



The Regional Municipality of Durham

# **At Home Incentive Program (AHIP) Guidelines**



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# 1. Overview of the At Home Incentive Program



## 1.1. Introduction

The “At Home Incentive Program” (AHIP) provides Regional financial assistance to increase the supply of purpose-built affordable rental housing in Durham Region. AHIP supports the Region’s commitments to new affordable rental housing development under [At Home in Durham](#) and the Region’s [Housing and Homelessness Service and Financing Strategy](#).

Durham, as part of the Greater Toronto and Hamilton Area (GTHA), faces challenges with respect to providing adequate affordable rental housing options for households in the region. Durham has historically been known as a more affordable place to live in the GTHA; however, affordability has become a larger concern across the region as home prices and rents have increased significantly over the last decade. Housing is multifaceted and the Region cannot solve the affordable housing crisis on its own. Although there is no single solution, the Region of Durham is committed to increasing the supply of affordable rental housing through AHIP.

## 1.2. Objective

The At Home Incentive Program (AHIP) assists private for-profit and non-profit affordable housing organizations to reduce the cost of developing housing and improve housing affordability for low- and moderate-income households. The Region publicly announces invitations for eligible affordable housing proposals through an annual Call for Applications.

Please visit [durham.ca/AHIP](https://durham.ca/AHIP) to download the application materials.

The key objective of AHIP is to support eligible, affordable purpose-built rental housing projects. Projects must have a minimum of 5 affordable rental housing units, and may include:

- New construction
- Conversion of non-residential buildings to purpose-built rental housing
- Addition of new affordable buildings/units to existing sites/buildings
- Community housing redevelopment that increases the supply of affordable housing units

The Region will support the development of AHIP approved projects through upfront capital funding for affordable rental housing development.

AHIP funding is stackable with other [Regional incentives](#) and [local Community Improvement Plans](#), as well as [federal and provincial](#) affordable housing programs.

AHIP does NOT provide exemptions for any Regional fees or obligations, including Regional property taxes.



### 1.3. About the Guidelines

The At Home Incentive Program Guidelines provide information to assist private and non-profit organizations that want to partner with the Region to create new affordable purpose-built rental housing. These Guidelines include information about available resources, eligibility criteria, and the application and approval process for the At Home Incentive Program. This information will assist organizations to complete their Application Forms.

### 1.4. At Home Incentive Program (AHIP) Registry

The Region will use the AHIP Registry to send invitations under its annual Call for Applications for the program.

Interested private and non-profit housing providers, developers and other stakeholders can request to be added to the Region's [AHIP Registry](#) by completing the online registration form at [durham.ca/AHIP](https://durham.ca/AHIP).

Registered applicants will receive updates and information regarding upcoming Calls for Applications. Program updates will be communicated through the [AHIP website](#).

For more information on the program, contact the Region's Affordable Housing Development and Renewal Division or Community Growth Division.



## 2. Affordable Rental Housing



### 2.1. Who should apply?

AHIP provides capital grants, by way of forgivable loans, to support eligible affordable purpose-built rental housing development in Durham. Non-profit housing providers and for-profit developers are both eligible to apply.

### 2.2. What is affordable rental housing?

The Region's [Municipal Housing Facility By-law](#) defines affordable rental housing as units with monthly occupancy costs that are less than or equal to the average market rent for that unit type as determined in the Ministry of Municipal Affairs and Housing's Affordable Residential Units for the Purposes of the Development Charges Act, 1997 Bulletin for the area municipality in which the municipal housing project is situated. Eligible affordable housing projects must meet this definition of affordable housing – although preference will be given to applications offering a deeper level of affordability.

If the Province has not published a recent update for the affordable residential units bulletin for the housing type or area municipality in which the proposed affordable housing projects is located, the Region will provide the applicant with the average monthly rents for the definition of affordable housing.

# 3. Program Benefits



AHIP projects approved by Regional Council will receive capital funding and other benefits to support the development of the affordable purpose-built rental housing project.

## 3.1. Capital Funding

AHIP funding is provided as a forgivable capital loan secured against title, and successful applicants will be required to enter into a Municipal Capital Housing Facilities and Contribution Agreement with the Region to secure their obligations for the development and operation of the affordable housing project. A portion of the capital loan will be forgiven annually throughout the term of the Agreement as long as the applicant remains in good standing under the Agreement.

AHIP funding will be advanced based on key construction milestones:

- 50 per cent at the signing of the Municipal Capital Housing Facilities and Contribution Agreement and registration of security
- 40 per cent at confirmation of fully enclosed building
- 10 per cent at confirmation of occupancy

Applicants must support and justify the request for capital funding in their application. Applicants requiring smaller amounts of funding per unit may be more competitive, score higher in the process, and be more likely to be approved. Larger requests for funding should be justified with lower rents (below the minimum), longer terms of affordability (beyond the minimum 25 years), and other evaluation criteria.

### Stacking

AHIP funding is stackable with other programs offered by the Region and other levels of government, including but not limited to:

- a. the [Regional Revitalization Program \(RRP\)](#) which provides capital grants for private redevelopment projects, sponsored by area municipalities within their respective [Community Improvement Plan \(CIP\)](#) areas.
- b. Redevelopment Development Charge credits, as applicable for redevelopment.
- c. Development charges exemptions should the project and/or specific units meet the affordable definition required for such an exemption or be a non-profit as defined by the Development Charges Act.
- d. Build Canada Homes, and its Investment Policy Framework which can be found at the [Build Canada Homes website](#)
- e. the Ontario Priorities Housing Initiative.

### 3.2. Concierge Services

It is the responsibility of the applicant to obtain all necessary development approvals and enter into a Municipal Capital Facility Contribution Agreement within two years of receiving a commitment for funding from Regional Council. Upon receipt of confirmation of development financing, the Region will initiate the agreement process. Staff are available to answer any questions to support your project's success.

AHIP recipients are required to make all necessary development applications and permits applicable for the type and scale of the proposed development.





Regional staff are ready to support and assist successful applicants as necessary in navigating the development review process up to building permit issuance. Applicants are encouraged to keep Regional staff apprised of application progress or any project delays which may affect development timelines.

### **3.3. Development Charge Deferrals and Exemptions**

The Development Charges Act (DCA) requires municipalities to defer development charges (DCs) for purpose built rental housing developments and to exempt qualifying non-profit, affordable and attainable housing developments from DCs.

[The Affordable Residential Units for the Purposes of the Development Charges Act, 1997](#) Bulletin sets out the market-based (average purchase prices and average market rents) and income-based thresholds that are to be used to determine the eligibility of a residential unit for development charge exemptions, deferrals, and exclusions from the maximum community benefits charge and parkland dedication requirements.

Deferred DCs for rental housing are payable annually in equal installments beginning on the earlier of the date of the issuance of a permit under the Building Code Act, 1992 authorizing occupation of the building and the date the building is first occupied, with an option for earlier payment if preferred by the developer (i.e., DCs will be paid in 6 annual equal instalments).

In addition, the DCA also requires the discounting of DC rates for rental apartment units (25% for three bedroom or more, 20% for two bedroom, and 15% for one bedroom).



# 4. Stackable Funding Opportunities



## 4.1. Regional Revitalization Program

The [Regional Revitalization Program](#) (RRP) allows the Region to provide capital grants for private redevelopment projects that are sponsored by the area municipalities within their respective [Community Improvement Areas \(CIP\)](#) areas. The RRP has been successful in providing capital grants to eligible revitalization projects within areas in need of regeneration.

The RRP is application-based program and area municipalities must submit the application on behalf of the proponent. To be eligible for the RRP, projects must be within a CIP.

Redevelopment projects with specific challenges might get financial assistance. Projects might also qualify for in-kind servicing through the RRP. Eligible projects will be reviewed on a case-by-case basis and Durham Regional Council must approve them.

## 4.2. Local Community Improvement Plans

Section 28 of the Planning Act gives municipalities the ability to prepare Community Improvement Plans (CIPs), provided they have enabling policies in their official plans. Development incentives that can be offered enable municipalities to achieve policy objectives that may not have otherwise been possible through the standard negotiation and plan review processes. CIPs are incentive-based tools that support local priorities such as affordable housing.

In Durham, several area municipalities provide CIP incentives, including:

- [The Downtown Ajax Community Improvement Plan](#)
- [Town of Ajax Pickering Village Community Improvement Plan](#)
- [Brock Township Downtown Community Improvement Plan](#)
- [Clarington Community Improvement Grants](#)
- [Oshawa Urban Growth Centre Community Improvement Plan](#)
- [Simcoe Street South Renaissance Community Improvement Plan](#)
- [Wentworth Street West Community Improvement Plan](#)
- [Brownfields Renaissance Community Improvement Plan](#)
- [Harbour Road Area Community Improvement Plan](#)
- [Downtown Port Perry Community Improvement Plan](#)
- [Downtown Uxbridge Community Improvement Plan](#)
- [Downtown Whitby Community Improvement Plans](#)
- [Downtown Brooklin Community Improvement Plans](#)
- [Downtown Bowmanville, Orono, Newcastle and Courtice Main Street Community Improvement Plan](#)
- [Uxbridge Toronto Street Corridor CIP](#)
- [Township of Brock Downtown CIP](#)

Additionally, the Region continues to encourage local area municipalities to reduce parking standards to support housing affordability and Transit Oriented Communities, especially in locations that are well served by transit.

#### **4.3. Federal and Provincial Programs**

AHIP funding is stackable with funding available through federal and provincial housing programs.

Build Canada Homes (BCH) is a federal agency which identifies and invests in projects that expand Canada's affordable housing supply.



Projects and portfolios must deliver new housing units through:

- New construction;
- Acquisition, conversion and re-purposing of non-residential buildings into residential housing;
- Conversions, rehabilitations, additions to existing buildings, and in-fill opportunities; and
- In cases where projects are ongoing, increasing and/or deepening affordability targets. For more information, go to: <https://housing-infrastructure.canada.ca/alt-format/pdf/bch-mc/policy-framework-invest-cadre-strategique-en.pdf>

AHIP applicants may apply directly for assistance under National Housing Strategy Programs, including

- [Affordable Housing Fund](#)
- [Apartment Construction Loan Program](#)
- [Co-op Housing Development Program](#)

Periodically, the Region of Durham receives federal/provincial funding allocations and issues Requests for Proposals to non-profit and private developers. These funding sources may be:

- [Canada-Ontario Community Housing Initiative](#)
- [Ontario Priorities Housing Initiative](#)

#### **4.4. Affordable and Non-Profit Housing Financing**

The [Housing Investment Corporation](#) (HIC) offers low-cost, long-term financing tailored to affordable housing providers. HIC provides expertise in housing development and regeneration, finance, and underwriting required to bridge the gap between affordable housing providers and debt investors.

#### **4.5. Durham Rent Supplement**

Successful applicants may enter into a separate agreement at the time of occupancy to provide Durham Rent Supplement for qualified households to provide for a deeper level of affordability. Durham Rent Supplement is paid directly to the landlord under agreement with the Region and new agreements are subject to funding availability.

Durham Rent Supplement households must be selected from the Region's Durham Access to Social Housing (DASH) wait list or other process as approved by the Region.



# 5. Application and Review



The Region will issue annual AHIP Calls for Applications from private and non-profit organizations that are listed on the [AHIP Registry](#). Applications will be reviewed and assessed against eligibility requirements and evaluation criteria to select projects for recommendation to Regional Council.

The review and evaluation process will be specified within the Call for Applications. Regional staff will inform proponents if their project has been recommended by staff prior to the Committee meetings, and successful applicants will be notified once their applications have been approved by Regional Council.

Successful applicants will be required to enter into a Municipal Capital Housing Facilities and Contribution Agreement with the Region for AHIP funding within 2 years of Regional Council's approval of funding for the development of the project and the operation of affordable housing over the term of the Agreement.

As part of the AHIP application process, applicants will be required to describe the proposed development plan, outline and support the requested financial contribution, provide information on all the organizations involved, and address other matters as required by the Region.

The AHIP Application Form for affordable purpose-built rental housing will require applicants to provide details on the following:

- Details, plans and drawings of the proposed project, including:
  - total number and size of units
  - number of affordable units
  - estimated rents
  - estimated utility costs for tenants
  - period of affordability
  - location and physical description of project
  - accessibility features
  - energy efficient building design
- Details of project readiness, including:
  - confirmation of available sanitary and water service capacity for the project by the Region
  - planning permissions including Official Plan and Zoning By-laws
  - development applications filed, pending and approved for the project
  - capital and operating financial plans
- Community consultations and communications outreach completed, underway or proposed
- Development qualifications
- Management qualifications
- Corporate financial viability

### 5.1. Application requirements

Affordable rental housing developments must be located within Durham Region. Projects may be initiated by both non-profit and for-profit organizations.

Applicants will have experience with residential housing development and operating rental housing or have a partnership with an experienced organization that will provide these services.

Complete applications must include the submission of a business model that demonstrates financial viability and sustainability of the



project. Applicants and any partners or affiliates must demonstrate that they have the financial capacity to carry out the project through its planning, construction and operating phases. Applicants may be requested to submit audited financial statements for the most recent two years.

As the construction industry continues to experience challenges – including labour shortages, higher interest rates and price volatility – applicants must share their strategy to address these risks during the development and construction phases of the project.

## 5.2. Eligibility Requirements

Projects must meet all the criteria below to be eligible for AHIP funding.

- Applicants must demonstrate financial and operational ability to successfully deliver the project, including the ability to meet debt coverage ratio requirements
- Affordable housing units must be self-contained and must include a private kitchen and bathroom. Single rooms with shared amenities are not eligible for AHIP funding
- Projects must meet the eligibility requirements for energy efficiency of the [Apartment Construction Loan Program](#)
- A minimum of 5 per cent of the project's total units must remain affordable for a minimum 25-year period. Preference will be given to projects with a higher proportion of affordable units, deeper level of affordability, and a longer affordability period
- The project must provide a minimum of 5 new affordable rental housing units from any of:
  - New construction
  - Conversion of non-residential buildings to purpose-built rental housing
  - Addition of new affordable buildings/units to existing sites/buildings
  - Community housing redevelopment that increases the supply of affordable housing units



- Affordable rental housing units in the Project must be protected under the Residential Tenancies Act, 2006 or be non-profit co-operative housing units under the Co-operative Corporations Act

Projects that are **not** eligible for AHIP funding are:

- Nursing and retirement homes
- Shelters and crisis care facilities
- Student residences
- Short-term rentals
- Single rooms with shared amenities
- Condominiums

Projects that have already received Regional capital funding are eligible as long as the AHIP funding will be used to create new affordable units.

### 5.3. Operating Requirements

Initial rents must reflect affordability levels proposed in the application and may be increased annually by no more than the rent increase guideline under the Residential Tenancies Act, even if the guideline does not otherwise apply to the project.

Applicants for eligible affordable housing units must meet the income eligibility requirements for the [DASH wait list](#) at the time they are selected for the affordable unit. Income is verified at initial occupancy and upon turnover of units and reported annually to the Region. Income limits are set out in the Durham Community Housing Directives on the Region of Durham website at [durham.ca/housing](http://durham.ca/housing), and they are updated annually.

Private and non-profit housing providers approved for AHIP funding are encouraged to use the DASH wait list for tenant selection or to enter into referral agreements with community-based non-profits agencies. Housing providers are encouraged to partner with non-profit organizations that can provide tenant supports.

Providers will be required to report annually to the Region on affordable rents and incomes of new tenants.





Details of operating considerations are further outlined in the Municipal Capital Facilities and Contribution Agreement Template in Appendix A.

#### 5.4. Evaluation Criteria

Eligible projects will be evaluated based on real-time community need and Regional priorities. The most important evaluation criteria that are considered include:

- number of affordable units (minimum 5 units)
- community need, including but not limited to, targeted groups, unit size and geographic location
- period of affordability (beyond minimum 25 years)
- depth of affordability (less than rents published in the affordable residential units bulletin)

Consideration of project eligibility will also include, but is not be limited to, an evaluation of the following:

- energy performance (indicate which tier of the 2020 NECB, for part 3 buildings, or the 2020 NBC, for part 9 buildings, the project is expected to achieve)
- proximity to transit, community amenities and services
- project readiness, including applications filed, approvals issued, circulation status, land use permissions, financing and development schedule. Projects with existing development approvals, and land use permissions should be identified
- proponent experience with rental housing development and property management
- opportunity for stacking with other housing incentive programs
- extent to which the project accommodates residents with disabilities, including project design and partnerships with local service providers
- mix of housing types



- percentage of units in the project that will be affordable (beyond minimum requirement of 5 per cent of total units)
- financial capacity of the proponent
- provision of documentation from third-party financiers to confirm financing

### 5.5. Review and Approval Process

Eligible projects will be selected through a comprehensive review process, with special focus on the highest needs for affordable rental housing within the Region at the time of the selection process.

An interdepartmental staff committee will review applications. Following the review, staff will make recommendations to Regional Council for funding approval. Eligible projects will be approved by Regional Council on a project-by-project basis.

- Applicants whose projects will not be recommended to Regional Council will be provided an opportunity to debrief with staff to assist with future applications
- Applicants whose projects are approved by Regional Council will receive a letter confirming approval and highlighting the timeline to enter into a Municipal Capital Facility Agreement with the Region

### 5.6. Successful Applicants

Successful applicants will meet with Regional staff and review next steps after their project has been approved by Regional Council.

Within 2 years following Regional Council approval, successful applicants shall sign a Municipal Capital Housing Facilities and Contribution Agreement with the Region, which will include details of the affordable housing project, contributions to be provided by the Region, and the applicant's responsibilities to operate affordable housing over the term of the agreement. The Municipal Capital Housing Facilities and Contribution Agreement Template is provided in Appendix A.

It is the applicant's responsibility to advance their projects toward approval within the 2 year period. Regional staff are available to provide support or guidance if requested or necessary.



## 5.7. Recognition Requirements

Successful applicants will be required to publicly recognize The Regional Municipality of Durham and the AHIP on communications materials related to the development of this project. This includes a communications embargo period, display sign at construction site, news release and other requirements set out in the Appendix B of these Guidelines.

### Communications embargo period

The Regional Municipality of Durham reserves the right to announce AHIP funding and recipients. Announcements may be delayed due to coordination with upper levels of government if contributions from other funding streams have been stacked for the project.

### Social media

The communications embargo includes not sharing news on social media, making public announcements, or sharing a news release. When posting about funding, please tag the Region of Durham.

### News release

The development partner is expected to distribute a news release about the project, with acknowledgement of the At Home Incentive Program. Upon request, the Region of Durham will provide acknowledgement text and a quote for inclusion.

### Verbal recognition

Verbal recognition of the Region of Durham's support through the At Home Incentive Program takes place during any speaking opportunity.

### Display sign at construction site

The Regional Municipality of Durham will provide signage required for display at the construction site during the duration of the construction period of the project.

