Addendum #2: Call For Applications - Purpose Built Rental Program Phase 2

Date of Issue: September 10, 2026

This Addendum is inclusive of questions received via email and during the August 31, 2026 Information Session. Please continue to check the City webpage for a further addendum addressing questions received via email (final addendum issuing date is September 15).

Clarification

Approved proponents under the PBR program will be required to ensure affordable units within the development are delivered and achieve occupancy permit at the same time as, or prior to, the market units in the development. Please refer to the updated template Contribution Agreement.

Questions and Answers

1. If we have already submitted our application and the final addendum introduces clarifications, will we have an opportunity to revise our submission?

Applicants who have already submitted an application may withdraw it by notifying the RHSP team by email at RHSP@toronto.ca and submit a new application prior to the call closing date of September 18, 2026, 5:00 p.m. Please refer to the Call Terms & Conditions for more information (Appendix 1 to the Application Package).

Applicants are encouraged to submit a complete application after the final addendum is issued (anticipated by September 15, 2026) to ensure submissions reflect all clarifications.

2. What does "pre-construction" mean for the purposes of program eligibility? What if a permit has been issued for early works, such as environmental remediation, site servicing, or shoring?

Projects that have started construction and incurred development charges are not eligible for the program. For the purposes of this program, a project is considered to have begun construction upon issuance of the first building permit for construction of any component of the structure.

Early works related to demolition, excavation, environmental remediation, or site servicing do not constitute the start of construction of the structure for the purposes of program eligibility.

A project remains eligible provided that no development charges have been assessed in association with a building permit issued related to the project.

3. Is there any special consideration for projects that applied to, but were not approved under, Phase 1 of the PBR program?

All Applicants to Phase 2 are treated as equal applicants. No preferential consideration is given based on participation in a prior PBR call.

4. How does this Call stack with other open calls for affordable housing? For example, if applying to the 15 Denison Avenue call, should the proponent also apply to PBR Phase 2 and other RHSP incentive streams?

The PBR 2 Call is structured to provide available incentives to both Affordable Rental Homes and Market Rental Homes in the development, and no applications to other Housing Secretariat affordable housing programs are required.

However, an Applicant who already has an approved or pending application for financial incentives for Affordable Rental Homes (i.e. the ARRCHI stream) and is now also seeking PBR program incentives (e.g., indefinite DC deferral on Market Rental Units) must submit a complete application to PBR Phase 2.

Project-specific calls for development partners on City-owned land such as 15 Denison Avenue are structured with their own dedicated incentive package and are independent of the PBR program. A proponent responding to 15 Denison Avenue does not need to separately apply to PBR Phase 2 for that project.

5. Would a stop along a streetcar right-of-way be considered a "higher order transit station"?

Please refer to the Program Guidelines, Section 2.2.2 (page 15) for more information on how transit-oriented developments are defined for the purpose of the PBR 2 Program.

6. Could you clarify the difference between the waiver of development charges (DCs) for the Affordable Rental Units and the indefinite deferral of DCs for the Market Rental Units?

Through PBR Phase 2, Affordable Rental Units receive an exemption from development charges under applicable provincial legislation (Section 4.1 of the Development Charges Act). Market Rental Units receive an indefinite deferral of development charges pursuant to the City's Purpose Built Rental Program, and this indefinite deferral is implemented pursuant to Section 27 of the Development Charges Act. These incentives are secured under separate agreements that the applicant(s) must enter into with the City.

7. For a project with dwelling rooms (e.g., a licensed multi-tenant house), would dwelling room rent levels be considered, and could we just submit the application and address the dwelling room question afterward?

Applicants with a dwelling-room component are strongly encouraged to submit their project specific questions in writing before the question deadline of September 8, 2026. The PBR program has not been designed to specifically support dwelling rooms and multi-tenant housing. These projects will be assessed on a case-by-case basis.

8. To make this round more accessible to smaller projects, would a project with 6 market and 2 Affordable Rental Units be considered, or is the program effectively geared toward larger projects?

There is no evaluation criterion that weights larger projects more favourably than smaller projects, or vice versa.

Small-scale projects may see limited practical benefits from the PBR program's incentives due to existing City incentives for projects of this size, such as development charge exemptions for six-plexes approved by City Council in July, 2025. Refer to Addendum 1, question 3 for further details.

9. Are additional points awarded based on builder experience, project size, or the specific incentives requested or required by a project?

No. Builder experience, project scale, and the specific incentives for the project are not distinct evaluation criteria and do not receive additional points or weighting.

Projects will be prioritized in accordance with the criteria outlined in the Program Guidelines.

10. Why doesn't the Market Rental Unit tax reduction time period (35 years) align with the term of affordability for the Affordable Rental Units (40–99 years)?

The 15% property tax reduction available to all new rental housing is provided through a multi-residential tax subclass introduced by the City in 2024 under enabling provincial legislation, which permits municipalities to apply this relief for a maximum of 35 years. This subclass reduction is available to all new rental housing city-wide, whether or not a project participates in the PBR program.

Affordable Rental Units approved through PBR Phase 2 are also eligible for a full property tax exemption, subject to Council approval, for the secured affordability period of 40 to 99 years. The property tax waiver applicable to Affordable Rental Units is provided through a separate legislative tool available to the City. This exemption will to be tied to the affordability period secured for those units (40 to 99 years).

Market Rental Units do not receive this full property tax exemption; they are eligible for the 15% property tax reduction described above.

11. What would an acceptable rationale be for an Affordable Unit mix that is not proportionate to the Market Rental Unit sizes?

As described in Section 2.1.11 of the Guidelines, the City strongly expects Affordable and Market Rental Units to be materially equivalent in terms of unit mix and unit size, as well as layout, construction, furnishings and finish specifications.

Where the mix or size of the Affordable Rental Units do not match the Market Rental Units Applicants should provide a clear, project-specific rationale. An acceptable rationale may include, for example, a partnership with a non-profit or community housing provider serving a specific priority population whose needs are better met by a different unit mix, documented demand for particular unit types, or genuine site or building-form constraints affecting a portion of the units.

The examples above are illustrative and not exhaustive.

12. Do we expect another round of this program to be released depending on the success of this Call for Applications - i.e., if the number of units awarded doesn't fill the quota set aside, will there be a follow-up release?

As identified in section 1.2.1 of the Guidelines, if the 10,000-unit target is not fully allocated through this first Call, the City may open a subsequent call. The City continues to advocate with other orders of government for additional financial support to enable future rounds of the PBR Program, and subject to receiving such support may release another call.

13. If a project is zoning compliant, but either does not yet have an active Site Plan Application (SPA) with a Notice of Complete Application issued or does not have a realistic path to construction start within 12 months, would it be eligible?

As identified in section 2.1.5 of the Guidelines, projects must have an active Site Plan Application (SPA), meaning a Notice of Complete Application has been issued, where site plan control applies. Zoning approval or zoning compliance alone does not satisfy the program's minimum eligibility requirements.

In addition, projects must demonstrate a realistic path to construction start within 12 months of the application submission deadline.

14. What method is used to validate the sub-12-month construction start period?

Construction readiness is assessed through a coordinated review involving the Housing Secretariat and the Housing Development Office, in consultation with Development Review and Toronto Building to verify the status and accuracy of information provided by the Applicant.

Where relevant, the City will also seek to confirm financing and funding assumptions with CMHC or other lenders. Please refer the Application Package - Part B. Demonstration of Construction Readiness – this information will be reviewed to validate the construction start period.

15. Would a signed Agreement of Purchase and Sale (APS) qualify as evidence of ownership, or does the sale need to be complete?

A signed APS may be submitted as evidence of land control. The City will consider the APS including the anticipated closing date to determine whether construction start can be achieved within the required 12-month timeline. This should be addressed in the application.

16. Please better describe the tenanting process for Affordable Rental Units.

Each approved development will be required to establish a City-approved Access Plan with the Housing Secretariat describing how Affordable Rental Units will be tenanted.

This may include a partnership or referral agreement with a Community Housing Provider, or an open, transparent process such as a random draw or lottery administered by the developer.

For further details on Access Plan development and tenant selection, see the City's Affordable Rental Housing Administration Manual.

17. Once projects have been selected, will the City publish the successful developments?

A report identifying successful projects may be brought to a future City Council meeting.

18. Will the amount of the Market Rental Units' indefinite deferral of DCs be registered as a charge on title?

As described in section 2.1.6 of the Guidelines, the a section 118 restriction pursuant to the Land Titles Act, restricting the transfer or charge of the development lands is required under the Section 27 Agreement. The section 118 restriction must be registered on title and in priority to all other interests, except any other notices related to other agreements with the City or interests in favour of the City or such encumbrances as may be accepted by the City as permitted encumbrances.

If a default occurs under the Section 27 Agreement and DCs for the Market Rental Units become payable, the amounts owing are added to the tax roll and collected in the same manner as taxes.

See the template Section 27 Agreement posted on the City's Open Calls for Affordable Housing webpage for further details.

19. Do units need to meet minimum sizes in addition to the maximum rent requirements, and where can we get more information on unit sizes?

As described in section 2.1.11 of the Guidelines, the Affordable Housing Units in the project must be materially equivalent in mix of unit types (e.g., studio, 1-bedroom) as to the other Market Rental Units in the project, as well as equivalent in size, layout, construction, furnishings and finish specifications to their corresponding Market Rental Units.

The City has an interest in ensuring that the Affordable Housing Units are not distinguishable in quality or livability from the Market Rental Units in the project.

20. Will the City reach out to proponents with requests for clarification during the application review process? Will feedback or a rationale be provided to proponents who are not selected?

There will be a short rectification window following the close of the Call for minor, administrative items only (e.g., a missing signature). This is a competitive call, and applicants are responsible for ensuring their submission is complete and accurate at the time of submission.

Unsuccessful applicants may request information on their application and results. The City will make reasonable efforts to accommodate these requests, subject to available staff capacity and the volume of requests received.

21. Will other community-building elements associated with a project, such as the provision of privately owned public spaces (POPS) or public art, be considered in evaluating an application?

As described in Section 2.2.2 of the Guideline, the City will prioritize projects that contribute to key City-building objectives, including the delivery of community services and facilities such as schools, child care, libraries, community recreation centres, social/community agency space, and parkland. These community services and facilities should be secured through planning approvals or through an agreement with the City.

Applicants are also welcome to describe other community-building elements associated with their project, such as POPS or public art, as part of their application.

22. Would a supportive housing redevelopment project with 15 units and its zoning certificate qualify for this program?

A project that is 100% supportive/affordable housing (i.e., rent-geared-to-income or otherwise at or below RHSP affordable rent levels), would not contain any Market Rental Units and therefore not require incentives provided under PBR. The Applicant should apply to the Affordable Rental and Rent-Controlled Housing Incentives Program (ARRCHI) stream for incentives, rather than PBR program.

23. It appears we are expected to complete one application per address/project. Can one organization submit more than one application? Is there any impact on weighting for multiple applications?

Yes, an organization may submit more than one application, but each project must be submitted as a separate application. Please see the Program Guidelines for information on submitting applications for multi-phase developments.

There is no scoring adjustment based on the number of applications submitted by an organization or on prior PBR approvals.

24. For non-profit Community Housing Providers, what is the difference between PBR and the Affordable Rental and Rent-Controlled Housing Incentives Program (ARRCHI)?

Non-profit Community Housing Providers are eligible to apply to ARRCHI to receive Incentives for their Affordable Rental Units, as well as Incentives for Rent-Controlled units (see the relevant program materials for definitions of Rent-Controlled units).

If the non-profit Community Housing Provider's project also includes Market Rental Units that will not be operated as Affordable or Rent-Controlled, the PBR programs is the appropriate route for those Market Rental Units.

25. What locations qualify under the transit-oriented community criterion? Does the criterion apply to future higher-order transit stations, and do major roads or arterial corridors qualify?

Please refer to section 2.2.2 of the Program Guidelines.

26. What is the minimum acceptable financing evidence at submission — e.g., a lender's letter or an executed term sheet?

Where a project is proceeding through a CMHC program (e.g., Apartment Construction Loan Program or MLI Select), applicants should refer to the documentation requirements set out in Part B of the Application Package.

Where a project is pursuing private or conventional lending, applicants must provide documentation from the lender that substantiates the financing status described in the application.

For example, a draft term sheet, a letter from the lender confirming status, or a letter of intent/commitment corresponding to the stage described.

27. When do we expect the Transfer Payment Agreement (TPA) with the Province to be executed — i.e., when will successful applicants be awarded?

Award letters for PBR will not be issued until the TPA between the City and Province, related to the broader residential Development Charges Reduction Program (DCRP), has been executed.

The Province has provided mid to late September as a new date for execution of the TPA.

28. Would there be a waiver of Section 37/Community Benefits Charge (CBC) requirements where CBCs do not otherwise apply to a project?

The PBR program provides an exemption from Community Benefits Charges payable in relation to the proposed affordable rental units in the project only. These are provided through the Section 4.1 Agreement.

29. Can you confirm the final date to submit an application will not move earlier than currently planned?

The submission deadline is September 18, 2026 at 5 p.m.

The submission deadline will not move earlier than September 18, 2026 at 5 p.m. Any extension to the submission deadline would be communicated through a further addendum.

30. Are the RHSP rent levels inclusive of utilities?

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 under the City's 2026 Utility Allowances tab on the City's Occupancy Costs for Affordable Housing webpage.

31. Would student housing count as a form of affordable housing under this program?

Any projects meeting the eligibility criteria set out in the Guidelines, including units meeting the RHSP rent levels and affordability term (40-99 years) are eligible to apply, including housing targeted towards students. Actual tenanting of the affordable rental units would be subject to the completion of an Access Plan approved by the City.

32. If a project has an active site plan application but also has an active minor variance application, will it still be considered?

An active minor variance application in addition to an active site plan application does not disqualify a project, provided the site plan application itself is active (i.e., a Notice of Complete Application has been issued) and the applicant can otherwise demonstrate a realistic path to construction start within 12 months, including resolution of the outstanding minor variance.

33. If, after we apply, the program parameters become more lenient, would we be held to the original parameters or the newer ones?

Any change to program parameters will be issued via a future addendum prior to the submission deadline. Applicants are required to comply with the program parameters as set out in the Call for Applications and the addendums.