

NON-PROFIT AFFORDABLE RENTAL HOUSING & ROOMING HOUSE REPAIR & REHABILITATION REQUEST FOR PROPOSALS

ADDENDUM #2

October 10, 2019

Questions and Answers

The following questions have been received by the City's Housing Secretariat by email. The questions and answers are provided for the benefit of all Proponents.

Q1. Are non-profit social housing properties covered by the Housing Services Act, 2011 eligible for funding under the Toronto Renovates Rooming House Component?

A1. No, however, non-profit rooming house properties **not** covered by the Housing Services Act, 2011 are eligible for the Toronto Renovates Rooming House Component funding.

Q2. If a non-profit group entered into a 30 or more year lease with the owner of a property currently operating as a retirement home and then operated it on a supportive housing model with some transitional housing, would this be eligible for funding?

A2. This scenario may be eligible under either the Rental Housing Development Component or the Toronto Renovates Rooming House Component. However, the Proponent should be aware that:

- Careful consideration should be given to the rights and well-being of any existing residents and the Proposals should provide detailed information in this regard;
- Eligibility under both Program Components requires a landlord-tenant relationship under the Residential Tenancies Act, 2006;
- Funding for property acquisitions under the Rental Housing Development Component and for repairs and renovations under the Toronto Renovates Rooming House Component specifically targets rooming houses or similar affordable rental properties.

Properties to be operated as retirement homes, long-term care homes (including nursing homes), or crisis care facilities are not eligible for funding.

Q3. On Page 11, Section 2.13, (A) Affordability Details, the RFP states: "Demonstrate that the Proponent will deliver a number of affordable housing units at a depth of

affordability commensurate with capital funding provided." Could you please provide example of what you are looking for?

A3. The City will evaluate whether each Proposal represents good value-for-money by comparing the funding requested to the number of affordable housing units and rent levels proposed. For example, a Proposal with a high per unit funding request that provides rents at average market levels may not be considered as good value-for-money as a Proposal with the same funding request that provides lower rents.

Q4. For Schedule "A" – Mortgage/Charge of Land Provisions, where is this document found? Could you please provide the separate schedule 'A' for proponent with a leasehold interest in the land?

A4: The Mortgage/Charge of Land Provisions schedule provides additional mortgage charge terms that the City requires.

Attached to this Addendum at Appendix 1 are the Leasehold Charge Terms.

Q5. For Schedule "E" – Start of Construction Affidavit, is this part of the requirement of the proposal? What if we do not have a building permit at the time of proposal?

A5. The Start of Construction Affidavit will only be required when that milestone has been reached and funding is requested from the City, as addressed in Section 5.1 of the Rental Housing Development Component Contribution Agreement, Requesting an Advance (b).

Q6. We are looking to acquire a rooming house with OPHI assistance. Upon reviewing D-6 on page 3 of Appendix 1 "Numbers of Units by Type" there is no box available for Dwelling Rooms. Are Dwelling Rooms excluded from this RFP, or is a box missing? If Dwelling Rooms are eligible, how should I list them in D-6?

A6. Rooming houses containing Dwelling Rooms (ie. accommodations with either a shared washroom or kitchen) are eligible for acquisition funding under the Rental Housing Development Component. Please add Dwelling Rooms using the 'Total' row in D-6 and label the information accordingly.

Q7. On Page 22 of 22, Section G of the Toronto Renovates Rooming House Component portion of the RFP, Proponents are to provide answers to five questions regarding property management, support services, and general quality of life for tenants. Could you please specify what are the five questions?

A7. The five questions under Section G: Property Management and Tenant Quality of Life are listed on pages 14-15 of Appendix 4 (pages 109-110 of the RFP). Those questions are:

1. Describe how on-going property management will be carried out once the work is complete i.e. through on-site staffing, a live-in superintendent, a management company, etc.
2. Provide a description of your overall pest management approach and any preventative measures incorporated into the repair and renovation work. For example, what is your ongoing bedbug prevention plan, or is there anything you will do during the work that will help control pests?
3. Provide an outline of how any social and health supports will be provided to tenants i.e. through community-based support providers, on-site staff, etc.
4. Provide details on how you work with municipal shelters, Street Outreach services, the City's Assessment and Referral Centre, Street to Homes and Shelters to Homes Programs, COTA Health or Habitat Services, if applicable. Include information regarding any existing relationships, agreements signed or contemplated, etc.
5. Explain how the work will improve the building for tenants. For example, does the work provide more privacy for tenants, improved security, better kitchen facilities, better space to socialize in?

Q8. In Appendix 1 Explanatory Notes – Operating Budget Form under Line 12, it reads “Note that sprinkler systems are now mandatory in all affordable housing funded buildings” – does this mean that any currently existing and functioning licensed rooming house that is currently leased by the housing provider and is intended to be purchased and renovated in part through this RFP would, if the application for funds through this RFP is successful, have to include in the renovations the cost of installing a sprinkler system?

A8. Whether or not a new sprinkler system will be required under these circumstances will be determined through the building permit process with the Toronto Buildings Division. Consultation with Toronto Buildings regarding this scenario is strongly encouraged.

Q9. In the information session I indicated that we were waiting for an offer to purchase the building we lease from TCHC and was told to go ahead and apply for funds for the purchase and renovation. Now I see in the Addendum 1 the following:

“Q2. Are Projects where non-profit groups are operating affordable rental housing in properties owned by Toronto Community Housing Corporation (TCHC) eligible for Rental Housing Development Component funding for the acquisition of the property?”

A2. No. Rental Housing Development Component of this RFP funding cannot be used for the acquisition of TCHC-owned properties. “

Does this mean that we can only apply for capital repair funding for the TCHC owned building, not for anything related to the purchase of the building?

A9. Yes, capital funding is available only for the repair/renovation of TCHC owned buildings through the Toronto Renovates Rooming House Component. The acquisition of TCHC rooming houses is not possible under the Provincial OPHI timelines.

Q10. We currently operate a licensed rooming house that is in need to repairs. Are we eligible for Toronto Renovates funding if we currently receive a small annual grant for capital repairs from the Local Health Integration Network (LHIN)?

A10. Yes. Receiving an annual capital reserve grant from the LHIN does not change your eligibility for funding under this RFP.

Appendix 1: Leasehold Charge Terms

SCHEDULE "____" ADDITIONAL CHARGE TERMS

The following schedule of charge terms (the "Schedule") forms part of the Charge of Lease given to the City of Toronto (as "Chargee") by _____, (as "Chargor") charging the lands and premises municipally known as _____, Toronto, Ontario, and shall be deemed to be included in the Charge of Lease to which this Schedule is attached pursuant to Section 4(1) of the *Land Registration Reform Act*, R.S.O. 1990, and shall be in addition to the Standard Charge Terms filed as number 200033 (and incorporated by reference in the attached Charge of Lease).

1. DEFINITIONS

In this schedule, the following terms shall have the following meanings:

- (a) **"Charge"** means the Charge of Lease to which this Schedule is attached which includes the provisions of the Standard Charge Terms filed as number 200033 as amended and supplemented by this Schedule.
- (b) **"Charged Premises"** means all legal and beneficial right, title, estate and interest of the Chargor in and to the Lands (pursuant to the Lease or otherwise), together with all buildings, structures, fixtures and improvements of any kind or nature now or hereafter located on such Lands and all equipment, subleases, rents and all other appurtenances hereto.
- (c) **"Contribution Agreement"** means the agreement entered into between the Chargee and the Chargor with respect to the funding that the Charge secures.
- (d) **"Lease"** means the lease dated _____, 201X between the City of Toronto as landlord, and the Chargor, as tenant, notice of which was registered on title to the Lands as Instrument No. _____ on _____, 201X.
- (e) **"Lands"** means the lands and premises municipally known as _____, Toronto, Ontario and more particularly described in the Charge of Lease to which this Schedule is attached.
- (f) **"Obligations Secured"** means, collectively the obligations to pay all of the debts, liabilities and amounts now or hereafter owing to the Chargee and all obligations of the Chargor under the Contribution Agreement entered into with the Chargee, without limitation, interest and any and all costs, fees, charges and expenses incurred by the Chargee.

- (g) **"Person"** or **"person"** means any individual, partnership, corporation, joint venture, association, joint stock company, trust, unincorporated organization, university, government or an agency or potential subdivision thereof, and "corporation", shall include "company" and vice versa.

2. **LEASEHOLD CHARGE AND CONVENANTS**

As security for the payment and performance of the Obligations Secured, the Chargor mortgages, charges and subleases to and in favour of the of the Chargee, all of its leasehold interest and other interests in the Charged Premises for and during the unexpired residue of the term of the Lease under which such leasehold interest and other interests is created, except the last day thereof, and all other estate, term, right of renewal and other interest of the Chargor in the Lease (and any renewal or replacement thereof). The Chargor shall stand possessed of the reversion thereby remaining the Lease upon a trust for the Chargee or for the nominee of the Chargee for the purpose of this Charge and will assign and dispose thereof as the Chargee or its nominee shall direct upon sale or sales of the Chargor's interest in the Lease for any part thereof whether pursuant to any statutory power or power of sale contained in this Charge or otherwise.

Upon an Event of Default and upon the Chargee giving any notice required by this Charge, the Chargee, for and on behalf of the Chargor, may assign the Lease which creates the leasehold interest and all estate, term, right of renewal and other interest of the Chargor in such Lease (and any renewal or replacement thereof) and convey the Chargor's leasehold interest and the last day of the term granted by the Lease as the Chargee shall at any time direct.

On any sale made by the Chargee under any statutory power or power of sale contained in this Charge, the Chargee may assign the Lease, the Chargor's leasehold interest and the reversion to the purchaser. The Chargee, for the purpose of vesting the residue of such term in any purchaser or purchasers, shall be entitled by transfer or agreement to nominate such purchase or purchasers or any other person or persons as a new trustee or trustees of such residue of the term, any renewal or substituted term of the Lease in place of the Chargor and upon such nomination, the same shall vest forthwith in the new trustee or trustees and the Chargor irrevocably authorizes, empowers and appoints the Chargee to act as its attorney, coupled with an interest, and with full power of substitution, for all or any of the said purposes.

The Chargee shall have the right to exercise any right or option to renew or extend the term of the Lease and each such renewal and extension of the Lease shall be subject to this Charge.

The Chargor represents, warrants and covenants with and to the Chargee that:

- (a) the Chargor has good leasehold title to the Lands;
- (b) the Chargor has the right to mortgagee, charge and sublet the leasehold title to, and other interests in, such lands in the manner herein provided and, if required, the Chargor has obtained the lessor's consent to the Charge;
- (c) The Chargor has delivered a full and completed copy of the Lease under which the Chargor's leasehold interest is created and there are no

- agreements, oral or written, between the parties to such Lease concerning the Lease, the Chargor's leasehold interest or the improvements thereon except as set out in the Lease;
- (d) the Lease is a good, valid and subsisting lease and has not been surrendered, forfeited, amended or become void or voidable and the rents and covenants thereby reserved have been duly paid, performed and complied with by the Chargor up to the date of this Charge;
 - (e) there is no default by any party to the Lease;
 - (f) the Chargor has done no act to encumber the Lease or its leasehold interest in the lands (which has not been fully discharged or released) except pursuant to this Charge;
 - (g) during the term of the Lease and any extension or renewal thereof, the Chargor will not amend, terminate, surrender or modify the Lease without the written consent of the Chargee, which may not be withheld unreasonably, and will pay the rent reserved by the Lease and perform and observe the covenants, provisos and conditions contained in the Lease, shall preserve its leasehold title thereunder and will indemnify the Chargee against all actions, claims and demands whatsoever in respect of the said and covenants or anything relating thereto;
 - (h) the Chargor will give prompt written notice to the Chargee of any of any notices, demands, claims or other communications under or relating to the Lease given or received by the Chargor, including any notice or other proceeding given or taken by any person alleging any default by any party thereunder;
 - (i) the Chargee shall have the right to cure any default under the Lease and to effect any renewal of the Lease in the name of the Chargor and the Chargor hereby irrevocably appoints the Chargee as its attorney, coupled with an interest and with full power of substitution to do all acts and things as the Chargee considers necessary or desirable for such purposes; and
 - (j) all right, title and interest of the Chargor under the Lease to any insurance, expropriation and condemnation proceeds and the application thereof are hereby assigned to the Chargee.

Any default by the Chargor under the Lease creating the Chargor's leasehold interest shall be an Event of Default under this Charge. If the Chargor or any beneficial owner of the leasehold interest in any part of the lands acquires the freehold estate in such lands, the freehold estate shall not merge with the Chargor's leasehold title, but shall always remain separate and distinct unless the Chargee otherwise consents in writing, and this Charge shall constitute, automatically and immediately without execution or registration of further documentation, a first mortgage and charge of the freehold estate of the lands so acquired, in addition to a first mortgage and charge of the leasehold interest, and this Charge shall not be deemed or held to have been terminated.

It is agreed that the Chargee's rights hereunder shall in no way merge or be affected by any proceedings which the Chargee may take under the Contribution Agreement and that the Chargee shall not be required to take proceedings under the Contribution Agreement, before proceeding under this Charge and conversely, no proceedings under this Charge shall in any way affect the rights of the Chargee under the Contribution Agreement and

the Chargee shall not be required to take proceedings under this Charge before proceeding under the Contribution Agreement.

Paragraph 14 of the set of Standard Charge Terms filed as number 200033 on November 3, 2000 and forming part of this Charge is hereby deleted and the following substituted therefor:

“14. If the Chargor offers, lists, advertises, sells, transfers, disposes of, leases, licenses, mortgages, charges, encumbers or holds out or offers for sale, lease, licence, or disposal the Land or any part, or permits any mortgage, charge or other encumbrances to remain outstanding in respect of the Land or any part or revises, alters, renews or amends any mortgage, charge or encumbrance or otherwise deals with the Land or any part other than in accordance with the Agreement, the principal amount secured by this Charge, or such lesser amount as may be outstanding pursuant to the provisions of the Agreement shall, at the option of the Chargee, immediately become due and payable. **PROVIDED** that no permitted sale or other dealing by the Chargor with the Land or any part shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any person liable for payment of the monies hereby secured.”

Paragraph 16 of the set of Standard Charge Terms filed as number 200033 on November 3, 2000 and forming part of this Charge is hereby deleted and the provisions of Article 12 of the Agreement are substituted therefor.

The Chargor acknowledges and agrees that any default by the Chargor in any payment or in the performance of any obligations of the Chargor pursuant to any charge ranking in priority to this charge shall constitute a default under this Charge entitling the Chargee to exercise any or all of the rights or remedies provided for herein.

3. **CONFLICT OR INCONSISTENCY**

In the event of a conflict or inconsistency between the provision of the Standard Charge Terms filed as number 200033 (and incorporated as part of this Charge) and the provisions of this schedule, then the provisions of this Schedule shall prevail and supersede in all such circumstances.