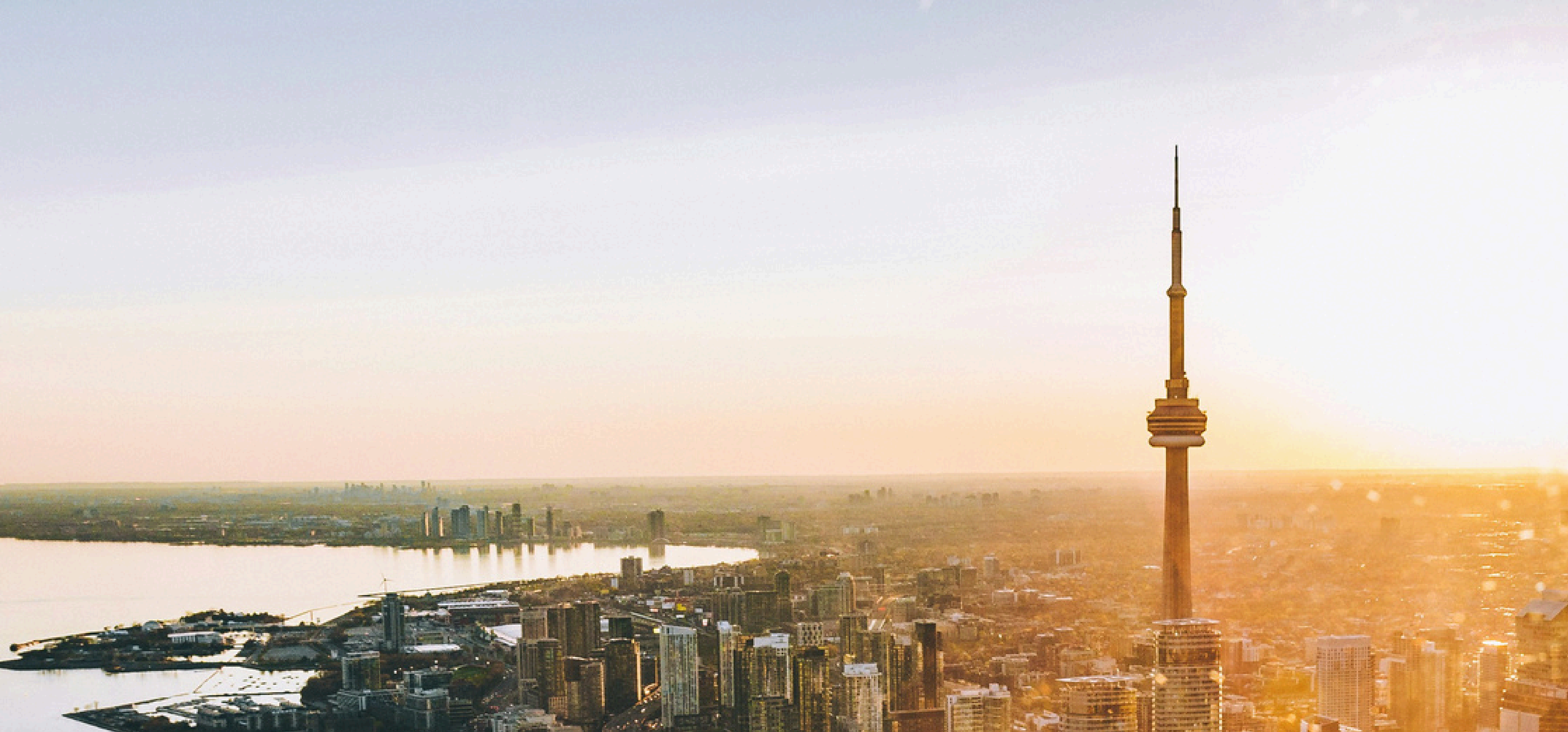

CITY OF TORONTO CALL FOR APPLICATIONS

Rental Housing Supply Program: Affordable Rental and Rent Controlled Housing Incentives (ARRCHI) Stream

Program Guidelines

Date Issued: March 6 2026

Revised Materials Issued: August 2026

TORONTO

Table of Contents

1. PROGRAM OVERVIEW

1.1 RHSP Program Background

Adopted by Council in 2024, the Rental Housing Supply Program (RHSP) provides City financial contributions to support rental housing projects at different stages of development. These contributions include pre-development loan funding, capital funding, and financial incentives for projects that meet the City's affordable housing requirements.

The RHSP advances the City's HousingTO 2020-2030 Action Plan (HousingTO Plan) by supporting a range of new rental homes that advance the City's housing targets. These targets include approving 65,000 rent-controlled homes by 2030, comprised of 6,500 Rent-Geared-to-Income (RGI) homes, 41,500 affordable rental homes, 18,000 supportive homes, and 17,500 rent-controlled homes. The RHSP will also help the City meet its provincial housing target of starting construction on 285,000 new homes by 2031.

Participation and funding from all orders of government is required to deliver the HousingTO Plan. The Federal Government has programs to support the creation of new affordable rental housing through the Canada Mortgage and Housing Corporation (CMHC) and Build Canada Homes (BCH). All applicants are strongly encouraged to consider these and other funding programs when planning to create new affordable and rental housing.

The RHSP is delivered through five streams: the Community Housing Pre-Development Fund (CHPF), the Affordable Rental and Rent-Controlled Housing Incentives (ARRCHI) stream, the Purpose-Built Rental (PBR) Housing Incentives stream, the Capital Funding stream, and the Indigenous Funding stream. Descriptions of the streams are included below. Further information can be found on the City's Open Calls for Affordable Housing Initiatives page.

RENTAL HOUSING SUPPLY PROGRAM

- **Community Housing Pre-development Fund (CHPF)**
- **Affordable Rental and Rent Controlled Housing Incentives (ARRCHI)**
- **Indigenous Funding Stream**
- **Purpose-Built Rental (PBR) Housing Incentives Stream**
- **Capital Funding Stream**

Community Housing Pre-Development Fund (CHPF)	The Community Housing Pre-Development Fund (CHPF) is an interest-free repayable loan program available to Community Housing Providers to fund pre-development activities required to develop new Affordable Rental Homes. The CHPF aims to support the Community Housing sector's development capacity supporting them to progress their affordable housing project towards construction start.
Affordable Rental and Rent Controlled Housing Incentives (ARRCHI) Stream	The Affordable Rental and Rent-Controlled Housing Incentives (ARRCHI) Stream provides eligible rental homes access to financial incentives including a waiver of planning application and building permit fees, and an exemption of development charges (DCs), community benefits charges (CBCs), and parkland dedication fees (where not already exempted under provincial legislation). Eligible projects can also receive an exemption from property taxes for the duration of affordability.
Indigenous Funding Stream	The Indigenous Funding Stream provides capital grant funding and pre-development loan funding dedicated to Indigenous organizations to advance the HousingTO Plan target of approving 5,200 homes for Indigenous, by Indigenous, and the City's commitments to truth, justice, and reconciliation.
Purpose-Built Rental (PBR) Housing Incentives Stream	The Purpose-Built Rental (PBR) Housing Incentives stream is unlocking new purpose-built rental housing supply while also securing the creation of new affordable rental homes in projects that can rapidly begin construction. Phase 1 of the PBR stream closed in 2024. The City is launching Phase 2 of the PBR stream in Summer/Fall 2026 to identify and approve 10,000 new homes for City support, including at least 2,000 Affordable Rental Homes and up to 8,000 Market Rental Homes.
Capital Funding Stream	The Capital Funding stream provides grant funding to support the development of new RGI, Supportive, and Affordable Rental Homes. Eligible Community Housing Providers and private sector housing organizations can receive grant funding through a competitive Call for Applications to close funding gaps and accelerate the construction start dates for projects that prioritize key outcomes as identified by the City.

1.2 ARRCHI Program Background

The Affordable Rental and Rent-Controlled Housing Incentives (ARRCHI) Stream is implemented through a rolling application process to provide eligible Affordable Rental and Community Housing Provider-led Rent-Controlled Homes access to financial incentives including a waiver of planning application and building permit fees, and an exemption of DCs, CBCs, and parkland dedication fees (where not already exempted under provincial legislation). Eligible projects can also receive an exemption from property taxes for the duration of affordability, subject to Council approval.

These Guidelines provide potential applicants to the Affordable Rental and Rent-Controlled Housing Incentives (ARRCHI) Stream with critical information about eligibility for the program, City benefits available, and instructions on how to apply.

This Document is organized into four main sections:

1. Rental Housing Supply Program Overview
2. ARRCHI Stream Program Requirements
3. City Benefits Available under the ARRCHI Stream
4. Applying for Incentives

Please note that any updates or revisions to these Guidelines or the Call for Applications will be issued by addendum and posted electronically in Adobe PDF format on the RHSP Call for Applications webpage on the City's website found here. Applications will be reviewed based on the guidelines in effect at the time of submission to ensure fairness and consistency.

1.3 Definition of Key Program Terms

Access Plan: A policy established by the Applicant and approved by the Executive Director, Housing Secretariat, which shall specify how tenants are to be selected for Affordable Housing Units and Rent-Controlled Housing Units, and how information about such process is disseminated to the public.

Affordable Housing Unit: A housing unit in which Affordable Rent is charged, as defined within the template Contribution Agreement, commonly referred to throughout Program Materials as Affordable Rental Units, Homes and/or Housing.

RHSP Affordable Rent or Affordable Rents: Monthly occupancy costs at or below the lesser of the City's Affordable Rents and the Provincial Affordable Rents. The current RHSP Affordable Rents are provided Page 17.

Average Market Rents or Average Rents or AMR: Average monthly Toronto-wide rents by unit type as determined in the end-of-year survey of City-wide rents for the prior calendar year published by CMHC; if CMHC does not publish a survey of City-wide rents, then "Average Market Rents" for the calendar year shall be City-wide average rents as determined by the City acting reasonably.

Business Day: A day other than a Saturday, Sunday or any other day which the City has elected to be closed for business.

City's Affordable Rents: Monthly occupancy costs, that are at or below the lesser of Average Market Rent or 30% of the before-tax monthly income of renter households in the City as follows, as determined by the City and published on the City's website:

1. studio units: one-person households at or below the 50th percentile income;
2. one-bedroom units: one-person households at or below the 60th percentile income;
3. two-bedroom units: two-person households at or below the 60th percentile income;
4. three-bedroom units: three-person households at or below the 60th percentile income.

City Benefits: Refers to a range of City funding and Incentives provided to support the development of affordable and rent-controlled housing.

Community Housing: Housing that is owned and/or operated by Community Housing Providers.

Community Housing Providers: means Non-Profit Housing Organizations (including community land trusts, Toronto Community Housing Corporation (TCHC), and Toronto Seniors Housing Corporation (TSHC)), Non-Profit Housing Co-operatives, and Indigenous Housing Providers.

Incentives: Refers to a variety of exemptions and/or waivers provided by the City including development charges, parkland dedication fees, community benefits charges, planning application fees, building permit fees, and property taxes.

Indigenous Housing Providers: Indigenous Housing Providers (IHPs) must be a Non-Profit Housing Organizations in which Indigenous people are key decision-makers, such as Board members and/or senior management. IHPs are organizations who have a mandate to provide housing/services primarily to Indigenous people and are accountable to the Indigenous community by having a Board of Directors elected by, and from, the Indigenous community.

Monthly Occupancy Costs: Means the total of the monthly rent payable to the Proponent for an Affordable Housing Unit including the cost of hydro, heat, water and hot water; and monthly occupancy costs do not include charges for applicable taxes, parking, cable, internet, telephone or any other like charges.

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 , also referred to as a “Co-op”.

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.

Person: Means any individual, partnership, corporation, trust, unincorporated organization, municipality, government, or governmental agency or any combination thereof.

Planning Application Fees: Refers to charges collected by the City to recover the costs of reviewing, processing, and making decisions on development and planning applications under the Planning Act. These fees include but are not limited to applications such as Official Plan Amendments (OPA), Zoning By-law Amendments (ZBA), Site Plan Control, Consents, and Minor Variances.

Private Sector Housing Organization: Refers to privately owned organizations that develop and/or operate housing projects.

Provincial Affordable Rents: Means the affordable rents by bedroom type set out in the "Affordable Residential Units for the Purposes of the Development Charges Act, 1997 Bulletin", as it is amended from time to time, that is published by the Minister of Municipal Affairs and Housing pursuant to section 4.1(2) of the Development Charges Act, 1997, S.O. 1997, c. 27, or successor legislation.

Rent-geared-to-income (RGI) homes: Also referred to as subsidized or social housing, is housing where in most cases rent is no more than 30% of a household's monthly Adjusted Family Net Income (AFNI). For households in receipt of social assistance, the rent is based on the rent benefit set by the Ontario government.

Rent-Controlled Rent: Monthly Occupancy Costs for a unit that are at or below one hundred fifty percent (150%) of the Average Market Rents when first rented to a new tenant, and that are increased in respect of a tenancy not more than annually and by no more than the rent increase guideline plus two per cent.

Rent-Controlled Unit: A housing unit or units at Rent-Controlled Rent, as defined within the template Contribution Agreement, commonly referred to throughout Program Materials as Rent-Controlled Units and/or Homes.

Rent Increase Guideline: The prevailing rent increase guideline established each calendar year pursuant to the Residential Tenancies Act, 2006, S.O. 2006, c. 17, or any successor legislation.

Road Disruption Activity Reporting System Fee (RoDARS): Road Disruption Activity Reporting System (RoDARS) is the traffic management fee associated with the coordination of temporary closures of sidewalks, bike lanes, and roads for construction activities where the right of way for Torontonians is impacted. The fee is calculated depending on the type of road(s), closure length, and impact on congestion and in accordance with the Eligible Affordable and Rent-Controlled Housing Project RoDARS fee Policy adopted by City Council. The value of the fee reduction is proportional to the number of eligible Rent-Controlled Units and Affordable Housing Units in the development, against the total number of residential units in the development. For example, a project with 100% Affordable Housing Units will have this fee reduced to zero. Note: this is not the same as Street Occupation Permit, which is the fee for using City property for construction activities and is not part of the incentives available under ARRCHI.

Supportive Housing: Permanent rental 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.

Transitional Housing: A type of temporary housing designed to help people move from homelessness or unstable housing into permanent housing, typically for a period ranging from a few months to up to four years, and often requiring participation in on-site programming.

Utility Allowance: Means the average amount of separately metered utility costs, determined by the City and published on the City's website.

1.4 Stay Informed

Organizations are encouraged to join the City's Affordable Rental Housing RFP & Opportunities Registry Listserv by signing up on the City's Rental Housing Supply Program website. Registered organizations will be notified by email of any program updates and when calls for applications and proposals are issued.

2. PROGRAM REQUIREMENTS

2.1 Minimum Eligibility Requirements

This section describes core eligibility requirements applicable to all applicants and projects (Section A) and requirements for types of rental units that can be supported through the program (Section B and C).

Section A. Requirements for All Projects

To participate in the RHSP, your proposal must meet the following eligibility requirements. Please note, applications that do not meet the eligibility requirements will be deemed ineligible for further review until all required materials are submitted. In such cases, the application review process will be placed on hold.

Applicants may resubmit a complete application at any time but City staff will review applications in the order that complete applications are received.

2.1.1 Eligible Organization Types

Community Housing Providers and Private Sector Housing Organizations are eligible to apply.

Community Housing Providers proposing projects that meet the provincial definition of a “non-profit housing development” under the Development Charges Act are eligible for statutory exemptions from development charges, parkland dedication fees, and community benefits charges for all rental units within their project. More information will be provided to potential eligible applicants during the review process.

The City encourages development partnerships between Community Housing Providers and Private Sector Housing Organizations. As noted below, Incentives for Rent-Controlled Homes are only available to Community Housing Providers. Should a partnership project between a Community Housing Provider and Private Sector Housing Organization be requesting this incentive, the Community Housing Provider will need to demonstrate current or future control of the land (via ownership or long-term lease) for the project to be eligible. In those cases, the lead Applicant should be the Community Housing Provider.

2.1.2 Eligible Project Types

The RHSP is intended to support the development of net new affordable rental housing within the following project types:

- New construction of affordable rental housing
- Conversion of non-residential buildings to affordable rental housing
- Addition of new affordable rental housing buildings/units to existing sites/buildings
- Social housing redevelopment that involves building new units/additions on social housing sites may also be eligible, provided appropriate consents are obtained under the Housing Services Act, 2011
- Office replacement: Projects that include the conversion of office space to residential use and are required to comply with Official Plan policies related to office replacement are eligible to apply.
    - However, any Affordable Housing Units that are required in lieu of replacing office space will not be eligible to receive Capital Funding or Incentives. These units can be counted towards the minimum 20% of residential units as Affordable Rental Homes, should they meet the RHSP's eligibility requirements.

Applicants are strongly encouraged to provide rental housing where there is a landlord-tenant relationship and tenants are recognized by the Residential Tenancies Act, 2006 (RTA). In limited circumstances, the City may support transitional housing programs which do not operate with a RTA lease. Projects may also be non-profit housing co-operatives as defined in the Co-operative Corporations Act.

2.1.3 Ineligible Project and Unit Types

The following project types are currently not eligible to apply for Incentives under the RHSP:

- Nursing and retirement homes
- Long-term care homes
- Shelters and crisis care facilities
- Student residences

The following unit types are not eligible to receive Incentives under ARRCHI:

- **Rental replacement units:** Projects involving the demolition and replacement of existing rental units cannot include those units toward the minimum 20% Affordable Rental Home requirement under the RHSP and are not eligible to receive Incentives for those units, regardless of whether the project is subject to Toronto's Residential Rental Property Demolition and Conversion Control By-law (Chapter 667 of the Toronto Municipal Code).

- **Affordable Rental Homes Secured Through City Planning Policies:** The City requires the delivery of Affordable Rental Housing under other City Planning policies and programs, including the Official Plan, Secondary Plans, site and area specific policies, Inclusionary Zoning, or through in-kind community benefits charges. Projects that are required to provide new Affordable Rental Housing by way of such Planning policies are eligible to include these Affordable Rental Homes towards the minimum 20% requirement under the RHSP. However, these units will not be eligible to receive City Benefits under the RHSP unless the application demonstrates that the proposed affordability under this Application exceeds the minimum requirements that are set out in the relevant Planning policies.

    - For example, if a project is required by Planning policy to deliver 5% of residential units as Affordable Rental Housing at the City's Affordable Rents for a period of 25 years, and proposes under the RHSP Application to extend the affordability period to at least 40 years, these units may be counted both towards the minimum 20% requirement, and be eligible for Capital Funding and Incentives under the RHSP, should the project meet RHSP's eligibility requirements.

2.1.4 Control of Land (owned, to be owned and/or leased)

The RHSP is intended to support organizations to develop net new rental housing on land they own, lease or have a binding agreement to acquire an interest in, for a duration at least equivalent to the minimum affordability term required under the program (40 years). The lease agreement must include a provision that allows the proponent to pursue the development of the net new housing units.

If the lands are not currently owned or leased by the applicant, then applications will be considered on the following terms:

A. Incentives Conditional on Transfer of Land

If there is a Letter of Intent (LOI), an offer to lease, and/or an Agreement of Purchase and Sale (APS) that meets the above criteria and requires the transfer of the interest in the lands within 6 months, conditional approval may be granted to the Community Housing Provider under the RHSP. However, approval of Incentives and execution of the Contribution Agreement will be conditional on the closing of the land transaction within 12 months from the approval date.

The application must include either:

- A Letter of Intent (LOI) signed by both the ARRCHI applicant and the current landowner, including a statement confirming when a binding agreement of purchase and sale or an offer to lease (meeting the conditions below) will be entered into and when the land is expected to be transferred to the applicant; or
- A signed Agreement of Purchase and Sale (APS) or offer to lease for the lands must be submitted with the application, as well as:
    - A statement that the APS, offer to lease or LOI is in full force and effect and has not been terminated;
    - A statement that all conditions that are required to be met as of the date of the application have been met, or have been waived by both the purchaser and the vendor;
    - Confirmation of the anticipated closing date, which is to be within 6 months from the signing of the APS; and
    - Evidence at the stage of the CA that applicants are able to fund the closing of the purchase.

B. Incentives Provided Prior to Land Transfer

If an applicant can demonstrate that Incentives are needed prior to ownership of the project lands by the applicant, the City will consider such applications if the application provides the materials above (in 2.1.4.A), and the application includes the current landowner as a co-applicant. Projects meeting this requirement may receive an approval under the RHSP conditional on execution of the Contribution Agreement by the lead applicant and the landowner, and registration of a charge by the landowner in favour of the City on the Project lands as required under these Guidelines.

The City will review all applications where the applicant does not own or lease the Project lands on a case-by-case basis and in accordance with the requirements in of this section. The City has full discretion to refuse any LOI, offer to lease or APS regardless of its contents or proposed terms.

Note: Acquisition costs are not eligible under the RHSP. Applicants interested in pursuing an acquisition opportunity are encouraged to consider the City's Multi-Unit Residential Acquisition (MURA) Program

2.1.5 Development Review Status

The RHSP is intended to identify projects that have completed pre-development and due diligence work and can demonstrate a viable path to achieving construction start within approximately three years. Applicants are required to have completed a Pre-Application Consultation (PAC) for the project through the City's Development Review Division prior to applying for Incentives, and must submit a copy of the PAC submission materials and City-issued Planning Application Checklist Package as part of their RHSP application, including a drawing of the proposal that demonstrates conceptual site plan and elevations (or more detail as available). For a development of ten or fewer units that are either in compliance with Zoning or only requires a Minor Variance, a Zoning Notice (ZAP), can be submitted in place of confirmation of PAC. Projects that are further along in the development review process are not required to repeat completed steps but instead are required to submit proof of Zoning approval (Council decision), proof of Site Plan Application (SPA), approval, Notice of Approval Conditions (NOAC), or proof of Building Permit approval (issued permit) and the drawing of the proposal that demonstrates conceptual site plan and elevations (or more detail as available).

As part of the application submission, applicants will be asked to identify the current stage of development review and to confirm which application fees have already been paid. Staff from the Housing Development Office and Development Review will work with your development team throughout the process to coordinate and support the required approvals.

Projects awaiting an Ontario Land Tribunal (OLT) decision are encouraged to wait for the final OLT decision to be made before applying for Incentives. If an application is submitted before a decision has been made by the OLT, review may be paused until the outcome is confirmed.

Project approval through the RHSP does not indicate City support or approval of any current or pending planning application(s). It is the responsibility of proponents to secure all planning approvals, building permits, and any other required City approvals through those independent processes.

> Community Housing Providers who are in earlier stages of the development review process are encouraged to apply to the City's Community Housing Pre-Development Fund (CHPF), which provides interest-free repayable loans to successful applicants to complete pre-development due-diligence work.

2.1.6 Securing City Benefits (Legal Agreements)

Whenever providing Incentives towards affordable housing projects, the City secures the affordable housing outcomes by way of legal agreements and by registering a charge and other security on title to the lands for the value of City Benefits:

- City Benefits must be secured for a term matching the Affordability Period of the project (40 to 99 years) via a Contribution Agreement with the City;
- The value of City Benefits will be secured by way of a Charge/Mortgage of Land (the "City Charge") registered against the applicant's lands;
- As required, an agreement under section 4.1 of the Development Charges Act will be entered into between the City and the registered owner of the Project lands to secure the DC, CBC and parkland dedication exemptions for Affordable Housing Units. This agreement must be registered on title and in priority to all other encumbrances (see template 4.1 Agreement for more information);
- As requited, a restriction under section 118 of the Land Titles Act restricting the transfer or charge of the subject lands without the consent of the Executive Director, Housing Secretariat must be registered by the applicant on title to the Project lands in priority to all other encumbrances (see template 4.1 Agreement for more information)

Template legal agreements have been released via addenda on the City's Open Calls for Affordable Housing Initiatives page.

Section B. Affordable Rental Housing Requirements

Affordable Rental Units must meet the following requirements in order to be eligible for Incentives.

2.1.7 Proportion of Affordable Housing

A key priority of the RHSP is to increase the supply of affordable rental housing in Toronto. As such, to be eligible to apply for any City Benefits under the RHSP:

- A minimum of 20% of the project's residential units must be Affordable Rental Units meeting the requirements set out in this Section.

Small projects delivering 10 residential units or fewer will be exempt from the requirement to provide 20% of residential units as Affordable Rental Units in order to be eligible for Incentives, subject to consultation with City Planning.

If an applicant has been previously approved for City funding and/or incentives and is applying for ARRCHI, all Affordable Rental Units in their proposed project will need to comply with RHSP affordability requirements. If a project is approved, this may require amendments to existing agreements.

2.1.8 Rent

Rents for Affordable Rental Units cannot exceed the RHSP Affordable Rent. The table below outlines the current RHSP Affordable Rents.

Unit Type	Maximum Rent
Dwelling Room	$873
Studio	$1,127
1-Bedroom	$1,426
2-Bedroom	$2,055
3-Bedroom	$2,290
4-Bedroom	$3,245**

Any updates to RHSP Affordable Rents will be published on the Rental Housing Supply Program website as they become available. Affordable rents are to include utilities; where tenants pay for any utility cost they are entitled to a utility allowance deduction from their monthly occupancy cost. Current utility allowances can be found here.

2.1.9 Rent Increases

Rents for Affordable Rental Units may increase by no more than the provincial Rent Increase Guideline, to an amount not to exceed the current RHSP Affordable Rent. In the event Affordable Rents decline, there is no requirement to reduce the Monthly Occupancy Costs of existing tenants. On turnover, the rent cannot exceed the RHSP Affordable Rent amount.

2.1.10 Duration of Affordability

The units must be secured as affordable rental housing for a minimum period of 40 years from the date of first occupancy, with a target period of 99 years.

2.1.11 Unit Mix and Sizes

The Affordable Rental Units must comply with unit size and mix requirements as determined by the Executive Director, Housing Secretariat, and may include the City's Affordable Housing Design Guidelines. Generally, the Affordable Rental Units in the development must be equivalent in mix of unit types (e.g., studio, 1-bedroom) and in size of units, as to the other residential units in the development. ARRCHI approval does not confirm unit mix or count, nor does it override the City's Affordable Housing Design Guidelines. Unit composition approvals are subject to review by the Housing Development Office and Development Review.

2.1.12 Creating New Rent-Geared-to-Income and/or Supportive Housing

Supportive housing often meets the same affordability level as RGI housing, with the addition of support services provided to tenants to assist in maintaining housing stability and to improve their health and well-being.

Applicants who intend to offer rental units as RGI or supportive housing should treat these units as Affordable Rental Units in the Incentives Application, as the financial incentives available are the same. Applicants intending to operate units as RGI/supportive units should provide this information as part of their application.

Section C. Rent-Controlled Unit Requirements (Community Housing Providers only)

Reminder: To be eligible to receive incentives for Rent-Controlled Units, a minimum of 20% of the project's residential units must be Affordable Rental Units.

Community Housing Providers are eligible for financial incentives for Rent-Controlled Units meeting the requirements below. Private organizations are not eligible for this incentive.

2.1.13 Rent

Rents for Rent-Controlled Units may be set up to 150% of AMR for the City of Toronto. The table below provides the current Rent-Controlled Rent for the City of Toronto by unit size. Information on City Affordable Rent and Rent-Controlled Rent levels under the Rental Housing Supply Program will be updated annually on the **Rental Housing Supply Program** website.

Unit Type	Maximum Rent (150% AMR)
Studio	$2,184
1-Bedroom	$2,572
2-Bedroom	$2,977
3-Bedroom	$3,385
4-Bedroom	$4,867

2.1.14 Rent Increases

Rent-Controlled Rents may increase annually for existing tenants by no more than the provincial rent increase guideline +2%. On turnover, the rent cannot exceed the published Rent-Controlled Units rent.

2.1.15 Duration of Affordability

The units must be secured as Rent-Controlled Units for a minimum period of 40 years from date of first occupancy, with a target period of 99 years.

2.2 Operating and Access Requirements

Organizations approved through the RHSP are to follow the City's requirements for tenant selection, income verification, reporting, and the overall administration of the Affordable Rental Units and Rent-Controlled Units, as applicable. These ongoing operating requirements are detailed in the Contribution Agreement template available on the City's Open Calls for Affordable Housing Initiatives page.

- New prospective residents of Affordable Rental Units and Rent-Controlled Units 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.
- Tenanting of all Affordable Rental Units must be completed in accordance with a City-approved Access Plan, which must be agreed upon before occupancy, and the City's centralized access system. Rent-Controlled Units will not be filled through the City's centralized access system.
- Private Sector Housing Organizations are encouraged to partner with Community Housing Providers that can provide tenant supports and/or be willing to take referrals from non-profits funded through the City's housing benefit programs.

Community Housing Providers proposing a component of their project as supportive housing are eligible and encouraged to apply. Applicants are encouraged to identify their own source of operating funding for support services to support their project. Where such funding is not available, applicants may request operating funding for support services. However, the City is not able to guarantee the availability of support services funding on any given year or on an ongoing basis.

3. CITY BENEFITS

Through this Program, Community Housing Providers and Private Sector Housing Organizations are eligible for the following City Benefits under the Affordable and Rent- Controlled Rental Housing Incentives Stream to develop and operate a range of rental homes.

3.1 Financial Incentives

Approved projects will receive financial Incentives in the form of exemptions and/or waivers from fees or charges that have not yet been paid. The City is unable to refund any fees that have already been paid. Financial Incentives will be advanced in accordance with the project's development milestones. Applicants should consult the template Contribution Agreement released upon the Open Calls for Affordable Housing Initiatives page.

Approved projects are eligible for financial Incentives for the following types of units, within eligible projects:

1. Affordable Housing Units
2. Rent-Controlled Units (Community Housing Providers only)

3.2 Affordable Rental Housing Incentives

Affordable rental units are eligible for the following incentives:

- Waiver of Planning Application Fees
- Waiver of Building Permit Fees
- Exemption from RoDARS application fee, reduction of RoDARS traffic management recovery fees
- Exemption of Community Benefit Charges* (if not exempted by provincial legislation)
- Exemption of Development Charges* (if not exempted by provincial legislation), excluding school board Education Development Charges (EDCs)
    - To The Toronto District Catholic School Board Development Charges (TCDSB) has recently amended its Education Development Charges (EDC) by-law to exempt City-supported affordable rental housing developments led by eligible Indigenous organizations from the payment of EDCs.
- Exemption from Parkland Dedication* (if not exempted by provincial legislation)

- Exemption from Residential Property Taxes (for the term of affordability)
    - **Note:** Council approval is required for property tax exemptions. This will be obtained through staff-led Council reports approval

**All units meeting the RHSP Affordable Rent level are eligible for statutory exemptions from development charges, parkland dedication fees, and community benefits charges under the Development Charges Act and the Planning Act. These exemptions will be provided subject to proponents executing necessary agreements.*

3.3 Rent-Controlled Housing Incentives (Community Housing Providers only)

Community Housing Providers that provide a minimum of 20% of their residential units as Affordable Rental Homes are eligible for the following Incentives for the Rent-Controlled Units in their development:

- Waiver of Planning Application Fees
- Waiver of Building Permit Fees
- Exemption from RoDARS application fee, waiver of RoDARS traffic management recovery fees
- Exemption of Community Benefit Charges (if not exempted by provincial legislation)
- Exemption of Development Charges (if not exempted by provincial legislation), excluding school board Education development Charges (EDCs)
    - The Toronto District Catholic School Board Development Charges (TCDSB) has recently amended its Education Development Charges (EDC) by-law to exempt City-supported affordable rental housing developments led by eligible Indigenous organizations from the payment of EDCs.
    - Exemption of Parkland Dedication (if not exempted by provincial legislation)
- Exemption from Residential Property Taxes (for the term that the units will be rent-controlled)
    - **Note:** Council approval is required for property tax exemptions. Approved projects will be included in a future Council report.

15% Property Tax Reduction for New Rental Buildings: On November 13-14, 2024, City Council adopted a new Multi-Residential Property (Municipal Reduction) Tax Subclass, to enable a 15% reduction to property taxes for all eligible new rental housing developments. Eligible organizations will automatically be provided this reduced taxation rate through their annual property tax bill and is not tied to approval under the RHSP.

3.4 Housing Benefits Funding

Successful applicants are eligible to receive housing benefits funding from the City to provide RGI homes to qualified households. Applicants approved under the RHSP are required to make at least 20% of the project's Affordable Rental Units available to households in receipt of housing benefits, should sufficient funding be available.

3.5 Development Review

Approved projects will be assigned a Housing Development Officer who will support the successful applicant in the delivery of the new affordable housing project.

Projects approved through RHSP may be supported through a prioritized development review process called the Priority Development Review Stream (PDRS). The City has taken various steps to improve the development review process, to improve the speed, flexibility and predictability of how the City processes development applications and to ensure a more streamlined process for all applications. Approved projects will be required to complete a pre-submission meeting with the City and may be reviewed for prioritization through PDRS.

Approval under RHSP does not guarantee a project will be placed in the PDRS.

4. APPLYING FOR INCENTIVES

Applicants must submit a complete application package demonstrating the eligibility of their organization and their project. A detailed list of instructions and all requirements is provided in the Submission Checklist and Application Package found on the City's Open Calls for Affordable Housing Initiatives page.

This application window will be available year-round to receive applications, and Incentives will be approved for projects meeting minimum eligibility criteria on a first-come first-served basis, up to the amount of Incentives available annually as approved by City Council. Please note that the review and approval process may take approximately 6 to 10 weeks from the time a complete application is received.

Applicants are encouraged to keep this timeline in mind when coordinating submissions to other programs or funding opportunities.

Applications that include Affordable Rental Homes located at different addresses through scattered homes and/or a portfolio can apply for these projects under one or more ARRCHI applications.

4.1 Approval Process

Successful applicants will be notified in writing of the outcome of their application once the review process has been completed. Successful applicants will also receive a letter confirming the approval of incentives, waivers, and exemptions, subject to entering into necessary legal agreements with the City. This letter may serve as a letter of support from the City for external funding applications.

In order to obtain exemptions or waivers from applicable City charges, applicants must fully execute necessary legal agreements, including a Contribution Agreement, and register security as outlined in that Agreement. An Approval Letter under the RHSP does not grant a project financial incentives. Once the required agreement has been executed and security has been registered to the satisfaction of the City, an Incentives Letter will be issued confirming approval of the incentives. This letter can be provided to the relevant City Division at the time of fee payment to receive a waiver/exemption.

Overview of Application, Review, and Approval Process