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The Regional Municipality of Durham

Report

To: Committee of the Whole
From: Commissioners of Social Services, Finance, Community Growth and Economic Development, and Works
Report: #2025-COW-13
Date: March 19, 2025

Subject:

Recommendations for Eligible Projects Under the At Home Incentive Program for Affordable Housing

Recommendation:

That the Committee of the Whole recommends to Regional Council:

- A) That the following applications for affordable rental housing projects be approved under the At Home Incentive Program (AHIP):
- i) Muslim Welfare Canada to build 55 units of affordable seniors rental housing at 1589-1603 Highway #2 East in Courtice, Municipality of Clarington (Attachment #1)
 - ii) Borelia Cooperative Homes Inc. to build 16 units of affordable rental housing at 10 Borelia Crescent in Port Perry, Township of Scugog (Attachment #2)
 - iii) 1465 King Street Inc. to build 70 units of affordable rental housing at 1465 Highway #2 in Courtice, Municipality of Clarington (Attachment #3)
- B) That the Region provide up-front capital funding to support the development and construction of affordable rental housing projects in the total amount of \$13,250,000 broken down as follows:
- i) \$5,750,000 to Muslim Welfare Canada;
 - ii) \$2,688,000 to Borelia Cooperative Homes Inc.;
 - iii) \$4,812,000 to 1465 King Street Inc.

- C) That the up-front capital funding be provided from the At Home Incentive Program Reserve Fund (AHIPRF) and advanced based on the following key construction milestones:
1. 50 per cent at the signing of the Municipal Capital Housing Facilities and Contribution Agreement and registration of security.
 2. 40 per cent at confirmation of fully enclosed building.
 3. 10 per cent at confirmation of occupancy.
- D) That the up-front capital funding provided by the Region be conditional upon each proponent listed in Recommendation 1 A) providing written confirmation of funding by third-party financiers (if applicable) prior to execution of the Municipal Capital Housing Facilities and Contribution Agreement.
- E) That the Region enter into a Municipal Capital Housing Facilities and Contribution Agreement with the above-mentioned parties to:
- i) maintain affordable rents for the specified affordability period;
 - ii) continue to use the eligibility requirements for tenants to enable the use of capital grants for eligible purpose-built affordable rental housing projects; and
 - iii) provide accountability and reporting requirements, including proforma construction accounting of their projects on a quarterly basis, given the heightened current economic challenges that these projects may face; and
- F) That the Regional Solicitor be directed to prepare the necessary by-laws.
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Report:**1. Purpose**

- 1.1 The Regional Municipality of Durham's (the Region's) "At Home Incentive Program" (AHIP) is completing its third year of actively promoting the development of new purpose-built affordable rental housing projects in Durham. The Program is implemented under the Regional Municipal Housing Facilities By-law (MHFB).
- 1.2 The purpose of this report is to summarize the evaluation process, recommend AHIP funding for Regional investment in proposed affordable housing projects, and identify next steps to further enhance the administration of the program.

2. Evaluation Process

- 2.1 A Call for Applications was released on September 11, 2024, and was open for a three-month period, closing on December 11, 2024. Information regarding the call was shared on social media and with private and not-for-profit developers listed on the Region's At Home Incentive Program Registry. A total of ten applications were received by the application deadline.

- 2.2 Eligible projects were evaluated by staff from Affordable Housing Development and Renewal, Housing Services, Community Growth and Economic Development, Finance, the Sustainability Office and Works. Consideration of project eligibility included a comparative evaluation of criteria, including but not limited to the following:
- a) financial and operational ability to carry the project and ability to meet debt coverage ratio requirements;
 - b) number of units and percentage of units in the project that will be affordable;
 - c) period of affordability;
 - d) depth of affordability;
 - e) real time community need, with consideration given to targeted groups, unit sizes and geographic location;
 - f) experience in the delivery and operation of affordable rental housing;
 - g) cost per unit;
 - h) extent to which the project meets accessibility standards with respect to barrier-free designs, elevators and other accessibility features;
 - i) extent to which the project aligns with the Region's climate emergency declaration and supports implementation of the Durham Community Energy Plan, including consideration of the project's energy efficiency measures to reduce utility operating costs and its operational GHG emissions footprint; and
 - j) proximity to transit, community amenities and services.

3. Summary of Recommended Projects

- 3.1 Recommendations for AHIP funding will result in 141 units of additional affordable housing. The recommended municipalities identified would be first-time recipients for AHIP funded projects. The quality of applications received through AHIP continues to improve on periods and depths of affordability, depth of information provided and applicant experience. For those applications that were not successful in this round, staff will be available to provide a debrief. Recommended AHIP projects are summarized below.

Muslim Welfare Canada, Municipality of Clarington (Courtice)

- 3.2 Muslim Welfare Canada (MWC) is seeking AHIP funding in support of a proposed Seniors' Affordable Housing project that will form part of a full Seniors' Campus of Care at 1589-1603 Highway #2 in Courtice.
- 3.3 The proposed development will consist of a five-storey, 100-unit seniors' building, which will be co-located and integrated with a proposed four-storey, 192-bed Long Term Care Home. The project will include 55 affordable units, including one-, two- and three-bedroom units. Affordability is proposed at 67-77% of Average Market Rent (Clarington) and is proposed to be provided in perpetuity. Half of the proposed units would be designed as accessible for those in wheelchairs, and common areas will be barrier free.

- 3.4 The site is designated Regional Corridor within the Courtice Urban Area of the Municipality of Clarington Official Plan. The current Residential Mixed Use zoning permits apartment buildings, mixed use buildings, long term care facilities, retirement homes and other uses. Site plan approval will be required from the Municipality for the development.
- 3.5 Development approval for the project is anticipated by summer 2026, with construction commencing in the fall of 2026. Occupancy is forecasted for fall of 2028.

Borelia Co-operative Homes Inc., Township of Scugog (Port Perry)

- 3.6 Borelia Co-operative Homes Inc. is seeking AHIP funding in support of a proposed 16 unit, one-bedroom Rent-Geared-to Income (RGI) development at its existing property at 10 Borelia Crescent in the Township of Scugog (Port Perry).
- 3.7 The project will consist of four new two-storey fourplex buildings and an expansion of a surface parking area on a vacant portion of the site, adjacent to their existing 18 unit three-storey co-op apartment building. Each one-bedroom unit will be over 600 sq. ft., with half of the units proposed as accessible (barrier-free) units.
- 3.8 The site is designated "Residential" within the Port Perry Urban Area of the Township of Scugog Official Plan. The site is zoned "RM3" within the Township of Scugog Zoning By-law which permits fourplexes.
- 3.9 Construction of the project is scheduled to commence in April 2026 with completion scheduled for Spring 2027.

1465 King Street Inc., Municipality of Clarington (Courtice)

- 3.10 1465 King Street Inc. (The Vale Residences), proposes to construct 70 units of affordable housing within a new 320-unit mixed rental development at 1465 Highway #2 East in the Municipality of Clarington (Courtice). The project will consist of two buildings.
- 3.11 A proposed ten-storey building will provide 174 units, 39 of which would be one-bedroom affordable units. A proposed seven storey building would provide 146 units, with 31 one- and two-bedroom affordable units. The proposed affordable units will be provided at 100% of affordable rent for a 40-year period.
- 3.12 The site is designated Regional Corridor within the Courtice Urban Area of the Municipality of Clarington Official Plan. The current zoning is Urban Centre Mixed Use Exception which permits apartments and mixed-use buildings.
- 3.13 Construction is slated to commence in September of 2025, with a forecasted completion date of the end of 2027.

4. Funding Through Other Programs

- 4.1 Occasionally, capital funding for the construction of new affordable housing in Durham can occur through other funding programs made available by the provincial or federal governments.
- a) Durham Region Non-Profit Housing Corporation (DRNPHC) filed an AHIP application for its proposed development at 1707 Ritson Road North in Oshawa. The project will consist of 66 stacked and back-to-back townhouses, 47 of which will be affordable, including 28 RGI units for low-income individuals and families. Council was informed about the allocation of alternate capital funding in the amount requested in February 2025 (Confidential Report #2025-COW-8).

5. Financial Implications

- 5.1 It is recommended that the Region provide capital funding in the total amount of \$13.25 million. This includes \$5.25 million remaining from the 2024 budget allocation after the \$2.75 million in commitments were awarded through [Report #2024-COW-15](#) and the \$8.0 million approved as part of the 2025 Business Plans and Budget. The \$13.25 million is proposed to be distributed to the following successful proponents:
- a) \$5,750,000 to Muslim Welfare Canada;
b) \$2,688,000 to Borelia Cooperative Homes Inc.;
c) \$4,812,000 to 1465 King Street Inc.
- 5.2 A total of \$13.25 million will be provided from the At Home Incentive Reserve Fund to support the development of these projects providing affordable housing.
- 5.3 The following table summarizes the Regional investment recommendations of this report:

Table 1: Recommended 2024 and 2025 AHIP Investments

Applicant	Regional Investment	Affordable Housing Units	Length of Affordability	Regional Investment per Affordable Housing Unit
Muslim Welfare Canada	\$5,750,000	55	perpetuity	\$104,545
Borelia Cooperative Homes Inc.	\$2,688,000	16	40 years	\$168,000
1465 King Street Inc.	\$4,812,000	70	40 years	\$68,742
Total	\$13,250,000	141		

- 5.4 For all projects, it is recommended that the funds be advanced based on the following key construction milestones:
- a) 50 per cent at the signing of the Municipal Capital Housing Facilities and Contribution Agreement and registration of security,
 - b) 40 per cent at confirmation of fully enclosed building,
 - c) 10 per cent at confirmation of occupancy.
- 5.5 The Region will need to enter into a Municipal Capital Housing Facilities and Contribution Agreement with each of the parties to:
- a) maintain affordable rents for the specified affordability period,
 - b) continue to use the eligibility requirements for tenants,
 - c) enable the use of capital grants for eligible purpose-built affordable rental housing projects,
 - d) provide accountability and reporting requirements,
 - e) ensure the proponent provides written confirmation of funding by third-party financiers (if applicable) for which Regional funding will be contingent.
- 5.6 As the construction industry has and will likely continue to be subject to uncertainty and volatility on both the demand and the supply of labour and materials, rising costs, and pressures on supply chain across borders, these factors may make it more difficult for Proponents to complete their construction project within their budget which increases the risk to the Proponents and the Region. As such it is recommended that the Region request more robust financial details from the Proponents, such as proforma construction accounting of their projects on a quarterly basis.
- 5.7 For proposed RGI units, there may be a future need to provide annual operating subsidies which would need to be considered by Council through the annual business plan and budget process.

6. Program Update

- 6.1 As noted above, the quality of the applications received through the AHIP program continues to improve. Should Council approve the recommendations within this report, a total of 350 units of affordable housing will be supported through the AHIP program, as summarized in Table 2 below:

Table 2: Summary of AHIP Recommended Projects to Date

Applicant	Budget Year	Regional Investment	Affordable Housing Units	Location	Project Status
Riverbank Homes	2022	\$5,500,000	75	109 Colborne St. W., Oshawa	Under construction
Kindred Works, Pickering	2022	\$1,950,000	13	1066 Dunbarton Rd., Pickering	Development Application under review
Otter Creek Co-operative Homes	2023	\$2,500,000	18	835 McQuay Blvd., Whitby	Nearing completion
Ledim Developments	2023	\$5,000,000	78	310 Kingston Rd. E., Ajax	Under construction
Kindred Works, Uxbridge	2023	\$2,750,000	25	15-23 Main St., Uxbridge	Development Application under review
Muslim Welfare Canada	2024	\$5,750,000	55	1589-1603 Hwy #2, Clarington	Proposed
Borelia Cooperative Homes Inc.	2025	\$2,688,000	16	10 Borelia Cres., Scugog	Proposed
1465 King Street Inc.	2025	\$4,812,000	70	1465 Hwy #2, Clarington	Development Application under review
Total		\$30,950,000	350		

- 6.2 There are opportunities to improve the user experience, simplify information requirements and provide further application clarity that will benefit future applicants. There is also an opportunity to adjust the timing of AHIP invitations so that it is better aligned with prescribed timelines for the Ontario Priorities Housing Initiative (OPHI).
- 6.3 These changes will support streamlining capital program applications to maximize available resources and reduce administrative burden on applicants applying to both programs.
- 6.4 Updated documents and an improved on-line presence will be in place in time for the next AHIP Call for Applications, which is anticipated to be released in the spring of 2026.

7. Previous Reports and Decisions

- 7.1 Several reports have been prepared that provide background information related to this report:
- a) On March 9, 2022, Regional Council approved the AHIP Program, the establishment of the AHIPRF, AHIP Guidelines and changes to the Region's Municipal Housing Facilities By-law ([Report #2022-COW-7](#))
 - b) On March 29, 2023, Regional Council approved the Recommendations for AHIP eligible projects, where an investment of \$7.5M was directed toward affordable housing proposed by Riverbank Homes Limited in the City of Oshawa and Kindred Works in the City of Pickering ([Report #2023-COW-13](#))
 - c) On March 27, 2024, Regional Council approved the 2024 Regional Business Plans and Budget, where an investment of \$8.0M was directed to the At Home Incentive Program for 2024 ([Report #2024-F-3](#))
 - d) On April 24, 2024, Regional Council approved Recommendations for AHIP Eligible Projects, wherein \$2.75M of the 2024 AHIP budget allocation was directed toward affordable housing proposed by Kindred Works in the Township of Uxbridge ([Report #2024-COW-15](#))
 - e) On December 18, 2024, Regional Council approved the 2025 Business Plans and Budget, where an investment of \$8.0M was directed to the At Home Incentive Program for 2025 ([Report #2024-COW-53](#)).
 - f) On February 25, 2025, Regional Council committed to alternative capital funding for a proposal by Durham Region Non-Profit Housing Corporation in the City of Oshawa (Confidential Report #2025-COW-8).

8. Relationship to Strategic Plan

- 8.1 This report aligns with/addresses the following strategic goals and priorities in Durham Region's new Strategic Plan:
- a) **Strategic Direction – Connected and Vibrant Neighbourhoods, C2:** Enable a full range of housing options, including housing that is affordable and close to transit.
 - b) **Strategic Direction – Environmental Action and Climate Leadership, E3:** Collaborate with partners on the low-carbon transition to reduce community greenhouse gas emissions across Durham Region.
 - c) **Strategic Direction – Strong Community Relationships, S3:** Collaborate across local area municipalities, with agencies, and community partners to deliver coordinated and efficient services.
 - d) **Strategic Direction – Strong Community Relationships, S6:** Serve community needs through thoughtful, responsible, and transparent decision-making.

9. Conclusion

- 9.1 The At Home Incentive Program provides up-front capital funding for purpose built affordable rental housing to support the delivery of needed affordable rental housing in Durham.
- 9.2 The AHIP received many applications in its third year of the program. The quality of applications and the level of interest continues to increase. As the program continues for subsequent years, it is important to leverage commitments from other levels of government and the private sector to maximize effectiveness of the AHIP program.
- 9.3 The Region will continue to advocate for long-term, sustainable funding commitments and legislative and policy changes from upper levels of government, to support affordable housing in Durham.

10. Attachments

Attachment #1: Map of Muslim Welfare Canada

Attachment #2: Map of Borelia Cooperative Homes Inc.

Attachment #3: Map of 1465 King Street Inc.

Respectfully submitted,

Original signed by

Stella Danos-Papaconstantinou
Commissioner of Social Services

Original signed by

Brian Bridgeman, MCIP, RPP
Commissioner of Community Growth and
Economic Development

Original signed by

Nancy Taylor
Commissioner of Finance

Original signed by

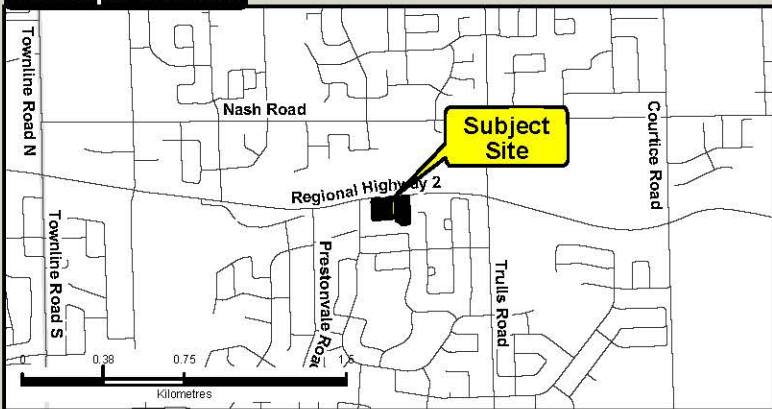
Ramesh Jagannathan MBA, M.Eng.,
P.Eng., PTOE
Commissioner of Works

Recommended for Presentation to Committee

Original signed by

Elaine C. Baxter-Trahair
Chief Administrative Officer

Municipal Context



Attachment #1
 Commissioner's Report: 2025-COW-13
 Applicant: Muslim Welfare Canada
 Address: 1589-1603 Highway 2 E., Courtice

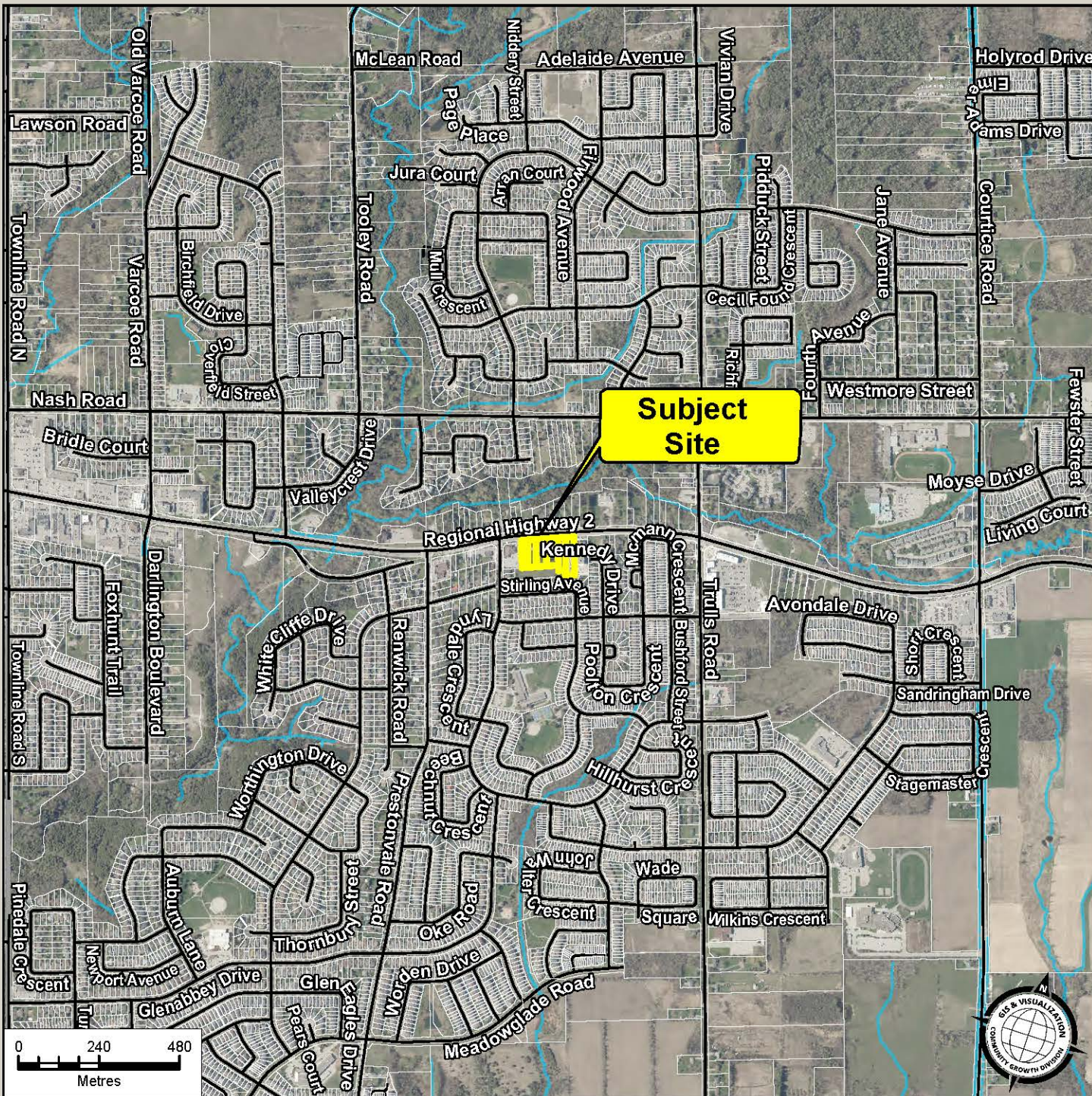
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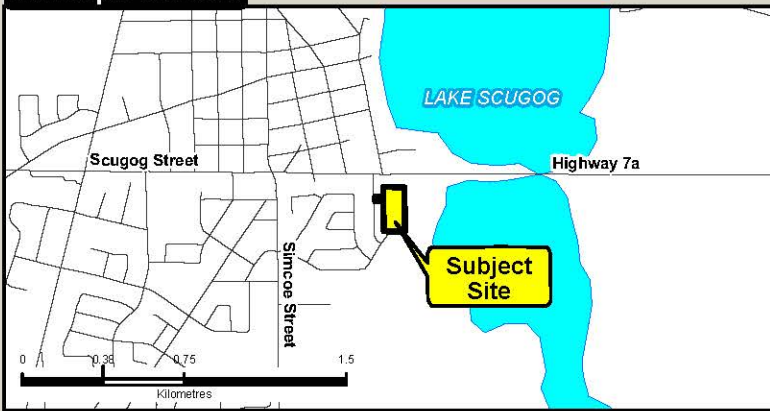
Subject Site



River or stream



Municipal Context



Attachment #2
 Commissioner's Report: 2025-COW-13
 Applicant: Borelia Cooperative Homes Inc.
 Address: 10 Borelia Cres., Port Perry

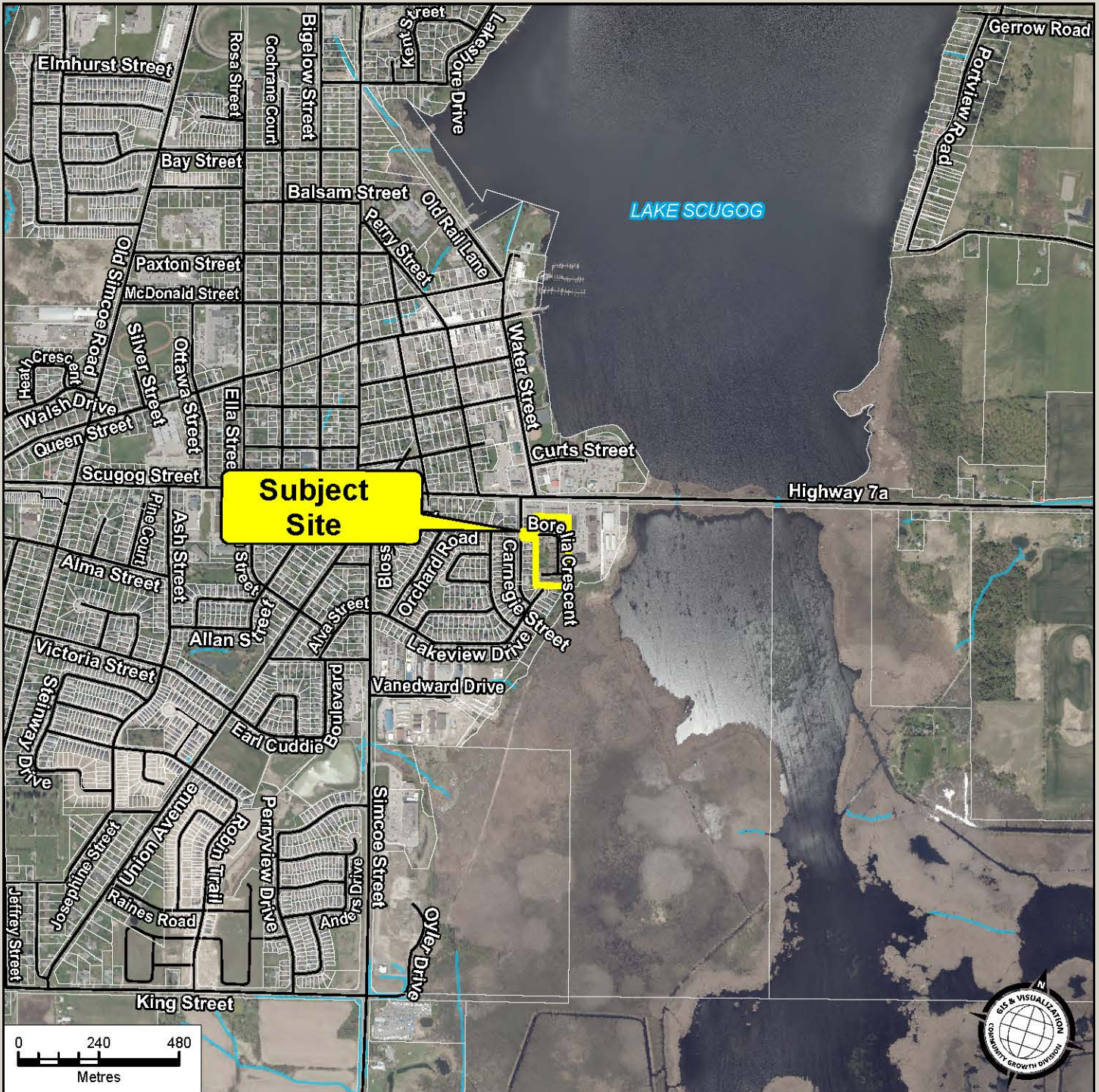
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Subject Site



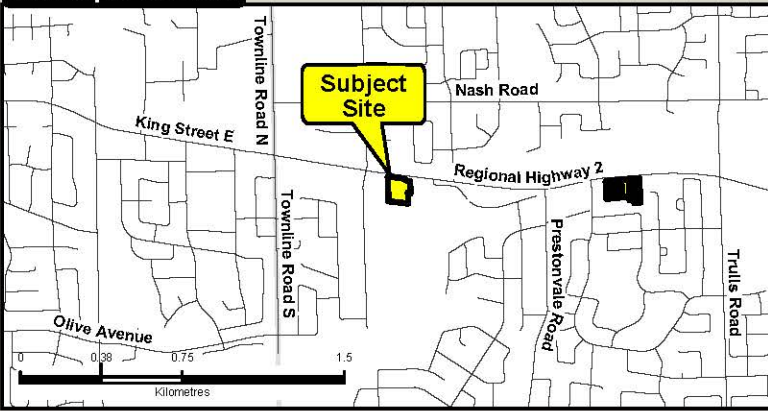
River or stream



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Municipal Context



Attachment #3
 Commissioner's Report: 2025-COW-13
 Applicant: 1465 King Street Inc.
 Address: 1465 Highway 2, Courtice

Legend



Subject Site



River or stream

