




Affordable Housing Incentives Pilot Program

*Guidelines and Application
Requirements*

Applicants are required to review all Affordable Housing Incentives Pilot Program Call for Applications Materials:

Document	Description
 <p>A. Guidelines and Application Requirements <i>(current document)</i></p>	<p>An overview of the Pilot Program and an outline of supplementary documentation required as part of a complete application.</p> <p>Available at the Region of Peel’s Pilot Program website.</p>
<p>B. Project Information Spreadsheet</p>	<p>Excel template to be used to provide project budget and rental rate information as part of a complete application.</p> <p>Available at the Region of Peel’s Pilot Program website.</p>
<p>C. Application Summary, Terms and Conditions</p>	<p>An overview of the application, Applicant declaration and required Terms and Conditions as part of a complete application.</p> <p>Available at the Region of Peel’s Pilot Program website.</p>
<p>D. Template Contribution Agreement</p>	<p>The Template Contribution Agreement provides the terms and conditions under which the Region of Peel will provide funding assistance to successful Applicants. Successful Applicants will be required to execute a Contribution Agreement with the Region of Peel in substantially the same form as the Template Contribution Agreement. Applicants must review and agree to the terms and conditions as outlined.</p> <p>Applicants must request a copy of the Template Contribution Agreement by e-mail: affordablehousingdevelopment@peelregion.ca</p>
<p>E. Addenda</p>	<p>In case of any revisions to this Call for Applications, Addenda may be posted on the Region of Peel’s Pilot Program website in accordance with the Call for Applications Terms and Conditions.</p> <p>Applicants are encouraged to check the website regularly, in case of Addenda being added throughout the Call for Applications.</p>



Contents

1	Introduction to the Affordable Housing Incentives Pilot Program	5
1.1	Introduction	5
1.2	Region of Peel Housing Development Office	5
1.3	Affordable Housing Incentives Pilot Program Guidelines and Application Requirements	6
1.4	Region of Peel Pilot Program mailing list and contact information	6
2	Region of Peel Affordable Housing Incentives Pilot Program	7
2.1	Program overview	7
2.2	Available Region of Peel incentives	7
2.3	Other funding sources and incentives	8
2.3.1	City of Brampton	8
2.3.2	The National Housing Strategy	8
2.4	Eligibility Requirements	9
2.4.1	Applicant organization	9
2.4.2	Affordability	9
2.4.3	Project details	10
2.5	Preferred Evaluation Criteria	11

2.6	Restrictions	12
2.6.1	Ineligible projects	12
2.6.2	Restricted Parties	13
3	Application review and approval	14
3.1	Application and selection process	14
3.2	Application approval and requirements for successful Applicants	15
4	Application package	16
4.1	Preparing your Application package	16
4.2	Submitting your Application package	16
5	Required supplementary documentation	17
5.1	Executive summary	17
5.2	Development qualifications	17
5.3	Management qualifications	18
5.4	Corporate financial viability	19
5.5	Planning approvals and project design	19
5.6	Financial plan	20
5.7	Operating and management plan	21
5.8	Development schedule	21
5.9	Affordability details	22
5.10	Preferred Evaluation Criteria – planned services and amenities	22



1 Introduction to the Affordable Housing Incentives Pilot Program

1.1 Introduction

As in other municipalities in the Greater Toronto Area, residents of the Region of Peel face significant housing affordability challenges. It is also understood that there is no single solution to the housing affordability crisis.

The Region of Peel Affordable Housing Incentives Pilot Program (“Pilot Program”) supports the implementation of the Council-approved [Peel Housing and Homelessness Plan, 2018–2028](#). The Pilot program is intended to assist private and non-profit organizations with delivering affordable rental housing through the provision of Regional incentives. The Pilot Program focuses on affordability for middle-income households, in alignment with the affordable housing targets identified in the Peel Housing and Homelessness Plan and the [Region of Peel Official Plan](#).

The program is structured as a Call for Applications, where interested organizations apply within a defined window and are awarded funding on a competitive basis. The Region of Peel is providing up to \$7.5 million in capital grants through this Call for Applications, to be distributed to successful Applicants.

As a pilot, the Region of Peel intends to review the program annually and refine as needed to ensure affordable housing outcomes as defined in the Peel Housing and Homelessness Plan are being achieved.

1.2 Region of Peel Housing Development Office

The Region of Peel Housing Development Office works with private and non-profit developers, community organizations, senior levels of government, and other community partners to build new affordable housing and contribute to a Community for Life.

The Housing Development Office drives every component of developing affordable housing from the initial pre-planning to building completion on Region of Peel and Peel Housing Corporation lands. This entails working through feasibility, land management, planning, and design, to managing construction, and initiating the application process for residents to apply for units. The Housing Development Office also works closely with other Regional divisions supporting the Region's affordable housing objectives, including Housing Services, Development Services, and Regional Planning and Growth Management.

The Housing Development Office is leading the implementation of the Affordable Housing Incentives Pilot Program to further support affordable housing development and improve housing outcomes for Peel residents.

1.3 Affordable Housing Incentives Pilot Program Guidelines and Application Requirements

These guidelines provide information to assist private and non-profit organizations that intend to create new affordable rental housing in Peel. They include information about the available incentives, eligibility and application requirements, and the approval process. Interested organizations must review the Guidelines and Application Requirements document, prior to applying to the Pilot Program.

It is noted that these guidelines are for the 2021 calendar year.

1.4 Region of Peel Pilot Program mailing list and contact information

Interested stakeholders may sign up to the Pilot Program mailing list by emailing affordablehousingdevelopment@peelregion.ca with your name, organization and contact information. By signing up, you will receive information about upcoming Calls for Applications, program updates, and information sessions.

For information about the Pilot Program, please visit the [Region of Peel's Pilot Program website](#) or contact the Housing Development Office at affordablehousingdevelopment@peelregion.ca or by phone at 905-791-7800 ext. 4299.



2 Region of Peel Affordable Housing Incentives Pilot Program

2.1 Program overview

The Region of Peel will issue a Pilot Program Call for Applications to initiate a competitive process for providing incentives to private and non-profit organizations. Applications will be reviewed and assessed against the Pilot Program Eligibility Requirements and Preferred Evaluation Criteria, in order to select successful application(s) to receive available incentives.

It is expected that approximately four months will be required to review and approve Applications, from the closing date of the Call for Applications, including obtaining required Regional Council approval to enter into agreements with successful Applicants. Successful Applicants will be required to enter into a contribution agreement committing to the delivery of **Affordable Units**.

Affordable Units for the purposes of the Pilot Program are units for which monthly rent is equal to or less than 135% of the median market rent for the local municipality as determined annually by the Canada Mortgage and Housing Corporation (CMHC), by bedroom type, and taking into account the prescribed electricity allowance as required. Rents for projects proposed in the Town of Caledon will be established using City of Brampton median market rent due to data suppression.

2.2 Available Region of Peel incentives

Up to \$7.5 million in funding is available through this Call for Applications, to be provided through Regional capital grants (“incentives”). Interested Applicants may

request total funding up to this amount, however only Applications meeting the Eligibility Requirements (Section 2.4) will be considered to receive incentives. In most cases, the Region's incentives will be provided at the time of building permit issuance.

2.3 Other funding sources and incentives

Other sources of funding and incentives may be offered from other levels of government, subject to availability and depending on project details. The Pilot Program is intended to be combined with all other sources of available funding and incentives; however, these funding sources and incentives are not administered by the Region of Peel and Applicants must apply separately.

2.3.1 City of Brampton

a) Central Area Community Improvement Plan (CIP)

The City of Brampton has an approved CIP in place that offers financial incentives (e.g. reduction of 50% – 100% on the City's portion of development charges) as part of the Development Charges Incentive Program within the CIP. The level of development charge reduction is established by way of a scoring system. The higher the project scores against the set of criteria (location, preferred type of development, high quality physical environment, community benefit and sustainability), the greater the discount. To date, the City has waived over \$30 million in development charges which has helped to create roughly 2,750 residential units and over 40,000 ft² of commercial/office space through the Development Charges Incentive Program.

Interested organizations must apply to this program separately. For more information, please visit <https://www.brampton.ca/en/Business/planning-development/central-area/Pages/central-area-community-improvement-plan.aspx>.

b) Concierge Program

The City of Brampton Concierge Program is intended to assist non-profit and private-sector developers of affordable rental and ownership housing, including transitional housing to navigate through site selection, funding, incentives, partnerships, and approvals processes. Successful Pilot Program Applicants for projects located in the City of Brampton would be eligible for this program. For more information, visit <https://www.brampton.ca/EN/Business/planning-development/housing-brampton/Pages/Concierge-Program.aspx>.

2.3.2 The National Housing Strategy

As part of the National Housing Strategy, the Canada Mortgage and Housing Corporation (CMHC) has several programs to support the creation of affordable rental

housing, including the Rental Construction Financing Initiative and National Housing Co-Investment Fund. For more information please visit <https://www.cmhc-schl.gc.ca/>.

2.4 Eligibility Requirements

To be considered for funding, the following Eligibility Requirements must be met by the project/Applicant:

2.4.1 Applicant organization

- a) Applicants may be private or non-profit developers.
- b) Applicants must have experience with residential housing development and operating rental housing or retain the services of an organization with this experience.

2.4.2 Affordability

- a) Only units that meet the definition of Affordable Units and meet the suite mix requirements in 2.4.3(f) are eligible for incentives through the Pilot Program.
- b) Affordable Units must be maintained as affordable for a minimum of 25 years.
- c) Successful Applicants will commit to verifying tenant income for the Affordable Units for the duration of the agreement (during rent-up period and upon unit turnover), with the upper income limit to be provided by the Region of Peel (aligned with middle-income households).
- d) Rents for Affordable Units must be set at or below 135% of median market rent (MMR) by local municipality. In new developments where electricity is metered separately for each unit and residents are required to pay the electricity costs directly, the maximum monthly rents are set at 135% of local municipal MMR, less an allowance for electricity, as determined and updated annually by the Region of Peel. In 2021, the maximum Affordable Unit rental rates and the housing electricity allowances are as follows (Table 1):

Table 1 2021 Affordable Unit rental rates and utility allowance

Unit Type	Brampton	Caledon*	Mississauga	Peel Electricity Allowance
1-bedroom	\$ 1,760	\$ 1,760	\$ 1,840	\$ 35
2-bedroom	\$ 1,970	\$ 1,970	\$ 2,080	\$ 50
3-bedroom	\$ 2,140	\$ 2,140	\$ 2,230	\$ 55

* Caledon rents set at Brampton rates due to data suppression

2.4.3 Project details

- a) Projects must be located within the Region of Peel.
- b) Projects must be new construction (new building or addition to existing building).
- c) Applicants must be seeking incentives for a minimum of 5 Affordable Units within the project.
- d) The project can be a mixed-income building (all Affordable Units, or a mix of market and Affordable Units) and can be a mixed-use building.
- e) The residential portion of the building must be entirely operated as purpose-built rental for at least 25 years (but may be registered as a condominium).
- f) The suite mix for the Affordable Units must align with the following unit mix (rounding as required):
 - i) Bachelor: 0%
 - ii) 1 bedroom: 15%
 - iii) 2 bedroom: 50%
 - iv) 3+ bedroom: 35%
- g) Notwithstanding 2.4.3(f) above, more two and three bedrooms could be provided (e.g. no 1-bedrooms and 50/50 split 2 and 3-bedroom units).
- h) Projects must be located on lands owned by the Applicant or lands for which a long-term lease has been secured.
- i) Projects must be financially viable.

2.5 Preferred Evaluation Criteria

All applications that meet the Eligibility Requirements will be scored against the Pilot Program Preferred Evaluation Criteria. While not required, applications that meet some or all of these criteria will be considered stronger. The evaluation and scoring matrix is provided below (Table 2). Applicants are actively encouraged to exceed Pilot Program minimum Eligibility Requirements to support affordable housing outcomes.

Table 2 Preferred Evaluation Criteria

Evaluation category	Evaluation criteria	Score
Depth of affordability for Affordable Units (units receiving incentives)	135% of MMR by local municipality	0
	130–134% of MMR by local municipality	3
	125–129% of MMR by local municipality	5
	120–124% of MMR by local municipality	7
	115–119% of MMR by local municipality	9
	110–114% of MMR by local municipality	11
	105–109% of MMR by local municipality	13
	104% of MMR by local municipality or less	15
	Max score	15
Evaluation category	Evaluation criteria	Score
Planning approvals Note: Points in this category do not stack - points awarded based on most recent status/ planning approval received.	No approvals submitted	0
	Official Plan/zoning submitted (complete application)	4
	Official Plan/zoning approved/in effect	6
	Site Plan submitted (complete application)	8
	Site Plan approved	10
	Building permit application initiated	12
	Full building permit issued	14
	Max score	14
Evaluation category	Evaluation criteria	Score
Length of time that Affordable Units will be maintained as affordable	25 years	0
	26–30 years	3
	31–35 years	6
	36–40 years	9
	41+ years	12
	Max score	12

continued...

Table 2 Preferred Evaluation Criteria (continued)

Evaluation category	Evaluation criteria	Score
Location criteria Note: One point is awarded per amenity type - e.g. if there are two grocery stores within 800m, one point is awarded. Euclidian buffer will be used to determine proximity.	Within existing or planned Regional or local municipal strategic growth area	1
	Within 800m of existing or planned frequent bus (15 minute or better service during rush hour) or higher order transit	1
	Within 800m of an existing or planned fresh food market	1
	Within 800m of an existing or planned park	1
	Within 800m of an existing or planned school	1
	Within 800m of an existing or planned health centre	1
	Within 800m of an existing or planned recreation centre/library	1
	Within 800m of an existing or planned early years or child care centre	1
	Max score	8
Evaluation category	Evaluation criteria	Score
Accessible units	Baseline building code requirements (Ontario Building Code)	0
	10%+ of the Affordable Units are barrier-free in accordance with CSA B651: Accessible design for the built environment	4
	Max score	4
Evaluation category	Evaluation criteria	Score
Energy & environmental performance	Baseline environmental performance (Ontario Building Code)	0
	Demonstrated reduced energy consumption and/or improved energy efficiency	4
	Max score	4
Total score		57

2.6 Restrictions

2.6.1 Ineligible projects

Developments that are mandated to provide affordable housing under Section 37 of the *Planning Act*, a rental replacement policy, or inclusionary zoning are only eligible for incentives through this Pilot Program if they provide Affordable Units in addition to those already required.

Applications will not be considered where the municipality has granted full or partial occupancy for the proposed project prior to and including May 31, 2021.

2.6.2 Restricted Parties

The Region of Peel may issue a list of persons or organizations who are Restricted Parties because of their involvement in the development or implementation of the Pilot Program. Applicants must ensure that Restricted Parties are not involved directly or indirectly in the preparation of Applications.

For the 2021 Affordable Housing Incentives Pilot Program Call for Applications, Restricted Parties include:

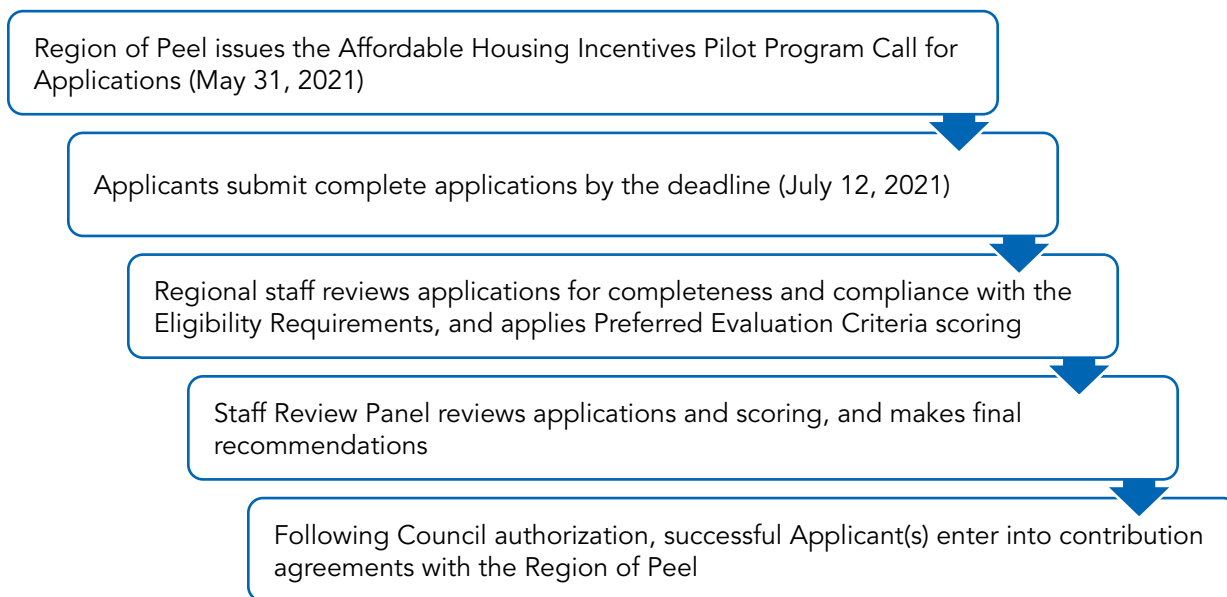
- N. Barry Lyon Consultants



3 Application review and approval

The Region of Peel will issue the Affordable Housing Incentives Pilot Program Call for Applications for Applicants interested in developing affordable rental housing. Requirements for a complete Application are detailed in Section 4 of this document, and Applications will be reviewed as outlined in Section 3.1 below.

3.1 Application and selection process



After the deadline for the Call for Applications, Region of Peel staff will review all submitted Applications to ensure completeness and that the Eligibility Requirements (Section 2.4 above) are met. The Region of Peel may seek additional information as necessary, but is not obligated to do so, in order to determine in its sole and absolute discretion if an application meets or complies with the minimum Eligibility Requirements.

All applications that meet the minimum Eligibility Requirements will be scored against the Preferred Evaluation Criteria within Table 2 (Section 2.5 above).

A Review Panel of Region of Peel staff will review all scored applications to make a final recommendation for successful projects. While the highest scoring application(s) are likely to be best positioned for approval, the Review Panel will also consider Regional housing objectives as established in Council priorities, the Region of Peel Housing Strategy, Peel Housing and Homelessness Plan, available funding and other relevant planning documents in making a final selection of successful projects.

3.2 Application approval and requirements for successful Applicants

Following the approval of applications, Applicants will be required to accept the funding as allocated and enter into a contribution agreement with the Region of Peel that outlines the terms of the commitment. A contribution agreement must be authorized by Regional Council prior to execution by the Region of Peel and the notice of agreement as well as a charge to secure the funding will be registered on title of the property. The contribution agreement will include the following:

- The amount of Regional incentives to be provided;
- The number of Affordable Units to be provided, Affordable Unit rental rates and duration of affordability;
- Requirements for tenant income verification by Applicant at rent-up and unit turnover;
- Requirements for annual reporting by Applicant;
- Requirements for applying rental rate increases;
- Non-conformity terms and process; and
- Other terms and conditions as required.

Successful Applicants must provide an annual occupancy report to the Region of Peel that confirms the Affordable Units remain at the affordable rates, the building remains a rental building, only qualified tenants have occupied the Affordable Units, and other requirements set out in the contribution agreement.



4 Application package

4.1 Preparing your Application package

Applicants are required to review all ***Affordable Housing Incentives Pilot Program Call for Applications Materials***.

A complete Pilot Program Application package includes the following:

1. Complete ***Application Summary, Terms and Conditions*** package including the declaration signed by authorized signatory, available at the [Region of Peel's Pilot Program website](#).
2. Complete ***Project Information Spreadsheet***, using the provided template available at the [Region of Peel's Pilot Program website](#).
3. Supplementary documents in PDF form, as outlined in Section 5 of this document.

4.2 Submitting your Application package

To submit an application, Applicants must e-mail affordablehousingdevelopment@peelregion.ca to request access to a secure submission link. This link may be requested at any time during the Call for Applications.

The deadline to apply is 5:00pm on Monday, July 12, 2021. Applications must be submitted digitally.



5 Required supplementary documentation

The following information is required as part of a complete Pilot Program Application package.

5.1 Executive summary

Required documentation:

- a) Letter of introduction that introduces the Applicant (including full corporate name and business name), project, and project team, signed by the person(s) authorized to sign on behalf of the Applicant.
- b) Table of contents for documents submitted.
- c) Summary of the proposed project and key qualifications of the Applicant organization.

5.2 Development qualifications

Applicants must demonstrate their ability and experience in developing housing.

Required documentation:

- a) Description of the Applicant's staff, consultant team, organizational capacity and housing development experience that demonstrates it will be able to complete the proposed project.
- b) Description of recent housing developments (within the last 5 years) undertaken by the Applicant, including location, project size, and tenure.

- c) List of consultants proposed for the project development team, including a description of their expected roles and responsibilities in the project, and description of previous projects undertaken by the consultants.
- d) The following information for key consultants and project team members:

Name:

Organization:

Position:

Years of industry experience (from following range): 0-3 years, 4-6 years, 7-9 years, 10+ years

5.3 Management qualifications

Applicants must demonstrate their ability to manage quality rental housing, or intent to retain an experienced property manager.

Required documentation:

- a) Description of the Applicant or property manager's ability to manage quality rental housing over the duration of the project agreement, citing rental housing projects managed by the Applicant or alternative property manager, including project location and size.
- b) List of consultants involved in property management and support services, including a description of their expected roles and responsibilities in managing the project, and description of previous projects undertaken by the consultants.
- c) The following information for key consultants and project team members involved in property management:

Name:

Organization:

Position:

Years of industry experience (from following range): 0-3 years, 4-6 years, 7-9 years, 10+ years

5.4 Corporate financial viability

Applicants must demonstrate the organization is financially sound with the ability to finance the entirety of the project.

Required documentation:

- a) Proof of financial viability as demonstrated by either:
 - i) Audited financial statements for the previous two (2) years including the status of reserve funds and how they will be used, OR
 - ii) A letter from its financial institution or accountant providing assurance to the Region of Peel that the Applicant has been, and is financially viable and solvent as a going concern, it has the financial capacity to complete this project, and that the undertaking of this project will not put any undue financial burden on the Applicant. The letter should make reference to financial viability with respect to the proposed project.
- b) Copies of the organization's Articles of Incorporation or Letters Patent and a list of directors.
- c) If the proposed project will be jointly developed and/or managed by a separate organization, the information in items 5.4(a) and 5.4(b) must be provided for each organization, as well as a description of the legal nature of the relationship, the roles and responsibilities of each organization in the project, and a description of previous experience working in partnership.
- d) If the proposed project will be developed or managed by a subsidiary corporation, items 5.4(a) and 5.4(b) must be provided on both the parent and subsidiary corporation.

5.5 Planning approvals and project design

Applicants must provide information regarding the status of required planning approvals and demonstrate that the proposed project represents good planning.

Required documentation:

- a) Description of the current planning approval stage for the proposed project, including the dates and titles of any publicly available reports to local municipal Committees or Councils.
- b) Description of all planning approvals required and anticipated timing to achieve final approval for each required stage.
- c) Description of design and architectural features of the proposed project, including:

- i) Drawings that illustrate the site plan context, main floor, typical and unique floors, parking level(s) if applicable, building sections and elevations, dimensioned unit plans and size.
- ii) Description of how the proposed project meets the needs of anticipated tenant groups (e.g. seniors, families, etc.).
- iii) Description of how the durability and quality of the building will be achieved and maintained to reduce maintenance costs and prolong the life of the building.
- iv) Description of any environmental design features that are above Ontario Building Code minimum requirements, including percentage of energy/ greenhouse gas emission reductions anticipated and supporting reports/ studies demonstrating that.
- v) Description of accessibility features that are above Ontario Building Code minimum requirements, including the total number of proposed barrier-free units (in accordance with CSA B651: Accessible design for the built environment) within the proposed project, the number of barrier-free Affordable Units, and any additional accessibility features.

5.6 Financial plan

Applicants must demonstrate a sound financial plan is in place to complete the proposed project.

Required documentation:

- a) Completed Tab 3: Capital Budget in the provided Project Information Spreadsheet (provided template), including detailed notes about the assumptions used to arrive at costs. Costs must include HST.
- b) Details of capital funding for the project, such as construction financing, mortgage financing and contributions and grants from other sources. Include proof of funding or description of when proof will be available.
- c) Details of the equity to be contributed by the Applicant (if applicable).
- d) A monthly cash flow plan for all sources of capital funding aligned with the development schedule provided as part of Section 5.8.

5.7 Operating and management plan

Applicants must demonstrate how the project will be maintained as financially viable and in a state of good repair, to ensure quality rental housing for the duration of the agreement.

Required documentation:

- a) Completed Tab 4: Operating Budget in the provided Project Information Spreadsheet (provided template) including detailed notes about the assumptions used to arrive at costs. Costs must include HST.
- b) Outline of how residents will be selected including the process for verifying income and any partnerships with non-profit housing providers, as applicable.

5.8 Development schedule

Applicants must demonstrate their preparedness to advance the proposed project in a timely manner.

Required documentation:

- a) Description of timing and process for hiring staff, consultants and other resources to advance work on the project.
- b) A realistic, achievable and comprehensive timeline (Gantt chart or equivalent) indicating specific dates for the development milestones, including, planning and building permit approvals, contract tendering and closing, first permit, start of construction, full building permit, completion of structural framing, substantial completion of the units.
- c) For Applications where the land for the proposed project is leased by the Applicant:
 - i) A letter from the property owner providing consent to the Applicant to develop the proposed project and register security interest against the title of the property, including but not limited to a mortgage.
 - ii) Confirmation that the term of the lease is long enough to align with affordability requirements of the Pilot Program (Affordable Units are maintained for a minimum of 25 years).

5.9 Affordability details

Applicants must provide information about the Affordable Unit and market unit rental rates for the proposed project.

Required documentation:

- a) Completed Tab 2: Proposed Rents in the provided Project Information Spreadsheet (provided template).

5.10 Preferred Evaluation Criteria – planned services and amenities

As part of the review process, Applications will be scored according to the criteria in Table 2 (Section 2.5 above). The Region of Peel will map the location of the proposed project to determine the following:

- Proximity to existing and planned Regional or local municipal strategic growth areas
- Proximity to existing transit, services and amenities (frequent bus or higher order transit, fresh food market, park, school, health centre, recreation centre/library, early years/child care centre)

If Applicants want the Region to consider any other planned services or amenities (in the provided categories, other than Regional or local municipal strategic growth areas) in the scoring of Preferred Evaluation Criteria, they must provide additional information.

Required documentation (planned location criteria only):

- Description of planned service or amenity, including type and location.
- Information regarding the planning approval and funding status of the planned service or amenity.
- Description of anticipated time to the completion of the planned service or amenity.

For existing services and amenities, no additional information is required by the Applicant.



For more information visit
peelregion.ca/housing/development/affordable-housing-incentives/

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