



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

To support the Region’s commitment under [At Home in Durham, the Durham Housing Plan 2014-2024](#) and the Region’s [Master Housing Strategy](#) to initiate the development of 1,000 new affordable rental housing units by 2024, a new “At Home Incentive Program” (AHIP) was approved by Regional Council on March 23, 2022, to provide Regional financial assistance to increase the supply of purpose-built affordable rental housing in Durham Region.

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, Durham Regional Council is committed to increasing the supply of affordable rental housing through the At Home Incentive Program (AHIP).

1.2. Objective

The At Home Incentive Program 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 will publicly announce invitations for eligible affordable housing proposals through an annual Call for Applications on September 21, 2023.

For this round of applications, the AHIP has \$5.5 million in funding available. There will be a 90-day period to apply for Regional financial assistance to develop new affordable housing units. The deadline to apply is 4 p.m. on Wednesday, December 20, 2023.

Please visit durham.ca/AHIP to download the application materials.

The key objective of the At Home Incentive Program is to support eligible affordable housing rental projects approved under the program with a minimum of 5 affordable housing units, including:

- 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 approved projects under the At Home Incentive Program through:

- Upfront capital funding for affordable rental housing development for identified priority groups.
- Prioritizing Regional planning approvals for projects that meet the intent of the Regional Official Plan.

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

Key elements of the At Home Incentive Program include:

- Addressing the affordable housing needs of specific identified priority groups at the time of each annual call for applications.



- Reducing number of households in need by improving access to affordable housing that is suitable and sustainable for priority households across Ontario.
- Increasing resources available to address housing needs of households by encouraging contributions by others including the private and not-for-profit sectors.
- Incorporating energy efficiency and accessibility into affordable housing units and building design.

The At Home Incentive Program does NOT provide exemptions for fees and obligations, including, but not limited to:

- Regional development charge¹
- 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 Registry

The At Home Incentive Program (AHIP) Registry will provide the Region with a list of non-profit housing providers and for-profit developers that are interested in building affordable rental housing in Durham. The Region will use the Registry to send invitations under its annual Call for Applications for the At Home Incentive 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.

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 [Housing Services Division](#) or [Planning Division](#).

¹ The definition of "Affordable Housing" as it pertains to Regional incentives does not necessarily match the provincial definition for the purpose of development charge exemptions.



2. Affordable Rental Housing



2.1. Who should apply?

The At Home Incentive Program 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 Facilities 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 annual survey of rents for the prior calendar year published by the Canada Mortgage and Housing Corporation (CMHC) 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 CMHC has not published an average market rent for the unit 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.

Applicants can find [CMHC average market rents](#) on the CMHC website. If the data is not available, contact the [Housing Services Division](#) for average market rents.

3. Program Benefits



Projects approved by Regional Council under the At Home Incentive Program will receive up-front capital funding and other benefits to support the development of the affordable 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 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 100 per cent AMR), longer terms of affordability (beyond the minimum 25 years), and other evaluation criteria.

Stacking

At Home Incentive Program 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. the remaining Housing Services Development Charges Reserve Fund for eligible projects..
- c. Redevelopment Development Charge credits, as applicable for redevelopment
- d. incentive programs or funding opportunities offered by [federal or provincial](#) levels of government, (e.g. Co-Investment Fund, Rental Construction Financing Initiative, Ontario Priorities Housing Initiative)

3.2. Priority Planning services

The Planning Division will streamline the Regional approval process of planning applications for affordable rental housing projects approved under the At Home Incentive Program.

At Home Incentive Program recipients are required to make all necessary planning applications applicable for the type and scale of the proposed development.

Projects approved through the At Home Incentive Program will be assigned a dedicated Regional Planning staff member to coordinate and facilitate the development review process within the Region and with local municipal staff reviewing the development application.

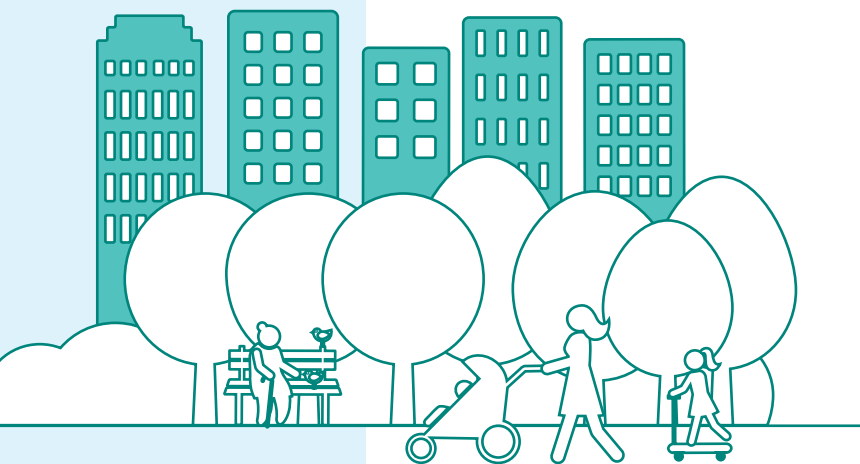


3.3. Development Charge Deferrals and Exemptions

The Development Charges Act (DCA) requires municipalities to defer development charges (DCs) for rental housing development and to exempt non-profit, affordable and attainable housing developments (using the yet to be fully defined terms in the DCA and related regulations).

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. Other Regional Benefits



4.1. Housing benefits

Monthly housing benefit payments may be available from the Region to qualified households to help them pay their rents, and to provide for a deeper level of affordability. This is subject to funding availability and the successful applicant entering into a separate agreement with the Region of Durham.

Applicants are encouraged to make at least 10 per cent of the project's affordable units available to households in receipt of housing benefits. The proportion of units secured for households that receive housing benefits will be considered during the evaluation process.

Households receiving Regional housing benefits must be selected from the Region's Durham Access to Social Housing (DASH) wait list or other process as approved by the Region.

4.2. 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 CIP areas. The RRP has been successful in providing capital grants to eligible revitalization projects within areas in need of regeneration.

Applications for the At Home Incentive Program and the RRP can be made concurrently² using the At Home Application Form.

² Although the applications can be submitted concurrently, the applicant will submit for the AHIP, and the area municipality must submit for the RRP

5. Other Resources



5.1. Local Community Improvement Plans

Section 28 of the Planning Act gives municipalities the ability to prepare 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 incentives through a Community Improvement Plan, 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](#) and
- [Downtown Brooklin Community Improvement Plans](#)

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.

5.2. Federal and provincial programs

The At Home Incentive Program funding is stackable with funding available through federal and provincial housing programs.

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

- [National Housing Co-Investment Fund](#)
- [Rental Construction Financing Initiative](#)
- [Rapid Housing Initiative](#)

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](#)

5.3. 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.



6. Application and Review



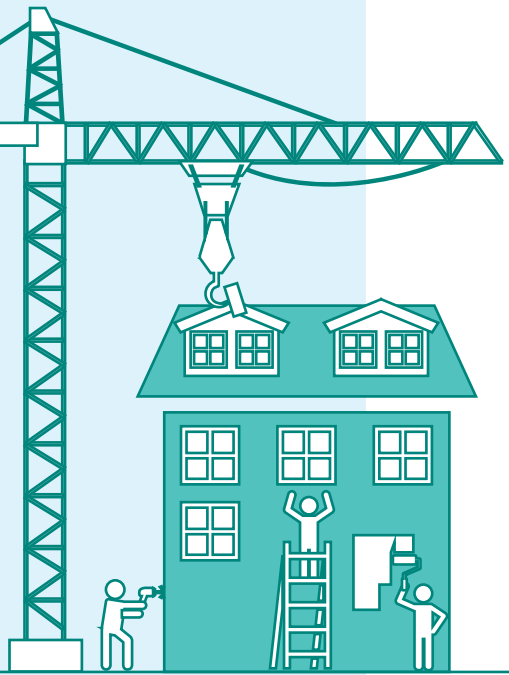
The Region will issue annual At Home Incentive Program Calls for Applications from private and non-profit organizations that are listed on the [Registry](#). Applications will be reviewed and assessed against eligibility requirements and evaluation criteria to select applications for recommendation to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

The review and evaluation process will take approximately 3 months from the closing date of the Call for Applications. Applicants will be notified if their application is recommended to Regional Council for final approval. Subsequently, successful applicants will enter into a Municipal Capital Housing Facilities and Contribution Agreement with the Region for AHIP funding in exchange for the development of the project and the operation of affordable housing over the term of the Agreement.

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

The At Home Incentive Program Application Form for affordable rental housing will require applicants to provide details on the following:

- Details of the proposed project, including:
 - total number and size of units



- number of affordable units
- estimated rents
- period of affordability
- location and physical description of project
- accessibility features
- compliance with existing planning permissions including Official Plan and Zoning By-laws
- energy efficient building design
- development schedule
- capital and operating financial plans
- Community consultations and communications outreach plans
- Development qualifications
- Management qualifications
- Corporate financial viability

6.1. 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 should 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. Further, applicants, including any partners or affiliates, must demonstrate that they have the financial capacity to carry out the project, through the planning, construction and operating phases of the project. As such, applicants may be requested to submit audited financial statements for the most recent two years.

As the construction industry continues to be subject to challenges, including shortage of construction labour, higher interest rates and price volatility, applicants will need to share their strategy to address these risks during the development and construction phases of the project.

6.2. Eligibility requirements

Projects must meet all the criteria below to be eligible for At Home Incentive Program 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 funding through AHIP.

Projects must meet the minimum energy performance requirement into the program to be aligned with the requirements of the CMHC co-investment fund, for a 15% decrease relative to the 2017 National Energy Code for Buildings.

A minimum of 5 per cent of total units in eligible projects must be affordable at no more than 100 per cent of the applicable CMHC average market rent for a minimum 25-year period of affordability. Preference will be given to projects with a higher proportion of affordable units, deeper level of affordability, and a longer affordability period.

Eligible affordable housing rental projects under the Program will provide a minimum of 5 affordable housing units and will 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

Eligible projects include affordable rental housing under the Residential Tenancies Act, 2006 and non-profit co-operative housing 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

6.3. Operating requirements

Rents must remain at or below the affordable average market rent 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 units must meet the income eligibility requirements for the [DASH wait list](#), or successor wait list in Durham, 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, and they are updated annually.

Private and non-profit housing providers approved through the At Home Incentive Program 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 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 B.

6.4. 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:

- community need, including but not limited to, targeted groups, unit size and geographic location
- period of affordability
- depth of affordability
- number of affordable units

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

- cost per square foot
- opportunity for stacking with other housing incentive programs
- percentage of units in the project that will be affordable
- proximity to transit, community amenities and services
- extent to which the project reduces greenhouse gas intensity
- extent to which the project meets accessibility standards with respect to barrier-free designs, elevators and other accessibility features
- proponent experience with rental housing development and property management
- financial capacity of the proponent, including the submission of audited financial statements for the most recent two years
- project planning including land use permissions, financing and development schedule
- provision of documentation from third-party financiers to confirm financing

6.5. Review 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.



Should the application be unsuccessful at this stage, the applicant will be provided a written explanation from the Director of the Housing Services in order to assist with future applications.

Successful applicants will meet with Regional staff and review next steps, including a timeline for approvals and when their project will be recommended to Regional Council for approval.

6.6. Approval process

Eligible projects will be approved by Regional Council on a project-by-project basis.

Within 30 days following Regional Council approval, successful applicants will be expected to sign a Municipal Capital Housing Facilities and Contribution Agreement with the Region which will include details of the successful affordable housing project to be provided by the applicant and the contributions to be provided by the Region, as well as 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 B.

As the last step in the At Home Incentive Program approval process, successful applicants will receive a letter confirming approval.

Successful applicants will continue to work with their dedicated Regional Planning staff member who will assist with facilitating planning approvals. It is the applicant's responsibility to ensure their Planning Application is complete.



7. Contact Information



For additional information about the At Home Incentive Program, contact:

Housing Services contact:

Alan Robins
Director, Housing Services Division
Alan.Robins@durham.ca
905-666-6239 extension 2500

Planning concierge contact:

Michael Blake MCIP, RPP
Principal Planner, Planning Division
Michael.Blake@durham.ca
905.668.7711 ext 2549

Appendices

- Appendix A: Project Information Spreadsheet
- Appendix B: Contribution Agreement Template
- Appendix C: Submission Checklist
- Appendix D: Qualifications
- Appendix E: Subcontractors
- Appendix F: Conflict of Interest
- Appendix G: Reference Form
- Appendix H: Regional Revitalization Program Concurrent Application Form