

PH17.5 - Attachment 1

ATTACHMENT #1

ROOMING HOUSE ACQUISITION PROCESS

The process outlined below was established through the rooming house acquisition pilot project, and two related non-profit property acquisitions also supported by the City. This process is being recommended to Council as a model for the City to support future non-profit-led affordable rental and co-operative housing acquisitions.

1) Staff report to Council seeking:

- **Approval of funding** to support the purchase and renovation of a property to be owned and operated as permanently affordable housing by a non-profit organization; and
- **Authority for staff to issue a Request for Proposals (RFP)** to select a non-profit housing operator to acquire, renovate, and operate a suitable multi-unit property as affordable rental or co-operative housing, and to allocate the funding based on successful completion of the RFP process.

2) Conduct RFP Process to select non-profit housing operator to complete the purchase transaction using the two-stage process outlined below:

Stage One

- Selection of eligible non-profit organization based on management plan, management qualifications, financial viability, and public engagement plan; and
- Pre-qualification of the selected non-profit organization for funding (valid for up to 6 months) - this pre-qualification will provide certainty of funding for the non-profit to be able to move ahead with a conditional offer on a suitable property once identified.

Stage Two

Once an appropriate property has been identified, the selected non-profit will make a conditional offer on the property, and provide the following details to the Housing Secretariat for review and approval within 30 days after receipt of the full submission package. The offer must be conditional upon final approval of funding by the City.

The submission package must include:

- Project details; capital and operating budgets; property management and operating plan (including proposed tenant selection process and support services, if applicable); construction management plan (if property occupied and required renovations);
- Details on any outstanding Building Orders and Rooming House Licensing status (for rooming house properties), etc.;
- Signed Offer to Purchase (conditional on City funding and due diligence); and
- Site-specific due diligence materials - including zoning and environmental reviews, property conditions inspections, fair market value determined through appraisals completed in accordance with applicable industry standards, etc.

Completion of Purchase Transaction

Subject to the Housing Secretariat being satisfied with the submission package, and the selected proponent signing a Contribution Agreement with the City to secure the City's charge and other conditions (including number of units, term, depth of affordability and tenant selection process), the City will confirm its commitment to the project and advance funding within 30 days for the transaction to be completed.