



MEMORANDUM

Date: November 22, 2024.

Re: Public Sources of Funding for Supportive and Affordable Housing.

By: Peter G. Martin, Housing Solutions Manager.

Funding sources are available for affordable housing in general (of which supportive housing is a subset) and specifically for supportive housing. These sources can be found at all three levels of government. Some of them relate to specific demographics that would be the focus of the specific supportive housing project. Many funding sources listed are only available for short periods of time and may not be available when you are seeking funding.

Note that included are sources of funding for revenue for housing once it has been built, since income generation is a factor in determining the affordability of a supportive housing project.

This memorandum does not include Indigenous focused funding.

Federal.

Affordable Housing Fund – New Construction – Rapid Housing Sub-Stream.

This is the rebranded Rapid Housing Initiative. It is one of two sub-streams of the Affordable Housing Fund. CMHC may provide up to 100% of the funding, and applicants may be eligible for both forgivable and/or repayable loans. It is the most successful initiative under the National Housing Strategy. Applicants with alternative funding sources will be prioritised. For shelters, transitional, and supportive housing projects.

Affordable Housing Fund – New Construction – Community Housing Sub-Stream.

Low-cost repayable loans and forgivable loans for building new affordable, transitional and supportive housing. Mixed-income and mixed-use projects are eligible.

Affordable Housing Innovation Fund.

If you have an idea for a new type of supportive housing design this could be a source of funds. Unfortunately, the fund is not currently accepting new applications.

Apartment Construction Loan Program.

Low-cost loans for the construction of sustainable rental apartment projects, including supportive housing.

Federal Lands Initiative.

The federal government will provide surplus federal land to build affordable housing.

Seed Funding.

Interest-free loans and non-repayable grants provided to organisations at the start of their projects to cover costs until regular financing kicks in. The loans do not need to be repaid until construction starts.

Investment in Affordable Housing (IAH).

Provides funds cross-matched by provincial funding by improving access to affordable housing, including through new construction. Administered by the Ontario government pursuant to a bilateral agreement between it and CMHC.

Mortgage Prepayment Program.

This program will allow non-profit housing providers to prepay CMHC mortgages without penalty. This will free up organisations to access cheaper mortgages on the private market and thus assist in obtaining additional financing for new supportive housing projects.

Mortgage Loan Insurance.

The MLI Select program provides access to preferred interest rates to lower the cost of borrowing for new construction programs. Supportive housing projects obtain preferential treatment and terms.

Community Housing Transformation Centre.

The Centre provides access to tools, financial resources and best practices to community housing providers to support in part the building of new supportive housing projects, through its Sector Transformation Funds.

Co-operative Housing Development Program.

Forgivable loans and low-interest repayable loans to build rental co-operative housing. Only available to co-operatives and community land trusts.

Provincial.

Canada-Ontario Housing Benefit.

Funding provided by the province but administered by the City of Toronto. This is a portable benefit (attaches to the tenant, not the unit), but can be a source of funding for the operators of existing supportive housing.

Ministry of Health.

Provides funding for supportive housing focusing on mental health and addictions support, such as the Back to Home Program to help build supportive housing so individuals can transition out of hospitals into housing.

Ministry of Long-Term Care.

Provides funding for supportive housing focusing on mental health and addictions support.

Ministry of Children, Community and Social Services.

This ministry provides funding for supportive housing for youth and developmental disability-focused supportive housing funding.

Ontario Health.

This Crown Agency funds the [Supports for Daily Living](#) program which provides funding to organisations that provide support to seniors so that they can remain in their homes. As such it funds off-site supportive housing.

Social Services Relief Fund.

This fund provides funding for the construction of supportive housing.

Municipal.

Open Calls for Affordable Housing Initiatives.

The City of Toronto regularly issues open calls for affordable housing projects. Some are for operators of City built buildings, while others are for organisations that will develop and build the projects as well as operate them. The City encourages support service organisations to consider not only answering these RFPs (Request for Proposals) in their own right, but to also enter into partnership agreements with an operator organisation to provide support services to the tenants of the project.

Details of various funding streams related to the Affordable Housing Initiatives are set out below, under the Rental Housing Supply Program and the Community Housing Pre-development Fund.

Rental Housing Supply Program.

The Rental Housing Supply Program has three streams for various types of projects: the Affordable Rental Homes Stream, the Community Housing-led Rent-controlled Homes Stream, and the Purpose-built Rental Homes Stream: all three streams require a minimum of 20% of the units in a project to be affordable housing, using the new definition of affordability. Applications under all three streams will be assigned to the Priority Review Stream in the Development Review Department and can include additions to existing buildings.

With the *Affordable Rental Homes Stream*, formerly the pilot Open Door Program, the City of Toronto will provide financial contributions in the form of both capital funding, up to \$260k per unit, and relief from development charges, fees and property taxes. Rent increases must be in accordance with the annual Provincial Rent Guideline Increase. The City may also provide surplus municipal land as a component of the project. Private developers may apply for this stream.

With the *Community Housing-led Rent-controlled Homes Stream*, the City will provide relief from development charges, fees and property taxes. The non-affordable units may be rented at 100-150% Average Market Rent. Rent increases must keep to the annual Provincial Rent Guideline Increase plus 2% annually. The City may also provide surplus municipal land as a component of the project. It is only available for community housing providers.

Like the Affordable Rental Homes Stream, the *Purpose-built Rental Homes Stream* is available to both private and community housing organisations. Only the affordable units are subject to rent increases at or below the Provincial Rent Guideline. These projects are eligible for the waiving of development charges only, plus a 15% rebate in Property Tax. This rebate may rise to 100% depending on future funding from the federal and provincial governments. No capital funding is available for developments in this Stream.

Community Housing Pre-development Fund.

This funding is available to any non-profit housing organisation and provides up to \$50k per unit for pre-development work. It must be paid back once the first tranche of development funding is released, or no later than three years following receipt of the pre-development funds.

Housing Now.

This initiative is one where the City will provide land for the purpose of developing affordable housing. Organisations will partner with CreateTO, the agency that is responsible for this initiative.

Rent Geared to Income (RGI).

The City of Toronto often requires that a portion of units in a supportive housing project be set aside for RGI units. This is a source of funding to 'top up' rent based on income, usually based on the average market rent (AMR) for the unit type as determined by the City.

Modular Housing Initiative.

This is an initiative where the City builds housing and then finds an operator. These are usually intended to be supportive housing projects.

Multi-Unit Residential Acquisition Program.

This program provides funds to purchase affordable housing at risk of being renovated or replaced. Some or all acquired tenants may need support services; others will replace existing tenants. This can also be used to purchase a building leased by a support service provider.

Expanding Housing Options in Neighbourhoods.

This program provides funds to increase density in lots with an existing single-family dwelling. Thus, if such property is obtained by a supportive housing operator through purchase or bequest, it can be turned into a multiplex, and/or have a garden or laneway suite added.

Priority Review Stream.

All affordable housing applications filed with the new Development Review Department are automatically assigned to the Priority Review Stream. By decreasing the number of meetings with the City needing architects, engineers and/or lawyers to attend, this expedited planning application approval process will decrease the costs of pre-development.

Social Debenture Program

Currently in its fourth year of issuance, the Social Debenture Program is a social bond issued to finance or re-finance new or existing capital projects under the City's Social Debenture Framework. It is limited to long-term debentures for projects meeting social objectives where Social and Affordable Housing are one eligible category.