

Handbook for Developing Affordable Housing

The City of Richmond Hill | Affordable Housing Strategy



June 2022



What is the City of Richmond Hill's Handbook for Developing Affordable Housing?

The City of Richmond Hill's Handbook for Developing Affordable Housing ("Handbook") is a resource to help landowners and developers planning to develop housing that is affordable to households with low and moderate incomes in Richmond Hill achieve their development goals. The Handbook 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.

The purpose of this Handbook is to implement the City of Richmond Hill's [Affordable Housing Strategy](#). The Strategy is a plan that aims to provide quality and affordable housing options for residents in Richmond Hill. The Strategy seeks to help create and support partnerships with the development industry, as well as other levels of government and the not-for-profit housing support sectors to achieve the City's housing goals. Another focus is to reduce challenges and barriers and highlight opportunities available for developers in the provision of affordable housing to meet the need of Richmond Hill residents.

A detailed description of the housing needs of residents of Richmond Hill can be found in the associated Background Report produced as part of this work.

This Handbook consists of the following resources for the development industry in Richmond Hill:

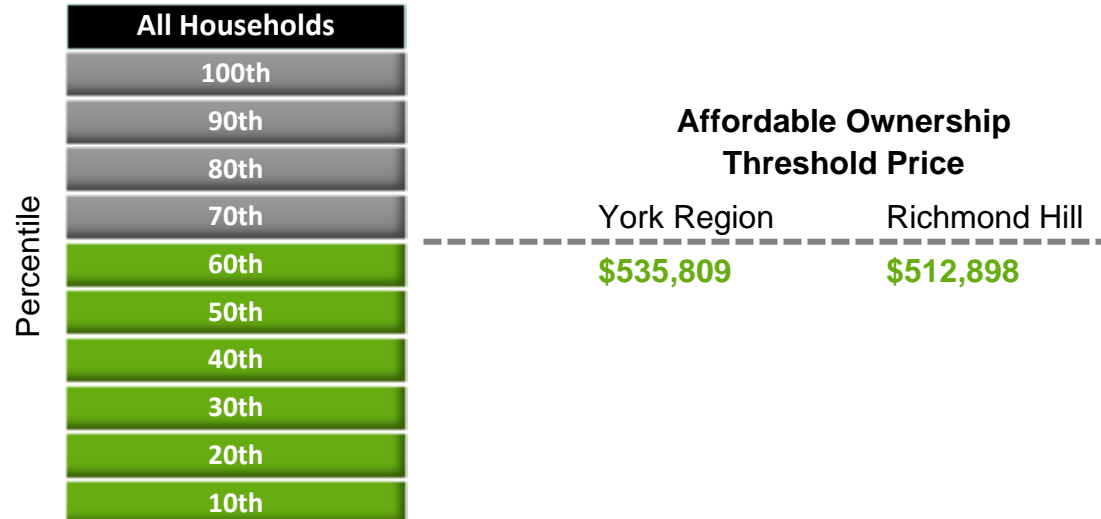
- Summary of **funding programs** and **programs that help reduce the cost** of housing developments
- **Promising innovations** in residential development
- Potential **housing partners** active in residential development in Richmond Hill or York Region
- **Template** that will help communicate the target affordability of your project and how you are achieving the City's Official Plan housing policy objectives

What is ‘affordable housing’?

Through actions identified in the Affordable Housing Strategy, the City’s goal is to increase the supply of housing that is available and affordable to households who have incomes up to the 60th income percentile (i.e. households with low and moderate incomes). Per the proposed definitions of affordable ownership and affordable rental housing, the following would be the threshold unit price or rent:

- For **ownership housing**, the affordability threshold would define that house prices should not exceed **\$512,898**, which was calculated based on what is affordable to the lowest of the 60th percentile of the Richmond Hill household income distribution in 2021.
- For **rental housing**, the affordability threshold would define that rents should not exceed 125% of the average market rent, by bedroom type, in the primary rental market according to CMHC for Richmond Hill in 2021.

These definitions are subject to the City’s Official Plan (OP) Review, and they will be finalized during the OP adoption. As such, for now, the affordable ownership and rent thresholds will be based on [York Region’s thresholds*](#).



*According to the Region of York, the current affordable monthly rental threshold by bedroom type are:

- **bachelor: \$1,224**
- **1-bedroom: \$1,660**
- **2-bedroom: \$1,883**
- **3+bedroom: \$2,270**

Please see the Background Report for more information on the methodology for determining affordability thresholds.

This Handbook will be updated on an ongoing basis to reflect affordable housing thresholds and any new programs or initiatives established through the City of Richmond Hill's Affordable Housing Strategy.

This Handbook is not an exhaustive resource for improving the affordability of housing developments. Some additional resources include:

- [Housing Development Resources](#) by Canada Mortgages and Housing Corporation (CMHC)
- [Affordable Housing Development Checklist](#) by Canada Mortgages and Housing Corporation (CMHC)
- [Affordable Housing Calculator](#) by Evergreen
- [Building a modular house \(ontario.ca\)](#) by Ministry of Municipal Affairs and Housing

Affordable Housing Programs and Grants

There has been a lot of interest in creating affordable housing by all orders of government in recent years. As a result, several funding programs have been introduced to aid the development of affordable housing across Canada and increase supply for households in need.

In the table below, the widely available funding programs that developers interested in building affordable housing could access funding through to improve viability of their project and increase affordability of new housing supply are presented. Information regarding the type of funding, the funding envelope, as well as the criteria for eligibility to access funding through these programs are provided. The information found in this table should facilitate the application process for developers seeking funding through these sources. The mechanisms (type of agreements) for implementation will be based on the streams the developer is benefiting from.

In this first version of the Handbook for Developing Affordable Housing, the potential incentives identified in the Affordable Housing Strategy have not yet been selected for implementation by City Council. As new affordable housing programs are implemented in Richmond Hill, this handbook will be updated to include those programs.

Funding programs offered by all levels of government are available to be used in conjunction with one another, so long as the project meets the eligibility criteria of the programs. The federal programs are provided through the National Housing Strategy, which will run to 2028. It should be noted that the Rental Construction Financing Initiative cannot be accessed if the project is receiving funding through the National Housing Co-Investment Fund (New Construction) program. **The funding programs identified in this handbook is based on information as February 2021.**

It is advisable to confirm which new funding programs may have been announced or scaled back early-on in your project concept stages to ensure your concept, design, partnership models, and financing align with current funding opportunities. Please consult with the program providers early in your development plan.

Program Name	Type of Funding	Project Tenure	Funding Envelope	Eligibility Criteria	Program Objectives	Program Administered By
Pre-Design Phase						
Seed Funding	Grant & Interest Free Loan	Primarily Rental	Grant: Up to \$150,000 Loan: Up to \$350,000	1. Must have a minimum of five affordable units	Assist developers to defray costs related to pre-development activities	CMHC
Federal Lands Initiative	Low or No Cost Land or Building	Any	Up to the land value	2. 30% of the units be less than 80% of the local median market rent. 3. Meet minimum requirements for financial viability, affordability, energy efficiency and accessibility 4. 25% reduction in energy use and Greenhouse Gas (GHG) emissions relative to past performance	Create affordable, sustainable, accessible and socially inclusive housing	CMHC
Shared Equity Mortgage¹ Providers Fund	Loan	Ownership	Up to \$4 million for the overall development.	Project viability assessment by CMHC: 1. Capacity to fulfil the loan repayment obligation 2. Financially sound with the requisite authority, experience, capability and resources to administer a shared equity mortgage program.	Assist developers with the cost of eligible preconstruction activities, for units that will all participate in Shared Equity Mortgages.	CMHC
Pre-Construction Phase						
Home Depot: Community Impact Grant	Grant	Rental	\$10,000 maximum	Registered Charity	Homelessness Prevention Funding for renovations, and improvements to buildings and landscaping	Home Depot
Green Municipal Fund: Planning	Grant	Rental	Up to \$25,000 or 80% of eligible costs for the overall project	1. Municipality, Non-Profit, or in a partnership with one 2. Must meet net-zero or net-zero ready standards	To enable affordable housing providers to pursue ambitious reductions in energy consumption	Federation of Canadian Municipalities (FCM)

¹ Shared Equity Mortgage: Now branded as First-Time Home Buyer Incentive. This program is a shared equity mortgage. This means that the government shares in the upside and downside of the property value. It allows you to borrow 5 or 10% of the purchase price of a home. You pay back the same percentage of the value of your home when you sell it or within a 25-year window.

Program Name	Type of Funding	Project Tenure	Funding Envelope	Eligibility Criteria	Program Objectives	Program Administered By
				3. 30% of the units be less than 80% of the local median market rent. 4. Retrofits must achieve a 25% reduction in energy consumption Stackable with National Housing Strategy programs.		
Green Municipal Fund: Retrofit of sustainable affordable housing	Grants and Loans	Rental	Grants of 25%-50% of costs (proportional to energy use reduction). Up to \$10 million in combined loan and grant funding.	Same as Green Municipal Fund: Planning	Same as Green Municipal Fund: Planning	Federation of Canadian Municipalities (FCM)
Green Municipal Fund: New Construction	Grants and Loans	Rental	Up to 20% of costs, or \$10 million, and 50% Grant, 50% Loan	Same as Green Municipal Fund: Planning	Same as Green Municipal Fund: Planning	Federation of Canadian Municipalities (FCM)
Construction Phase						
National Housing Co-Investment Fund (New Construction)	Repayable Loan & Forgivable Loan	Primarily Rental	Repayable Loan: Non-Profits and Indigenous organizations up to 95% of project costs; Private Sector up to 75% Forgivable Loan: Non-profits and Indigenous organizations up to 30%; Private Sector up to 10%	1. A minimum of 5 units/beds 2. Primary use as residential 3. Meet minimum requirements for financial viability, affordability, energy efficiency and accessibility 4. Partnership requirements	Develop energy efficient, accessible and socially inclusive housing for mixed-income, mixed-tenure and mixed-use affordable housing uses	CMHC under the National Housing Strategy
National Housing Co-Investment Fund (Revitalization)	Repayable Loan & Forgivable Loan	Primarily Rental	Repayable Loan: Non-Profits and Indigenous: up to 95% of project costs; Private Sector up to 75%. Forgivable Loan: Non-profits and Indigenous: up to 30%; Private Sector up to 10%	1. A minimum of 5 units/beds 2. Existing building with residential use 3. Meet minimum requirements for financial viability, affordability, energy efficiency and accessibility 4. Partnership requirements 5. 25% reduction in energy use and Greenhouse Gas (GHG) emissions relative to past performance	Renovate or renew existing buildings to develop energy efficient, accessible and socially inclusive housing for mixed-income, mixed-tenure and mixed-use affordable housing uses	CMHC under the National Housing Strategy

Program Name	Type of Funding	Project Tenure	Funding Envelope	Eligibility Criteria	Program Objectives	Program Administered By
Rental Construction Financing Initiative	Low Cost Construction Financing	Rental	Up to 100% loan to cost	<ol style="list-style-type: none"> 1. A minimum of 5 rental units 2. Minimum loan of \$1 million 3. Have zoning in place, a site plan in process with municipality and a building permit available 4. Minimum of 20% of units must have rents below 30% of the median total income, and total residential income must be at least 10% below potential market income 5. Energy and accessibility requirements 	Create new purpose built rental for middle income Canadians	CMHC under the National Housing Strategy
Ontario Priorities Housing Initiative (OPHI)	Grant & Forgivable Loan	Rental	<p>All current funds have been allocated to end of 2022.</p> <p>Up to 75% of capital costs of the affordable rental units.</p>	<ol style="list-style-type: none"> 1. Must be a non-profit, municipal, or co-operative development 2. Rents, on average, at or below 80% of AMR, for at least 20 years 3. Start construction within 120 days of signing the agreement 4. Exceed the current National Energy Code and Ontario Building Code 5. Income verification requirements 6. Minimum and average unit sizes (see below)² 	Create new and retain existing supply of Affordable Housing through capital and operating funding	York Region, Housing Strategy and Program Delivery, Housing Services 1-877-464-9675 ext. 72119
Canada-Ontario Community Housing Initiative (COCHI)	Forgivable Loan	Rental	Very limited funding available. Project dependent, at the discretion of the Service Manager	<ol style="list-style-type: none"> 1. Be a Community Housing Provider or in a partnership with one. <p><i>Contact York Region's Housing Services Department for more information.</i></p>	Retain existing supply of Community Housing	York Region, Housing Strategy and Program Delivery 1-877-464-9675 ext. 72119

² Minimum and average unit sizes for OPHI Programs:

(m ²)	Studio	1 Bed	2 Bed	3 Bed	4 Bed
Minimum	40.0	48.7	60.4	83.6	102.2
Average	41.8	55.0	67.4	92.9	109.2

Program Name	Type of Funding	Project Tenure	Funding Envelope	Eligibility Criteria	Program Objectives	Program Administered By
Building Permit Phase						
Development Charges Deferral Affordable Rental	Cost deferral	Purpose Built Rental	Deferral Length: <ol style="list-style-type: none"> 5 years – Affordable Rental Housing (ARH) 10 years – ARH, and located in regional centres and corridors or specific local centres 10 years – ARH and 100+ units, and 50% of affordable units have 2+ bedrooms 20 years – ARH, and 200 or more units, and located in regional centres and corridors or specific local centres, and 50% of affordable units have 2+ bedrooms 	<ol style="list-style-type: none"> Minimum of 4 storeys Rental tenure for at least 20 years Units affordable to 4th to 6th income deciles Project average rent < 175% of AMR 	To incentivize the development of affordable purpose-built rental buildings	York Region Housing Strategy and Program Delivery Housing Services 1-877-464-9675 ext 72119
Development Charges Deferral Purpose Built Rental	Cost deferral	Purpose Built Rental	36-month deferral	<ol style="list-style-type: none"> Minimum of 4 storeys Rental tenure for at least 20 years 	To incentivize the development of high density purpose-built rental buildings	York Region Housing Strategy and Program Delivery, Housing Services 1-877-464-9675 ext 72119

Research and Development						
Affordable Housing Innovation Fund	Grant	Any	<p>Currently on hold due to oversubscription.</p> <p>Amount and type of funding will vary based on proposals received and may require security depending on the proposal.</p> <p>Innovative funding arrangements will be considered.</p>	<p>Will prioritize projects that:</p> <ul style="list-style-type: none"> exceed minimum requirements bring more partners and additional investment to the table <p>Minimum Criteria</p> <ol style="list-style-type: none"> At least 5 new units Must use innovative solutions for affordable housing, may include novel financing models Unit affordability at least 10 years A minimum 10% decrease in energy intensity and greenhouse gas (GHG) emissions At least 10% accessible Plans for viability and sustainability without long-term government subsidies: Other factors: Projects with replicable designs, easy access to transit or have a focus on social inclusion 	Encourage innovative approaches to creating new, renewing or renovating affordable housing	CMHC under the National Housing Strategy

Please Note: Information in this table is as of February 2021 and are subject to update. Please review the program websites for the most up-to-date information.

Promising Construction Innovation

New promising construction innovations and design evolutions are being introduced at a rapid and ongoing basis. These innovations may contribute to improved affordability in residential housing projects. Some of these innovative construction methods include modular construction, mass timber construction, tall wood construction, passive house, automated car parking systems, etc.

It should be noted that building construction is regulated through Ontario's Building Code that provides prescriptive requirements on building design and construction. The Building Code also provides the Chief Building Official with the discretionary authority to approve building designs and materials that are not prescribed in the Building Code, through alternative solutions. It is highly recommended that before a developer initiates detailed planning and design using new and innovative materials and systems that are outside of the scope of the Building Code, they should consult with the Chief Building Official on the feasibility of the alternative solution.

Contact Information:

Planning and Infrastructure Department, Building Division

Email: building@richmondhill.ca

Phone: (905) 771-8810

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

Not-for-profit housing groups play a large role in the development of affordable housing. They often have expertise in both building and managing affordable housing, 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 can seek out partnerships with private developers.

Partnerships between the private and not-for-profit housing sectors could create new opportunities for the development of affordable housing for low- and moderate-income households in Richmond Hill. As competitiveness for government housing funds increases, partnerships are a potential strategy for improving 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 might consider entering into a partnership to share capital, lands, real estate, and expertise in the operation and management of the housing portfolio.

Not-for-profit and private developers should consider several factors when selecting development partners including, but not limited to:

- What are the goals of the proposed residential development project?
- Is there mission alignment between both parties?
- What assets does each partner bring to the table?
- What resources are each partner hoping to gain through the partnership?

The table below provides an overview of the not-for-profit housing groups active in Richmond Hill and in York Region more broadly that may be interested in partnering with a private developer to increase the supply of affordable housing

in the city. Contact information for organizations supporting the development of affordable housing have also been included.

Non-profit Housing Providers/ Co-operative Housing Groups	Target Demographic	Tenure Type	Address	Phone Number	Contact Email
Carefirst Chinese Seniors	Seniors	Supportive Living	Multiple addresses in Toronto	416-502-2323	info@carefirstontario.ca
CMHA York Region	Individuals with mental illnesses	Rent supplements and supportive housing	Multiple addresses in York Region	905-841-3977	yorkregion@cmha-yr.on.ca
Home on the Hill Supportive Housing	Individuals with mental illnesses	Supportive rental housing	209 Harding Boulevard West, Richmond Hill, Ontario L4C 8X6		Kathleen Mochnacki, Present of the Board of Directors secretary@home-on-the-hill.ca
Crescent Village Housing Corporation (Previously Ja'Fari Islamic Housing)	Singles, families, and seniors	Social housing	138 Yorkland Street Unit #62 Richmond Hill, Ontario L4S 1J1	905-770-3578	Hamida Merchant hamida.merchant@crescentvillage.org
Jubilee Gardens Non-profit Housing Corporation	Families	Affordable rental housing	102 Yorkland Street Richmond Hill, Ontario L4S 1A1	905-770-9600 905 642 9695	Ally Esmail jubilee@rogers.com ally_esmail@yahoo.com

Non-profit Housing Providers/ Co-operative Housing Groups	Target Demographic	Tenure Type	Address	Phone Number	Contact Email
META Centre	Adults and children with developmental disabilities	Supportive rental housing	401 Champagne Drive, Toronto, Ontario M3J 2C6	416.736.0199, ext. 340 Mobile: 416.576.3811	Antoniet Orlando, Executive Director aorlando@metacentre.ca
Reena Homes	Individuals with Developmental Disabilities and Mental Health Issues	Affordable rental, supportive housing	927 Clark Avenue West, Thornhill, Ontario L4J 8G6	905-889-6484	Bryan Keshen, Chief Executive Officer info@reenafoundation.org
Housing York Inc.	Individuals and families	Affordable and market rental housing; subsidized housing	17150 Yonge Street, 5th Floor Newmarket, Ontario L3Y 8V3	1-877-464-9675 ext. 72004	Joshua Scholten, Director, Housing Development and Asset Strategy Joshua.Scholten@york.ca
Anand Vihar – The Centre for Dignified Living	Vulnerable seniors, persons with disabilities, and women & children fleeing domestic violence; Interested in joint partnerships with developers and or government to acquire land (1.5 acres) at nominal charges and apply for capital funds under the National	Supportive housing, affordable housing		905-471-8174	Surjit Sachdev, President s.sachdev@sympatico.ca

Non-profit Housing Providers/ Co-operative Housing Groups	Target Demographic	Tenure Type	Address	Phone Number	Contact Email
	Housing Strategy program.				

Please note: This list is not exhaustive of all not-for-profit housing groups in the region.

The table below are organizations that support non-profit groups.

Organizations supporting non-profit groups	Target Demographic	Tenure Type	Address	Phone Number	Contact Email
Co-operative Housing Federation of Canada	General public	Housing co-ops	720 Spadina Avenue, Suite 313 Toronto, Ontario, M5S 2T9	416-366-1711 ext.238 or 1-800-268-2537 ext.238	info@chfcanada.coop

The table below provides a selection of for-profit developers active in Richmond Hill and in York Region that may be interested in partnering with a not-for-profit agency to increase the supply of affordable housing in the city.

For-profit Developer or Builder	Target Demographic	Tenure Type	Address	Phone Number	Contact Email
SvN / PARCEL Development	Households with annual incomes ranging from \$25,000 to \$150,000+,	Ownership and sub-renters	110 Adelaide Street East, 4th Floor Toronto, Ontario M5C 1K9	416-907-7224	John van Nostrand, Partner jvannostrand@parceldevelopments.com

For-profit Developer or Builder	Target Demographic	Tenure Type	Address	Phone Number	Contact Email
	depending on the location				
Residential Construction Council of Canada (RESCON)	General public	Ownership and rental housing	25 North Rivermede Road Unit 13 Vaughan, Ontario L4K 5V4	416-409-0331	Paul De Berardis, Director, Building Science & Innovation deberardis@rescon.com
Armour Heights Developments C/O Yonge MCD Inc.	Mixed Development Including: First time home buyers, young families, downsizers, and empty nesters.	Owners/ Investors/ Rentals	59 Brookside Road Richmond Hill, Ontario L4C 0J6	905-303-7800 x 222	Frank Mazzotta Frank@armourhd.com
The Rose Corporation	General public; Also looking for landowners interested in developing affordable rental projects with 200 units or more	purpose built rental including affordable units	156 Duncan Mills Road, Unit 12 Toronto, Ontario M3B 3N2	647-633-9058	Andrew Webster Andrew@rosecorp.com
JD Development Group	Students, young workers, families, and older adults. JD Development also has a property management arm and are committed to staying engaged in tenant relationships and operational excellence over the	Ownership and rental	7100 Woodbine Ave., Suite 301, Markham, ON, L3R 5J2	647-532-1374	Sally Campbell Director, Planning and Development sally.campbell@jddevelopment.ca

For-profit Developer or Builder	Target Demographic	Tenure Type	Address	Phone Number	Contact Email
	longer term. Finally, JD has a proven track record of working in partnership and actively seeks collaborations that represent value and purpose.				

For additional information to facilitate the pursuit of a partnership between for-profit and not-for-profit housing groups, please see the supplementary resources below:

- [Scaling Up Joint Ventures between Social Housing Providers and Private Sector Builders](#) by Evergreen

Structuring Your Development Application

The Affordable Housing Strategy will be implemented through the City's Official Plan and other tools. To fulfill the City's policies and targets for affordable housing, a template was created to assist development proponents with demonstrating how the City's affordable housing Official Plan policies are being achieved through individual applications where residential development is proposed. This template will be used during the development application process as a part of the requirement for complete applications; during the pre-submission process a determination will be made regarding whether or not the provision of this template will be required.

To demonstrate to the City of Richmond Hill that a proposed development achieves its affordability thresholds, the “Structuring Your Application” Excel template must be completed for all development applications³.

How to use the template is described below using a sample development project at *123 ABC Street* in Richmond Hill.

³ The template is only used during the development application process. Should the city initiate funding or incentive programs for affordable housing, the reporting can align with the reporting requirements of the other program provider or providers (e.g. CMHC, FCM, York Region).

How to Use “Structuring Your Application” Template: Example of a New Residential Development Application

123 ABC Street is a proposed high-rise apartment building with five-storeys.

Step 1

Proponents will use Table 1 in the template to describe the entire housing units proposed in a development. Information includes the following: number of residential units, unit sizes, tenure of proposed units, monthly rent rates or total sale prices, and a rental or ownership categorization of the units being proposed. The Rental or Ownership Category will populate automatically based on the information in the other columns and Table 2.

Table 1: Example of a New Residential Development Application

Count of Units	Unit Size (square feet)	Unit Type	Tenure Type	Selling Price or Monthly Rent	Price/Monthly Rent per Square Foot	Level of Affordability (see Table 2)
40	500	Bachelor	Rental	\$1,000	\$2.00	Affordable
60	600	1 Bedroom	Rental	\$1,661	\$2.77	Market
2	900	2 Bedroom	Rental	\$1,883	\$2.09	Affordable
2	1000	2 Bedroom + Den	Rental	\$2,500	\$2.50	Market
5	2000	3+ Bedrooms	Rental	\$3,000	\$1.50	Market

Step 2

Based on the unit type, Table 2 determines whether the rent or ownership price is below the affordable threshold, or is market-priced, for each unit in the proposed development.

Table 2: Rental and Ownership Affordable Housing Thresholds

Tenure Type	Affordable Threshold
Rental	
Bachelor	\$1,224
1 Bedroom	\$1,660
2 Bedroom	\$1,883
3+ Bedrooms	\$2,270
1 Bedroom + Den	\$1,660
2 Bedroom + Den	\$1,883
Ownership	\$512,898

The thresholds are based on the range in rents or housing prices that would be affordable to moderate income households. Table 2 will be updated annually to reflect the affordability thresholds.

Step 3

The unit breakdown for the proposed new residential development is calculated in Table 3 based on the information provided in Table 1 and Table 2. The information in Table 3 is automatically calculated – there is no need for input.

Table 3: Summary New Proposed Rental and Ownership Dwelling Units – Proportion of Affordable Units

Bedroom Type	Affordable Rental	Market Rental	Affordable Ownership	Market Ownership	Total Units (B)
Bachelor	40	0	0	0	40
1 Bedroom	0	60	0	0	60
1 Bedroom + Den	0	0	0	0	0
2 Bedroom	2	0	0	0	2
2 Bedroom + Den	0	2	0	0	2
3+ Bedrooms	0	5	0	0	5
Total Units (A)	42	67	0	0	109
% of Total Units	39%	61%	0%	0%	100%

Step 4

Affordability Elements: Additional Notes

Please use this sheet to inform the City of Richmond Hill of any additional elements of your project that would maintain affordability of the units over the long term. These might include energy saving design elements, elements that improve access to active transportation, etc.

List elements here...

Reminder: any written comments should be placed in the Structure Your Application excel sheet

The Affordability Elements sheet is an opportunity for proponents to inform the City of Richmond Hill of any additional elements of the project that would help to maintain affordability of units over the long term. These elements might include energy saving design elements, elements that improve access to active transportation, etc.

For more information, please contact the City of Richmond Hill: planning@richmondhill.ca and Tel: 905-771-8800