in Appendix 5](#), and applies to tenant selection at initial occupancy and unit turnover.

45. Is there an attestation that has to be provided to the City every year?

An annual occupancy report is submitted, which includes a rent roll to confirm that rents continue to be charged at levels in line with the RHSP Program Levels and tenants income meets the initial eligibility occupancy requirements. A Template Annual Occupancy Report is a Schedule to the [Template Contribution Agreement in Appendix 5](#)

46. Some supportive housing providers have access to Ministry of Health rent supplements. Between market rents and OW/ODSP - can those be layered in here to meet affordability targets?

The total rent collected per unit, including any benefits and the tenant portion, has to meet RHSP Current Rent Levels. Proposals for supportive housing projects where the applicant has access to operating funding from other sources (i.e. not the City) will be prioritized.

47. Each project that is applying for this program will need to have a housing benefit supplement?

20% of the Affordable Rental Units are required to be made available to house tenants from the Centralized Waitlist who are eligible to receive Housing Benefits or approved alternative access pathway.

48. If an RGI application is not approved for the supplements, is the expectation that the developer provide if the City Housing Benefits aren't available?

No, the responsibility for providing the Housing Benefit funding is the responsibility of the City. If the Housing Benefit funds aren't available for units in the development, they revert to Affordable Rental Units with rents subject to the Current RHSP Rent Levels.

Unit Mix, Housing Typologies

49. Supportive housing tend to be small bachelor units. How are supportive housing projects evaluated with the requirements of larger unit mix and size?

Supportive housing is understood to have unique needs and often serves a specific population, and therefore is an example of the type of development that would be exempt from the prioritization criteria relating to additional family units being provided.

50. Are there any specific Unit Size requirements that are tied to this capital funding program?

Please see Clarification #1 for additional information.

Other RHSP Streams and Interaction with other City Programs/Policies

51. When applying for the Capital Stream, is a separate submission required for the Incentives Stream?

Yes, separate applications are required to both the Capital Funding and Affordable Rental and Rent-Controlled Housing Incentives (ARRCHI) Stream. This allows for Incentives applications to be reviewed and approved on a rolling basis rather than once yearly via a competitive call for applications.

52. Is the ARRCHI stream open to private sector housing organizations?

Yes, private sector organizations are eligible for ARRCHI for proposed affordable rental units.

53. What programs are available for nursing/retirement homes?

There may be programs available through other City divisions or at the Provincial level. The RHSP is focused on projects that provide 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 as defined in the *Co-operative Corporations Act*.

54. Does applying for and securing ARRCHI reduce your allocation under the Capital Funding Stream?

No, your allocation is not reduced as costs covered under ARCCHI are not eligible under the Capital Stream.

55. If the amending by-law specifies unit mix and size, can we obtain an exemption from the program requirements?

It is not the City's intention to revisit previous project approvals already obtained, however this would depend on the specific application and planning requirements. For example, as outlined in the Official Plan, certain policy areas can have strict requirements with limited flexibility on unit mix and size.

City staff should be consulted with specific project questions at HousingSecretariatRFP@toronto.ca to confirm appropriate unit size/mix if required.

56. Is the Official Plan policies booklet available online?

The Official Plan and its policies are available on the City's [webpage](#).

57. Will all funded projects be assigned to the Priority Development Review Stream (PDRS), or will only selected projects of scale?

Affordable housing projects that are approved through City programs, including RHSP, will be considered for inclusion in the City's Priority Development Review Stream (PDRS).

PDRS is supported by an interdivisional review team that focuses on prioritizing and expediting approvals of affordable housing projects. The City cannot guarantee that all projects approved through the Rental Housing Supply Program – Capital Funding Stream will be reviewed through Priority Development Review Stream (PDRS).

58. For the requirement to at minimum have a PAC meeting, is it for any application? ZBA? SPA?

The City has a minimum expectation that some due diligence has been undertaken with the City as part of the PAC process on the development application prior to submitting the project for a RHSP Capital Funding application. The development application can be at any stage within the Development Review process.

The further advanced a development application is through the development approvals process, the better positioned it is to advance quickly. More information on the City's PAC process can be found on the City's [webpage](#).