Affordable Housing Developers' Handbook

July 2026

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Purpose

The City of Richmond Hill's Affordable Housing Strategy aims to facilitate affordable housing options for residents in Richmond Hill. The Strategy seeks to support partnerships with the development industry, other levels of government and the nonprofit housing sectors to achieve the City's housing goals.

This document is a resource to help landowners, developers and nonprofit organizations who are aiming to develop affordable housing in Richmond Hill achieve their development goals. It brings together tools and considerations that can enable successful affordable housing projects and facilitate the development of more affordable housing as part of the City of Richmond Hill's efforts to achieve balanced, healthy, and sustainable communities.

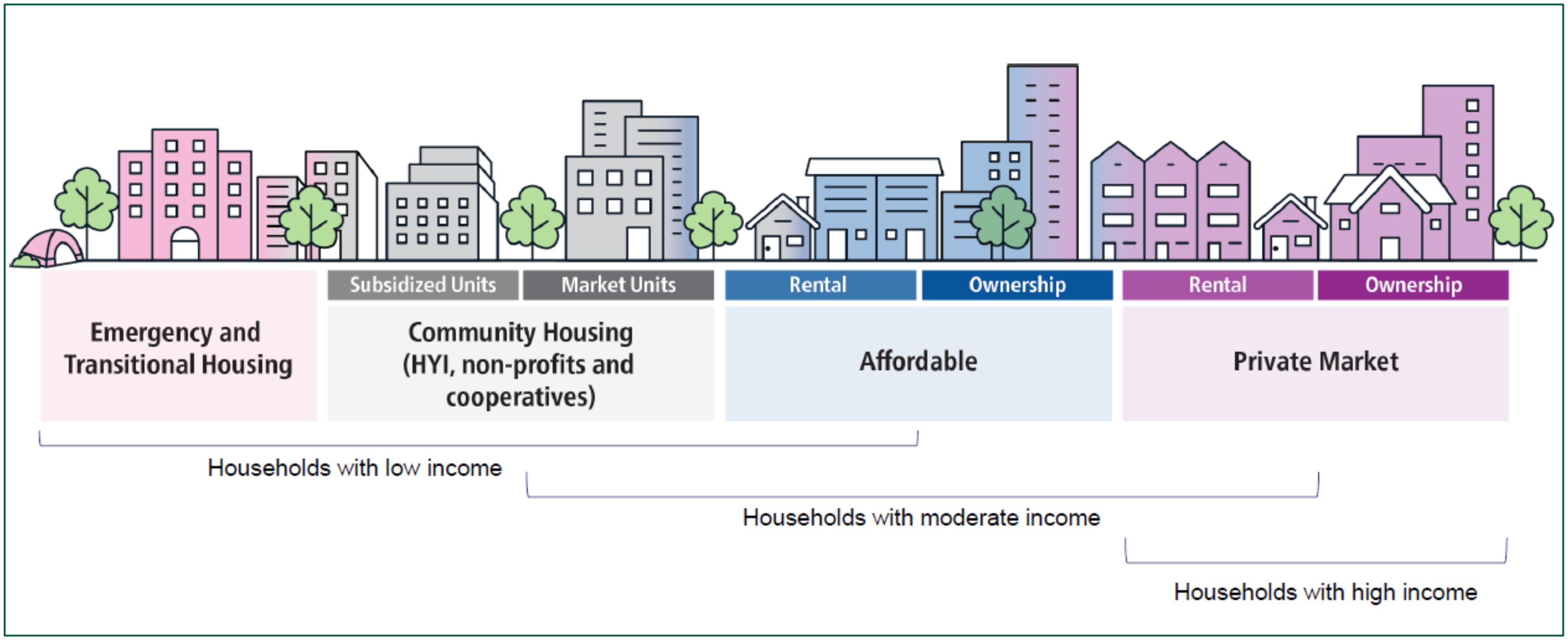
This Handbook is updated annually to reflect affordable housing thresholds and new programs and initiatives related to the development of affordable housing.

Affordable Housing Concierge Pilot Program

In addition to this Handbook, the City of Richmond Hill has established an Affordable Housing Concierge Pilot Program with dedicated staff resources in place to answer questions and assist proponents that seek to deliver affordable housing in Richmond Hill. Should you have questions about this Handbook or other affordable housing related topics, please see the City's affordable housing webpage or contact the Affordable Housing Coordination team at affordablehousing@richmondhill.ca.

The Housing Spectrum

Richmond Hill plays an important role in supporting affordable housing through local policies and programs, however the City is not involved in the construction or management of housing stock. The Region of York is the Provincially designated Housing Service Manager for the City. This means that York Region is responsible for planning, funding and managing community housing programs and emergency and transitional housing services. York Region operates a nonprofit housing agency, Housing York Inc. (HYI), and partners with other nonprofit organizations to deliver emergency, transitional housing, and community housing. Information on these types of housing and other related information is available through York Region's Housing Website.



Credit: Regional Municipality of York

What is ‘Affordable Housing’?

Affordable housing is not a singular or simple concept. In Richmond Hill, the overarching goal of the City’s Affordable Housing Strategy is to increase the supply of housing that is available and affordable to low and moderate income households (i.e. households with incomes up to the 60th income percentile of all households in Richmond Hill). However, due to minor differences in calculation methodologies, “affordable housing” price thresholds can vary between programs and levels of government.

Affordable Ownership Housing

In 2026-2027, based on the Provincial definition, the affordable ownership threshold in Richmond Hill is $488,900 or less. The annual affordable ownership threshold applies to all ownership housing types (e.g. condominium, townhouse, single family home, etc.) regardless of unit size.

The affordable ownership threshold is the lesser of:

a) Housing for which the purchase price results in annual accommodation costs which do not exceed 30 percent of gross annual household income for low and moderate income households; or,
b) Housing for which the purchase price is at least 10 percent below the average purchase price of a resale unit in the City.

Affordable Rental Housing

In 2026-2027, based on the Provincial definition, affordable rental unit thresholds by bedroom type in Richmond Hill are as follows:

- Bachelor - $1,328
- 1 Bedroom - $1,583
- 2 Bedroom - $1,827
- 3 Bedroom+ - $2,260

For rental housing, a unit would be considered affordable when the rent is at or below the lesser of:

a) Income-based rent: Rent that is equal to 30 percent of gross annual household income for a household at the 60th percentile (6th decile) of the income distribution for renter households in the local municipality; and

b) Market-based rent: Average market rent of a unit of the same unit type in the local municipality.

Primary Rental Market Statistics

The market-based rent affordable housing calculation methodology uses ‘average market rent’ or ‘AMR’ data. The Canada Mortgage and Housing Corporation (CMHC) completes an annual Rental Market Survey each October to assess rental market conditions in urban areas with populations of 10,000 or more. The survey focuses on private rental buildings with a minimum of 3 rental units that have been on the market for at least 3 months (excluding social and affordable housing). Data on rents, availability, turnover and vacancy units are collected through telephone interviews and site visits with the owner, building managers or superintendents. For more information on latest housing market data, please see CMHC’s Housing Market Information Portal.

Affordable Housing Incentive Programs and Supports

Richmond Hill, along with senior levels of government, have established a series of incentives to support the construction of affordable housing. This section provides a summary of programs directly available from the City as well as links to other agencies offering funding and incentive programs for affordable housing projects.

Development Charge Incentives

Development Charge Act Exemptions

Development Charges are fees that municipalities collect to help pay for costs related to new developments and growth in the community such as roads, water, and parks. Starting on June 1, 2024, under new rules in the *Development Charges Act,* affordable and attainable housing units are now exempt from these fees. Key eligibility requirements include:

- Housing must meet specific affordability criteria for Richmond Hill as set out in the "Affordable Residential Units for the Purposes of the Development Charges Act, 1997 Bulletin"; and,
- Housing units must be maintained at an affordable rate for a minimum of 25 years.

Richmond Hill DC Exemption Thresholds 2026-2027

	Affordable Rental Rate per DC Act Bulletin	Affordable Ownership Rate per DC Act Bulletin
Bachelor	$ 1,328	$ 488,900 (all unit sizes)
1 Bdrm	$ 1,583	
2 Bdrm	$ 1,827	
3 Bdrm +	$ 2,332	

Development Charge Payment Deferral - Affordable Purpose-Built Rental Projects

The Region of York (the "Region") Development Charge (DC) Deferral for Affordable Rental Buildings Policy ("Region's Affordable Rental Policy") seeks to incentivize the construction of affordable and purpose built rental housing by deferring the payment of DCs for a duration ranging between 5 and 20 years, as determined by specified criteria. This policy is only eligible to proponents who secure a similar contribution from the local municipality. In March 2025, Richmond Hill Council approved the deferral of the payment of City Development Charges for the same time period as the Region and for future eligible proposed affordable rental developments pursuant to the Region's Affordable Rental Policy. Key requirements of this policy include:

- A minimum project size of four storeys;
- Housing units have average rents by bedroom type that are less than, or equal to, 175% average market rent (AMR) for local area;
- Project must be located in the Urban Area, Towns and Villages, on Regional Centres and Corridors, Major Transit Station Areas (MTSA); and
- Project must be operated as an affordable rental property for a minimum of 20 years.

Richmond Hill DC Exemption Thresholds 2026-2027

	Annual average rent by unit type Affordable Rental (175% AMR) per DC Deferral Affordable Rental Policy eligibility
Bachelor	$ 2,324
1 Bdrm	$ 2,770
2 Bdrm	$ 3,197
3 Bdrm +	$ 4,081

Development Charge Payment Deferral - Non-Luxury Rental Building

York Region's Non-Luxury Rental DC Deferral Policy incentivizes purpose-built rental housing by providing an indefinite deferral of Regional Development Charges (DCs) as long as the building remains non-luxury rental. Key requirements of this policy include:

- A minimum project size of four units;
- Housing units have average rents by bedroom type that are 'non luxury' which means less than, or equal to, 200% average market rent (AMR);
- Project must achieve building permit issuance prior to December 31, 2029; and
- Property operated as non luxury rental for a minimum of 40 years
- Eligibility for the Region's Non-Luxury Rental Policy requires a local municipal contribution of a similar nature (e.g., DC deferral).

Local municipal contribution requirement for non-luxury rental buildings

Richmond Hill Council has approved DC deferrals for eligible affordable rental projects under the Region's Affordable Rental Policy (see p7). Key points:

- Projects must meet the terms and conditions of the Region's Affordable Rental Policy (see p7) to receive a City DC deferral.
- York Region accepts City DC deferrals granted under the Affordable Rental Policy as satisfying the local contribution requirement for the Non-Luxury Rental Policy.
- Therefore, projects that commit to 175% AMR rents for 20 years (Affordable Rental Policy) and receive a City DC deferral of 5–20 years are considered to have met the local contribution requirement to access the Region's Non-Luxury Rental DC deferral.

Property Tax Incentives

York Region sets property tax rates to pay for Regional services like transit and policing. These taxes are then collected by local municipalities as part of the regular property tax bill. To help encourage rental housing, York Region introduced a new tax category in 2024 called the "New Multi-Residential" subclass. Starting in 2025, properties in this category (typically new apartment buildings built specifically as rentals) will get a 35% discount on the Regional and City portion of their property taxes. This tax rate is based on the property being identified by the Municipal Property Assessment Corporation (MPAC). Details are as follows:

- The class is exclusive to rental properties and not tied to affordability thresholds.
- “Multi-residential”: must be one property under the same ownership that has 7 or more self-contained units (where a unit is a living area that has a separate entrance, kitchen and bathroom).
    - Any built form (ground-related/row houses, high-rise, mid-rise) could be eligible, as long as it meets the definition above.
- “New”: the project’s final building permit was issued on or after May 23, 2024 (the date York Region adopted the subclass)

If MPAC determines a property meets these criteria, they classify it in the “New Multi-Residential (Municipal reduction) subclass”, which makes it automatically eligible for a 35% discount on Regional and local property taxes. Each year, the Regional Municipality of York Council approves tax rates which apply to the City portion of the property tax bill and any discount they wish to offer through the subclass.

Richmond Hill's Community Improvement Plan for Affordable Housing and Sustainable Design

The City of Richmond Hill's Community Improvement Plan (CIP) for Affordable Housing and Sustainable Design supports the development of sustainably built, affordable rental housing projects by providing financial incentives that efficiently stack with other financing programs. Approved by Richmond Hill Council in 2024, the CIP offers four incentive streams: Per Affordable Unit Grant (up to $150,000 per affordable unit), Competitive Capital Funding Grant, Tax Increment Equivalent Grant (TIEG), and Public Lands.

As funding becomes available, the City will open intake windows for a CIP incentive stream. For up to date information on eligibility, application timelines, and available incentives, please refer to the CIP Webpage or contact the City's Affordable Housing Coordination team at affordablehousing@richmondhill.ca.

Additional Funding Program Resources

In addition to the incentives outlined above, various programs and supports have been introduced by other levels of government and their agencies, as part of a broader effort across all levels to promote and facilitate the construction of affordable housing. Various associations and organizations also have programs established that may be relevant for affordable housing projects. Below is a list of resources available to support affordable housing projects:

Federal Resources

- Canada Housing and Mortgage Corporation (CMHC) Funding and Financing Programs
- Canada Housing and Mortgage Corporation (CMHC) Expert Community on Housing (ECoH)
- Build Canada Homes
- Federation of Municipalities of Canada (FCM) Green Municipal Fund Sustainable Affordable Housing Programs

Provincial Resources

- Ontario Trillium Foundation Grants and Resource Supports
- Province of Ontario Housing Innovation Guides
- Ontario Non Profit Housing Association (ONPHA) Funding Programs in Ontario tracker

Regional Resources

- Region of York Community Housing Supply Grant
- Region of York Pre Development Supply Program
- Region of York Housing Affordability Resource Program

Miscellaneous

- Enbridge Gas Incentive Programs
- The Atmospheric Fund (TAF) Funding Programs

Partnerships between For-profit and Not-for-profit Housing Groups

Not for profit housing groups play a significant role in the development of affordable housing. They often have expertise in both building and managing affordable housing, and they are often experienced in applying for funding from governments and other sources, and are good stewards of the affordable units, protecting the affordability in perpetuity. While some not for profits have the financial resources and capacity to develop affordable housing on their own, others may seek partnerships with private developers.

Partnerships between the private and not for profit housing sectors can create new opportunities to develop affordable housing for low and moderate income households in Richmond Hill. As competitiveness for government housing funds increases, partnerships are a potential strategy to strengthen a project's ability to compete for these limited funds. As such, socially motivated private developers can also benefit from partnerships with the not for profit sector. Furthermore, for profit developers and not for profit housing providers may consider a partnership to share capital, lands, real estate, and expertise in the operation and management of the housing portfolio.

If you are interested in connecting or partnering with a not for profit housing group in Richmond Hill and in York Region, please contact the Affordable Housing Coordination Team directly at affordablehousing@richmondhill.ca.