

## **New Affordable Housing Program Opportunities**

<b>Date:</b>	August 12, 2009
<b>To:</b>	Affordable Housing Committee
<b>From:</b>	Sue Corke, Deputy City Manager and Director, Purchasing and Materials Management
<b>Wards:</b>	2, 3, 4, 7, 10, 11, 14, 18, 19, 20, 23, 26, 27, 28, 30, 32, 34, 37, 38, 40, 43
<b>Reference Number:</b>	AFS - 10354

### **SUMMARY**

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The City's Housing Opportunities Toronto: An Affordable Housing Action Plan 2010 - 2020 calls for the creation of 1,000 new affordable rental homes annually. The City has also committed to participating in national and provincial economic recovery initiatives, including facilitating the construction of new affordable housing as outlined in the Mayor's memorandum to City Councillors on July 21, 2009.

This report supports the city's affordable housing and economic recovery efforts in outlining potential new affordable housing opportunities arising from the Request to Pre-qualify (RTP) number 9155-09-7127. In total 31 private and non-profit housing proponents, who have proposed to construct 6,095 rental units in 22 wards, are short listed to participate in a second stage Request for Proposals (RFP) process which is now underway.

The report recommends that upon the completion of the Request for Proposals, the Deputy City Manager and Director Purchasing and Materials Management report directly to City Council, at its meeting to be held on September 30, and October 1, 2009, with a list of proposals for affordable housing to be recommended to the Ministry of Municipal Affairs and Housing for funding. Unlike other recent affordable housing programs, the Ministry of Municipal Affairs and Housing has not made specific funding allocations to Municipal Service Managers.

## **RECOMMENDATIONS**

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The Deputy City Manager and Director of Purchasing and Materials Management report directly to City Council at its meeting to be held September 30 and October 1, 2009 with the list of recommended projects upon completion of the Request for Proposals for Affordable Housing process.

### **Implementation Points**

Participation in the Affordable Housing Program and national/provincial economic recovery initiatives requires the City of Toronto to make recommendations on proposed new affordable housing developments to the Ministry of Municipal Affairs by September 30, 2009 to qualify for second wave funding opportunities.

### **Financial Impact**

There are no financial impacts resulting from this report as the report is outlining the short list of proponents of the Requests to Pre-qualify (RTP) for federal, provincial and municipal affordable housing funding. The subsequent report to Council in September on the results of the current Request for Proposals will fully detail the financial impact of the units to be funded through city incentives and federal/provincial affordable housing program funding.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

## **DECISION HISTORY**

This report is a follow-up to the report adopted by Council at the meeting of May 25, 26 and 27, 2009 entitled: Contributing to the Economic Recovery – Construction of Three Hundred and Sixty-Two New Affordable Rental Homes.

The report also contributes to meeting Toronto's affordable housing target of 1,000 new homes annually as outlined in the city's Housing Opportunities Toronto: An Affordable Housing Action Plan 2010-2020.

## **ISSUE BACKGROUND**

Investment in new affordable housing is recognized as making a powerful, positive contribution to the economy, to a better environment, to healthier communities and healthier people. It is for these reasons Toronto is working in partnership with the federal and provincial governments and housing proponents to increase the availability of new affordable housing throughout the City.

In March 2009, as part of economic recovery efforts, the Federal and Provincial governments announced that they would invest \$540 million to extend the Affordable Housing Program (AHP) for two years, including funding for rental units for low-income seniors, persons with disabilities, families and individuals.

In anticipation of the Ministry of Municipal Affairs and Housing publishing its program guidelines, the City issued a Request to Pre-Qualify to potential affordable housing proponents in early May 2009.

The City's Request to Pre-Qualify proposal call closed June 9, 2009 resulting in a tremendous response with a total of 48 proponents having applied for 9,738 rental units.

At the end of June 2009 the Ontario Ministry of Municipal Affairs and Housing released the "Canada-Ontario Affordable Housing Program (AHP) Extension - New Rental Housing Component" Program Guidelines which outline the criteria for eligible projects. In total \$540 million is available province wide to assist in creating approximately 4,500 new rental homes over two years ending March 31, 2011. However, funding is to be made available by the MMAH, province wide, on a first come first serve basis until funds are expended. The guidelines are attached as Appendix 2 to the report.

As a result of the labour disruption it was not possible to complete the results of the Request to Pre-qualify and issue the Request for Proposal in July as planned. As a result of the delay, a revised schedule calls for the results of the Requests for Proposal to be reported directly to Council on September 30, 2009.

In light of the province wide competitive process for funding and to increase the opportunity for success, it is essential that the City make project recommendations to the Ministry of Municipal Affairs and Housing by the September 30, 2009 deadline.

To facilitate the application process, the Deputy City Manager and the Director Purchasing and Materials Management are seeking approval from the Affordable Housing and Executive Committees to make recommendations on the results of the Request for Proposals directly to Council at its meeting to be held September 30 and October 1, 2009.

## **COMMENTS**

The Affordable Housing Program New Rental Housing Component provides a significant opportunity to increase the supply of affordable housing in Toronto and assist the City in achieving its goal of creating 1,000 new rental homes annually.

With federal/provincial funding available over the next two years to create 4,500 new rental homes province wide through a competitive process, it is essential that the City move aggressively to submit eligible developments for funding in a timely manner. Unlike other recent affordable housing programs, the Ministry of Municipal Affairs and

Housing has not made specific funding allocations to Municipal Service Managers. It is unknown at this time how much AHP new rental housing funding will be secured for developments proposed in Toronto. However based on previous experience, proponents have been informed that the City could anticipate Affordable Housing Program funding for approximately 1,500 new rental units.

At the meeting of May 25, 26 and 27, 2009 Council approved the submission of three hundred and sixty-two previously approved affordable rental homes, proposed at four sites, to the Ministry of Municipal Affairs and Housing for AHP “quick start” funding.

On June 18, 2009 the Ministry of Municipal Affairs and Housing advised the City that the Woodgreen “Homeward Bound Phase 2” development of 44 rental homes at 270 Donlands Avenue was conditionally approved under the New Rental Housing Component of the AHP Extension (2009).

To meet the next AHP Ministry of Municipal of Affairs and Housing submission deadline of July 31, 2009, City officials re-submitted the Toronto Community Housing Corporation (TCHC) proposals to develop 127 rental senior homes on Block 23 of the West Don Lands and 180 rental homes on Block 32 of the Railway Lands. The proposal by the Parkdale United Church Foundation for 11 units was not resubmitted as the funding required by the proponent exceeded the eligible per unit funds available in the Affordable Housing Program.

In light of further Affordable Housing Program funding opportunities, the City issued a Request to Pre-qualify in May 2009 to solicit additional proposals from private and non-profit housing proponents. The RTP closed on June 9, 2009 and resulted in the receipt of 48 qualified private sector and non-profit proponents proposing the construction of 9,738 units of new rental housing. This was a tremendous response from housing proponents willing and interested in developing new affordable housing and contributing to the economic recovery.

With the assistance of an independent Fairness Monitor, P1 Consulting Inc., City officials completed the review of the RTP and on August 7, 2009 informed the respondents of the results. Thirty-one proponents were pre-qualified proposing 6,095 units, and 17 proponents who had proposed 3,643 units were informed that they did not qualify to proceed to the Request for Proposal stage.

The 31 proposals are located in 22 different wards scattered across the City. The proposed developments range in size and location. As part of the Request to Pre-qualify process all proponents were required to demonstrate that all planning approvals were in place and not subject to appeals to the Ontario Municipal Board, that proposed projects would meet Toronto’s Green Building standard and that the sponsor had the development and management experience to undertake the project.

Having been selected to participate in the Request for Proposals process, the 31 proponents are now qualified to submit by September 1, 2009, a response which is to

include detailed operating and capital budgets and confirmation that their proposal will comply with the now available Ministry of Municipal Affairs and Housing Affordable Housing Program 2009 Extension New Rental Housing Component Program Guidelines.

Given the urgency to report on these matters and in light of the adjusted schedule resulting from the labour disruption, the Deputy City Manager and Director Purchasing and Materials Management are reporting at this time on the short list of proponents, and requesting authority, upon the completion of the Request for Proposals process to report directly to the September 30, October 1, 2009 Council meeting on the results.

## **CONTACT**

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## **SIGNATURE**

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Sue Corke  
Deputy City Manager

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Lou Pagano, P. Eng.  
Director  
Purchasing and Materials Management

### **Attachments**

Appendix 1: Pre-Qualified Proposals – New Affordable Rental Housing –  
August 7, 2009

Appendix 2: Canada-Ontario Affordable Housing Program (AHP) 2009 Extension: New  
Rental Housing Component Program Guidelines June 2009

Appendix 3: Fairness Monitor's report

**Appendix 1**  
**Pre-Qualified Short List Proposals –**  
**New Affordable Rental Housing - August 7, 2009**

<b>WARD</b>	<b>RESPONDENT</b>	<b>UNITS</b>
2	Hullmark Developments Ltd.	145
3	Fram Building Group Ltd.	494
4	Minto Apartments Ltd. (Response 1)	202
4	Minto Apartments Ltd. (Response 2)	203
7	Medallion Corporation	361
7	Parkway Realty Limited	85
10	2180366 Ontario Inc.	41
11	B.G. Schickendanz Central Inc. (Response A)	295
11	B.G. Schickendanz Central Inc. (Response B)	292
11	B.G. Schickendanz Central Inc. (Response C)	328
11	B.G. Schickendanz Central Inc. (Response D)	325
11	Lentella Heights Estate Inc.	208
14	King West Village Sales Ltd.	120
18	Neudorfer Development Corp.	130
18	Sunlife Assurance Company of Canada	66
19	Verdiroc Development Corporation (Response 1/CAMH)	161
20	Fred Victor Community Homes	105
20	Tridel Builders Inc. (Response 2/Front)	150
23	Patricia and Bathurst Developments Inc.	192
26	Deauville Place Inc.	62
27	Lancer Metropolitan Corporation	296
28	Context Real Estate Inc.	61
30	Aragon (Logan) Development (Ontario) Corporation	229
32	Victoria Wood (Main Square) Inc.	505
34	The Camrost Corporation	92
37	Wigwamen Incorporated	120
38	Bell-AM Apartments Limited	45
38	Verdiroc Development Corporation (Response 2/Ellesmere)	152
40	The Remington Group Inc.	210
40	Tridel Builders Inc. (Response 1/Kennedy)	155
43	Berkley Developments Inc.	265

## Appendix 3 Fairness Monitor's report



### Affordable Housing Office Development of Affordable Rental Housing Procurement Fairness Report

#### Interim Procurement Fairness Report – Completion of RTP Evaluation

P1 Consulting was engaged as the Fairness Consultant to review and monitor the processes of communication, evaluation and decision-making associated with the procurement process for the Development of Affordable Housing, issued by the City of Toronto. Our role related to ensuring openness, fairness, consistency and transparency of the procurement process.

P1 Consulting hereby presents its first progress report to the City of Toronto at the conclusion of this initial stage in the procurement process to accompany the recommendation of the short-listed Respondents, describing how the procurement process has complied with openness, fairness and transparency requirements.

According to the City's guidelines the following chart summarises our involvement, observations and findings:

Stage	Task	Observation	Recommendation	Action Taken	Fair (Yes / No)	Qualified Opinion
1	Review draft RTP	Document was complete and fair	Editorial refinements	All concerns addressed	Yes	None
2	Attend Information Meeting	Presentation and responses to participant questions were open and fair	None	None	Yes	None
3	Review draft RFI responses	Draft responses were accurate and transparent	Editorial comments for clarity	All concerns addressed	Yes	None
4	Review draft Addenda	Draft addenda were accurate and transparent	Editorial comments for clarity	All concerns addressed	Yes	None
5	Attend and facilitate Evaluation Consensus sessions	Evaluators were diligent, consistent and fair Documentation was adequate	Multiple submissions from single Respondents were confirmed for consistent scores	All concerns addressed	Yes	None

## Conclusion

As the Fairness Monitor Consultant for the RFP #9155-06-7380 for the Development of Affordable Housing, issued by the City of Toronto, we certify that the principles of openness, fairness, consistency and transparency have been, in our opinion, properly established and maintained throughout this initial stage in the overall procurement process. Furthermore, we were not made aware of any issues that emerged during the process that would impair the fairness of this initiative.

P1 Consulting Inc.

A handwritten signature in black ink, appearing to read 'Rob Lowry', with a horizontal line underneath the signature.

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**Rob Lowry**  
Fairness Monitor Consultant