



## Staff Report for Committee of the Whole Meeting

Date of Meeting: November 19, 2025

Report Number: SRPBS.25.089

Department: Planning and Building Services

Division: Policy Planning

**Subject: SRPBS.25.089 - 2025 Phase 1 Intake Community Improvement Plan for Affordable Housing and Sustainable Design Funding Recommendations**

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### Purpose:

To request Council's approval to conditionally award the City of Richmond Hill's Community Improvement Plan for Affordable Housing and Sustainable Design Per Affordable Unit Grant and Tax Increment Equivalent Grant to the recommended successful applicants.

### Recommendation(s):

- a) That staff report SRPBS.25.089 titled 2025 Phase 1 Intake Community Improvement Plan ("CIP") for Affordable Housing and Sustainable Design Funding Recommendations be received;
- b) That the CIP incentive Per Affordable Unit Grants, totaling up to \$19,778,845 and to be funded from the Housing Accelerator Fund Grant Reserve Fund, be conditionally awarded to the following applicants subject to these applicants entering into a legal agreement with the City and satisfying terms and conditions as set out in the legal agreement:
  - i) Richmond Hill Ecumenical Homes Corporation (288 Major Mackenzie Drive East), \$4,216,037
  - ii) Mon Sheong Foundation (189 Vogell Road), \$4,122,692 plus up to an additional \$4,119,981, subject to the City receiving a third HAF funding installment
  - iii) 9700 Yonge GP Inc. (9700 Yonge Street), \$3,661,271 plus up to an additional \$3,658,863, subject to the City receiving a third HAF funding installment;
- c) That the CIP incentive Tax Increment Equivalent Grant be awarded to the recommended applicants listed in Recommendation (b) above, with individual grant

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amounts to be confirmed by the City Treasurer based on the future property tax assessment value of each development and subject to any applicable restrictions identified by City staff through future agreements;

- d) That the Commissioner of Planning and Building Services be authorized to:
- i) negotiate agreements outlining the terms for the distribution of the funding as set out in the CIP with the recommended applicants listed in Recommendation (b) above; and,
  - ii) undertake any and all actions necessary for the administration of the agreements, once finalized, including but not limited to, all actions reasonably necessary for monitoring compliance, processing payments, consenting to transfers of the grant if property ownership changes, and enforcing agreement terms; and,
- e) That the Mayor and Clerk be authorized to execute any and all agreements and documentation related to CIP incentives: Per Affordable Unit Grant and Tax Increment Equivalent Grant, upon the recommendation of the Commissioner of Planning and Building Services.

### Contact Person(s):

- Stephanie Van, Planner II, ext. 2411
- Phoebe Chow, Manager of Policy Planning, ext. 2472
- Maria Flores, Director of Policy Planning, ext. 5438
- Gus Galanis, Commissioner of Planning and Building Services, ext. 2465

### Report Approval:

All reports are electronically reviewed and/or approved by the Division Director, Treasurer (as required), City Solicitor (as required), Commissioner, and City Manager. Details of the reports approval are attached.

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### Key Messages:

- Richmond Hill Council approved the Community Improvement Plan for Affordable Housing and Sustainable Design (CIP) in November of 2024. The CIP is one of nine initiatives committed to as part of the Canada and Mortgage Housing Corporation (CMHC) Housing Accelerator Fund (HAF).
- The 2025 Phase 1 CIP intake offered two CIP incentive streams: the Per Affordable Unit Grant and the Tax Increment Equivalent Grant (TIEG). The City received six eligible applications with a total funding request exceeding the City's available funding budget.
- The 2025 Phase 1 CIP Intake of the Per Affordable Unit Grant is funded by HAF, and the funds must be spent by November 2027.
- Due to the HAF targets and timeline, CIP evaluation criteria placed an emphasis on project maturity and planning approvals status, and project development and operational feasibility.
- The three top scoring applications have been recommended for conditional funding. Should the recommendations be approved by Council, staff will advance the necessary legal agreements and administrative processes to monitor compliance.
- Future CIP intake funding is anticipated from the sale of surplus City-owned land, as part of the Surplus and Underutilized Lands for Affordable Housing HAF initiative.
- The TIEG will only take effect following building occupancy; therefore, the final TIEG amount for each project will be determined based on future inputs and agreements.

### Background:

In November 2024, Richmond Hill Council approved the City's Community Improvement Plan ("the CIP") for Affordable Housing and Sustainable Design (SRPBS.24.103). This initiative is an action item of the Council endorsed Affordable Housing Strategy and one of nine initiatives to be completed as part of the \$31.1 million Housing Accelerator Fund (HAF) awarded to Richmond Hill by the Canada and Mortgage Housing Corporation (CMHC).

The CIP is intended to support sustainably built, affordable rental housing projects by providing financial incentives that efficiently stack with other financing programs available from senior levels of government. As part of this approval, Council endorsed the following four CIP incentive streams:

- i) Per Affordable Unit Grant (up to \$150,000 per affordable unit)
- ii) Competitive Capital Funding Grant
- iii) Tax Increment Equivalent Grant (TIEG)
- iv) Public Lands

In early 2025 staff initiated a funding application intake for two of the four incentive streams: the Per Affordable Unit Grant and the TIEG.

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### **Housing Accelerator Fund (HAF)**

As noted above, the CIP is one of the nine HAF Action Plan initiatives to be completed as part of the \$31.1 million awarded to the City by the CMHC. The funding source for the Per Affordable Unit Grant offered through the 2025 intake is the HAF grant. The City will receive Housing Accelerator Funding from CMHC in four installments over a three-year period, subject to compliance with the terms and conditions of the HAF agreement. All HAF funding received must be spent by November 2027.

As outlined in the City's HAF First Annual Update (SRCM.25.06), the City has received the first two HAF funding installments totaling \$15.5 million. Eligibility to continue receiving the remaining installments is based on the City meeting all the terms and conditions outlined in the Agreement, including progressing all the initiatives as committed, the timely delivery of reports to CMHC, and achievement of the Housing Supply Growth Target of 4,820 units and all sub-targets by November 2026.

The City's third HAF installment of approximately \$7.8 million is anticipated in the first half of 2026, pending CMHC approval of the second annual report submission in December 2025. Accordingly, the 2025 Phase 1 CIP Intake funding pool recommended for award is approximately \$20 million, comprised of \$12 million of existing HAF funds, with further allocation of the anticipated third payment of up to approximately \$7.8 million, subject to the City receiving the third HAF installment and less HAF Action Plan implementation costs.

The fourth payment is contingent on the City meeting all housing targets, as measured by approved building permits. This may pose a challenge and could be influenced by external factors beyond the City's control. To avoid over commitment of funds and mitigate financial risk, the fourth payment has not been allocated at this time. Should the City receive the fourth payment and additional funds become available for the CIP, a staff report will be brought forward with further recommendations at a future date.

### **2025 Phase 1 Community Improvement Plan for Affordable Housing and Design (CIP) Program Overview**

The 2025 Phase 1 CIP intake window was open for submissions from January to April 2025. The 2025 Phase 1 intake accepted funding applications for two streams of the CIP: the Per Affordable Unit Grant and the Tax Increment Equivalent Grant (TIEG). The pairing of these streams aims to address both upfront capital costs and ongoing operational financial pressures related to delivering affordable housing.

Applicants seeking funding through the Per Affordable Unit Grant and/or the TIEG were required to submit an application form and financial pro forma. A CIP Application Guide was also provided that outlined base eligibility criteria (Appendix A), application evaluation criteria and weighting (Appendix B), and other relevant program details.

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Applications that met base eligibility criteria proceeded to a competitive evaluation stage, where they were scored based on the criteria outlined in Appendix B to this report by a panel of staff from various City departments. The financial feasibility component of the scored evaluation was also supported by an external third party consultant with expertise in housing development economics, and by York Region staff who have expertise in capital funding programs for housing.

Given the HAF spending timeline, and consistent with the administrative process outlined in “SRPBS.24.103 - Request for Approval - Community Improvement Plan for Affordable Housing and Sustainable Design”, weighting of the 2025 Phase 1 CIP evaluation criteria placed emphasis on project maturity and planning approvals status, and development and operational feasibility. This approach prioritized funding of shovel-ready projects, to best deliver on HAF commitments within HAF timelines, and to best mitigate risk to the City related to advancing significant capital funding by the HAF spending deadline of November 2027.

### **Discussion:**

The following section summarizes the evaluation process and resulting funding award recommendations for the 2025 Phase 1 Community Improvement Plan for Affordable Housing and Design (CIP) intake.

### **2025 Phase 1 CIP Intake and Recommendations**

A total of seven applications were received during this intake period. Six met the base eligibility requirements and proceeded to the competitive evaluation stage. Collectively, the six eligible applicants requested over \$39 million in Per Affordable Unit Grant funding. However, with this intake a maximum of approximately \$20 million (comprised of remaining and anticipated HAF funds as outlined in the above section) is available, thus it is not possible to fully fund each eligible application.

Based on the evaluation of eligible applications in accordance with the 2025 Phase 1 CIP evaluation criteria (refer to Appendix B), the top three scoring projects are being recommended for funding through this report for both the Per Affordable Unit Grant and the TIEG. Notably, evaluation criteria for Project Maturity and Approvals Status, along with Development and Operational Feasibility, account for 50% of the total weighted score. Given this emphasis, the highest-scoring projects are those furthest along in the development approvals process and that demonstrated the strongest feasibility.

### **Per Affordable Unit Grant**

Funding recommendations for the Per Affordable Unit Grant are identified in Table 1 (see following page). Funding for the Per Affordable Unit Grant is proposed to be distributed proportionally based on how each project scored against the 2025 Phase 1 CIP evaluation criteria.

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Two of the three projects are noted to be recommended for a base amount with an additional top-up funding amount (it should be noted that one project is not eligible for additional HAF funding, as its recommended award already fulfills 100% of its original funding request). The top-up amount is associated with an increase in the number of incentivized affordable rental units proposed within each respective project. This amount is subject to the City receiving the third HAF funding installment.

**Table 1: 2025 Phase 1 CIP Recommended Conditional Funding Award**

| Applicant   | Project Description  | Recommended Per Affordable Unit Grant                                | Number of Incentivized Units               | Total Housing Units |
|---|--|--|--|---------------------|
| <b>Richmond Hill Ecumenical Homes Corporation</b><br>288 Major Mackenzie Dr E | 8-storey affordable rental building submitted by a non-profit housing provider   | \$4,216,037  | 53   | 90                  |
| <b>Mon Sheong Foundation</b><br>189 Vogell Rd                                 | 36-storey seniors rental building with 40% affordable rents and 60% market rents submitted by a registered charitable organization | \$4,122,692<br>+ up to additional \$4,119,981 =<br>up to \$8,242,673 | 54<br>+ up to additional 54 =<br>up to 108 | 348                 |
| <b>9700 Yonge GP Inc.</b><br>9700 Yonge St                                    | One 19-storey tower and one 28-storey tower purpose-built rental submitted by a private developer                                  | \$3,661,271<br>+ up to additional \$3,658,863 =<br>up to \$7,320,134 | 24<br>+ up to additional 24 =<br>up to 48  | 565                 |
| <b>TOTAL</b>  | N/A  | \$12,000,000<br>+ up to \$7,778,845 =<br>up to \$19,778,845          | 131<br>+ up to 78 =<br>up to 209           | 1003                |

### Tax Increment Equivalent Grant (TIEG)

Unlike the Per Affordable Unit Grant, the TIEG is not funded by HAF and will be sourced from the City's future tax base. The TIEG will only take effect following building occupancy. The TIEG incentive involves refunding part of the City's portion of the property tax increase that results from new/redevelopment, proportionate to the number of affordable rental units. The TIEG duration ranges from 10 to 25 years, depending on the depth of affordability achieved by each project. The actual TIEG amounts awarded

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to each successful applicant will be determined based on the assessed value of the residential development as well as any restrictions identified by City staff, to be specified in agreements.

As the TIEG incentive is not limited by HAF funding or HAF timelines, projects will be revisited when appropriate. Other applicants who have applied for the TIEG and are not recommended in this report may be considered at a later stage, should the projects continue to be advanced as affordable housing development applications.

### **Next Steps**

#### **Contribution Agreements**

Should Council approve the funding recommendations as set out in this report, staff will work with an external legal consultant with experience in the development of capital funding agreement for housing incentive programs to finalize CIP contribution agreements for each recommended applicant for both the Per Affordable Unit Grant and the TIEG. Contribution agreements will reflect the key terms outlined in the CIP (SRPBS.24.103), including but not limited to incentive structure and payment schedule, affordability requirements, tenant income verification and annual reporting obligations, potential forgivable loan arrangements, and provisions for non-compliance. The City will only issue CIP incentives to conditionally funded applicants where an executed legal agreement with the City is registered on title to secure the incentivized affordable units.

Failure to meet either of the above requirements may result in the conditional funding being voided. In such cases, associated funds will be returned to the City and may be reallocated to an eligible project. The existing pool of applicants may be reviewed and considered for funding reallocation. Such funding reallocation would be recommended to Council for consideration and approval. Should there be no existing eligible projects, a subsequent call for applications may be launched.

#### **Ongoing Annual Monitoring**

Staff will continue to develop implementation procedures and templates to support the annual monitoring of affordable units tied to the CIP Contribution Agreements. This work includes reviewing precedent templates from other municipalities, aligning with provincial and federal reporting requirements, establishing data collection protocols, and creating standardized compliance documents. Staff will also engage with applicants to ensure clarity on reporting expectations and timelines.

#### **Future Intake Opportunities**

The City has no long term revenue stream to fund future intakes of the CIP's two capital streams: the Per Affordable Unit Grant or the Competitive Capital Grant. As such, the City recently obtained CMHC approval to amend the scope of the HAF Action Plan "Surplus and Underutilized Lands for Affordable Housing" initiative to allow for sale proceeds of surplus City owned land at 81 Wildwood Avenue to be allocated to a future intake of the CIP. When sale proceeds are secured, the City intends to open a future

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intake of one of the CIP capital streams noted above. Future CIP intakes not relying on HAF funding may include revised evaluation criteria and weighting.

### **Climate Change Considerations**

As part of the Base Eligibility Criteria in the CIP, eligible applicants were required to meet a minimum threshold of Silver in the City's Sustainability Metrics Program. As such, all recommended applicants have incorporated enhanced sustainable design features to meet this requirement. These measures directly support the City's climate change mitigation and adaptation objectives and contribute to broader environmental resilience goals.

## **Financial Implications:**

### **Per Affordable Unit Grant**

As outlined in previous sections, the funding pool for this intake of the Per Affordable Unit Grant is comprised of allocations from existing and anticipated Housing Accelerator Fund (HAF) installments amounting to approximately \$20M, to be drawn from the City's Housing Accelerator Fund Grant Reserve Fund. These funds must be spent by November 2027 and any unused portion of HAF funding must be returned to the Canada Mortgage and Housing Corporation.

### **Tax Increment Equivalent Grant (TIEG)**

As referenced in earlier sections, the TIEG incentive involves refunding part of the City's portion of the property tax increase that results from new/redevelopment, proportionate to the number of affordable rental units in the project. The duration of the TIEG ranges from 10 to 25 years, depending on the depth of affordability and in accordance with the approved CIP. The annual TIEG rebate value for each applicant will be determined based on the new/redeveloped property's Municipal Property Assessment Corporation (MPAC) assessment value and may incorporate factors related to York Region and/or Provincial tax policy changes, and any other increases or decreases in tax liability of each applicant. These factors will be outlined in any future agreements between the City and funding recipients.

TIEGs will be administered on an annual basis and will be funded from the City's property tax base. Each year, applicants will be required to submit proof of compliance with legal agreement terms and conditions. Upon confirmation of such compliance, the City will refund the portion of the property taxes (City share only) paid based on an amount calculated and agreed upon by the City and the applicant. The total estimated financial impact of the TIEG recommended for award through this report is approximately \$100,000 per year. The estimated annual impact of this for the average residential property owner is \$2.16.

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### **Relationship to Strategic Plan 2024-2027:**

The CIP aligns with the City's Strategic Plan Pillar 1 Growing a Livable, Sustainable Community, specifically, Priority 1 and 2, by incentivizing a range of housing options and affordability as well as encouraging higher levels of sustainable design. The CIP supports core priorities within the Strategic Plan as well as other efforts the City is undertaking to increase the provision of affordable housing and sustainable forms of development that contribute to the overall socio-economic and environmental health of the community.

### **Attachments:**

The following attached documents may include scanned images of appendixes, maps and photographs. All attachments have been reviewed and made accessible. If you require an alternative format please call the contact person listed in this document.

- Appendix A - CIP Base Eligibility Criteria Table
- Appendix B - 2025 Phase 1 CIP Funding Intake Evaluation Criteria

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### Appendix A: CIP Base Eligibility Criteria Table

| Eligibility Criteria                       | Description   |
|--|---|
| <b>Geography</b>                           | The CIP applies City-wide.  |
| <b>Eligible Developers</b>                 | The CIP is open to private and non-profit developers. Partnerships between private and non-profit providers are encouraged.   |
| <b>Housing Types</b>                       | The CIP offers incentives to affordable rental units. Projects may contain 100% affordable units or be a mixed income project with a portion of the units being affordable. The project may contain residential use and non-residential uses. |
| <b>Number of Affordable Units Provided</b> | Eligible projects must be at minimum 11 residential units, with a minimum of 5 affordable units.  |
| <b>Affordable Rent</b>                     | The maximum affordable rent is 125% of the average market rent, by bedroom type.  |
| <b>Affordable Period</b>                   | Affordable units in a development project should remain affordable for at least 25 years.   |
| <b>Sustainable Design Threshold</b>        | Projects must meet at minimum the Silver threshold in the City's Sustainability Metrics Program.  |
| <b>Project Feasibility</b>                 | The City reserves the right to require project pro forma / financial information to demonstrate project feasibility.  |
| <b>Good standing with the City</b>         | Applicants must be in good standing with respect to by-laws, property taxes or other financial obligations to the municipality, and must not be involved in ongoing litigation with the City.   |

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### Appendix B: 2025 Phase 1 CIP Funding Intake Evaluation Criteria

| Evaluation Criteria                            | Considerations   | Maximum Points |
|--|--|----------------|
| Strategic alignment                            | <ul style="list-style-type: none"> <li>Alignment with the City’s strategic goals and visions (i.e. 2024-2027 Strategic Plan, Official Plan, Affordable Housing Strategy, and other relevant documents)</li> </ul>  | <b>5</b>       |
| Affordability                                  | <ul style="list-style-type: none"> <li>Amount and unit mix of affordable units</li> <li>Degree of affordability</li> <li>Duration of affordability</li> </ul>  | <b>10</b>      |
| Project maturity and approvals status          | <ul style="list-style-type: none"> <li>Timeline of proposed development, including building permit issuance (note: shovel-ready projects will be prioritized)</li> <li>Project readiness</li> <li>Project plans</li> </ul>   | <b>25</b>      |
| Sustainability Metrics Program achievement     | <ul style="list-style-type: none"> <li>Sustainability Metrics Program score at silver (62-75 points) or above</li> </ul>   | <b>10</b>      |
| Applicant qualifications                       | <ul style="list-style-type: none"> <li>Experience with building and/or operating affordable housing projects</li> <li>Experience with building and/or operating of purpose-built rental projects</li> <li>Experience with the delivery of other housing developments</li> <li>Partnerships</li> <li>Additional general applicant qualifications including but not limited to applicant/company maturity</li> </ul> | <b>15</b>      |
| Support from other government funding programs | <ul style="list-style-type: none"> <li>Funding and/or financing applied for and/or secured from other levels of government</li> <li>Additional financial contributions/funding from non-government sources</li> </ul>  | <b>10</b>      |
| Development and operational feasibility        | <ul style="list-style-type: none"> <li>Project Financial feasibility</li> <li>Financial competence of the Applicant</li> <li>Long term operational plan and details</li> <li>Project plans and drawings</li> </ul>   | <b>25</b>      |
| <b>TOTAL POINTS</b>                            |  | <b>100</b>     |

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### Report Approval Details

|                      |   |
|----------------------|---|
| Document Title:      | SRPBS.25.089 – 2025 Phase 1 Intake CIP for Affordable Housing and Sustainable Design Funding Recommendations.docx |
| Attachments:         |   |
| Final Approval Date: | Oct 30, 2025  |

This report and all of its attachments were approved and signed as outlined below:

**Task assigned to Maria Flores was completed by delegate Michelle Dobbie**

**Michelle Dobbie on behalf of Maria Flores - Oct 30, 2025 - 9:15 AM**

**Gigi Li - Oct 30, 2025 - 9:47 AM**

**Gus Galanis - Oct 30, 2025 - 10:56 AM**

**Darlene Joslin - Oct 30, 2025 - 2:24 PM**