

Addendum 7

**The City of Toronto (the “City“)
in conjunction with
Toronto Community Housing Corporation (“TCHC”)
RFP-TF-2019-001
Request for Proposals for Ownership and Operation of
TCHC’s Scattered Housing Portfolio (the “RFP”)**

As per section 3.2.1 Proponents to Review RFP and 3.2.2 All New Information to Proponents by Way of Addenda, please see below for questions received by proponents regarding RFP-TF-2019-001 and the corresponding answers provided by the City:

Question 1:

In the RFP there is a reference to the City’s Guidelines for Social Housing Providers. We are uncertain which guidelines would apply to us. For example are we classified as a form of rent supplement program? Or . . . ? Our managing partner and other partners are non-profit housing provides operating housing under a variety of programs.

Answer 1:

The City as Service Manager will assist the housing provider(s) with determining which program and guidelines apply to the housing provider(s) after the execution of the contract.

Question 2:

Is the Capital Budget provided just the budget to maintain, or does it include renovations?

Answer 2:

The capital budget includes maintenance and any necessary repairs. The capital needs budget does not take into consideration unanticipated or unplanned renovations.

Question 3:

We understand TCHC has done a substantial amount of work on several scattered houses over the past two years. Can you provide information on any work TCHC has done since December 2016 to reduce the backlog or address the 10-year capital needs of any of the properties in Annex E?

Answer 3:

Between 2017 and 2019, approximately \$17 million dollars was spent on capital repairs across the TCHC scattered housing portfolio, the majority of which are properties included in this RFP. However, as the capital needs of the scattered housing portfolio exceeds TCHC's available capital budget, TCHC forecasts that the Facility Condition Index ("FCI") for the scattered housing portfolio has increased for each bundle of properties. A forecast of the average 2019 FCI per bundle is provided in Annex O – FCI Per Bundle, which is incorporated into the RFP via this Addendum 7 and is attached to this Addendum 7. Proponents should note that these FCI figures are only forecasts and that updated Building Condition Audits ("BCA"s) are required to report on actual FCI.

Question 4:

We would like to request that the City provide the most recently available annual operating costs for each building including utilities, pest control, insurance and fire safety. Even if this information is not available for every building it would be helpful to get any information that is available, as it will allow for proponents to develop more accurate business plan assumptions to meet the RFP objectives

Answer 4:

TCHC cannot provide annual operating costs for each building in the portfolio. However, regarding pest control, we can provide the average number of requests made by tenants for pest treatment in 2019, which are as follows:

- Bundle A: 56 (approximately 0.4 requests per unit)
- Bundle B: 177 (approximately 0.9 requests per unit)
- Bundle C: 73 (approximately 0.8 requests per unit)
- Bundle D: 57 (approximately 0.6 requests per unit)
- Bundle E: 222 (approximately 1.1 requests per unit)
- Bundle F: 4 (approximately 0.3 requests per units)

Question 5:

We would like to request that the City provide the most recent BCA's, ESA's, and DSS's available for each site. Even if reports for all buildings do not exist, it would be helpful to review those that do, to better understand capital needs.

Answer 5:

TCHC has provided the most recent BCAs it has, as well as the most recent environmental reports for the scattered housing properties included in the RFP. Where no reports were provided for a property, no report currently exists.

Question 6:

Several of the BCAs available via the Dropbox link mentioned on page 26 of the RFP indicate work that was urgently required to be done no later than 2017. Has all the work where the Urgency of Action was listed as "High" been done?

Answer 6:

TCHC prioritizes its capital repair budget based on building needs where possible; however, TCHC cannot confirm that all urgently required repairs have since been completed.

Question 7:

Annex "E" has a column called "Backlog as of Dec. 31, 2016." There are also individual columns for the capital needs for years 2017-2026. Is the backlog included in the 10-year capital needs or is the total capital work required as per Annex "E" the sum of the backlog and the 10-year projection?

Answer 7:

The total capital repair work required is the sum of the backlog and the ten-year (10-year) projection.

Question 8:

The RFP states the TCHC has completed ESA 1's for the subject sites. Can you clarify what year(s) the ESA's were completed?

Answer 8:

ESAs have been completed at various times as required; each report provided has been dated accordingly.

Question 9:

Does TCHC have digitized "dwg" or "pdf" format floorplans of the subject sites that can be passed onto successful proponents on closing?

Answer 9:

Yes – all available digitized floor plans and site plans will be provided to the applicable housing providers.

Question 10:

Has TCHC completed Designated Substances Studies (DSS) for the subject sites?

Answer 10:

All available environmental data has been provided as part of Addendum 5. TCHC does not have any additional environmental reports.

Question 11:

Does the City and or TCHC prefer that a proponent take ownership and operations for all sites in a bundle at one time upon closing, or in sub-bundles over transitional period?

Answer 11:

The City, TCHC, and the housing provider for each bundle will develop a transition plan collaboratively that ensures the most successful transition process for all parties.

Question 12:

The numbers for Average Rents set out in the tab entitled "AMR per Bundle and Unit Size" in Annex J vary significantly from the Average Market Rents for the City of Toronto as set out in the City's website. <https://www.toronto.ca/community-people/community-partners/social-housing-providers/affordable-housing-operators/current-city-of-toronto-average-market-rents-and-utility-allowances/>. Does this mean TCHC is not necessarily charging the AMR for the non-RGI units?

Answer 12:

That is correct.

Question 13:

The way I read Addendum 2, a successful purchaser of one or more bundles will have to charge all non-RGI households the City of Toronto AMR. If non-RGI tenants are not currently paying the AMR, will the new owner be required under the terms of the agreement with the City to begin charging AMR immediately? Alternatively, can there be a transition period? Or can the new owner move to charging AMR on turnover of the unit?

Answer 13:

The goal is that all market units are rented at no more than one hundred percent (100%) AMR or below. In other words, market units can be rented for less than one hundred percent (100%) AMR.

Question 14:

The table in the tab entitled “AMR per Bundle and Unit Size” has a number of cells marked “n/a”. Does this mean there are no market units of that Unit Size in the corresponding Bundle of properties?

Answer 14:

Cells marked N/A denote where there are currently no tenants paying market rent for that unit size in the bundle or that the number of market units versus total number of units of that size is so small that reporting out on the average rent would potentially compromise a tenant's privacy.

Question 15:

Can you tell us how many non-market units there are by each Unit Size and Bundle? Since the listed rents are not the AMR it is impossible to calculate the projected total rental income for a Bundle if there is no information about how many non-market units there are in each category set out in the tab entitled “AMR per Bundle and Unit Size” of Annex J.

Answer 15:

Proponents should refer to Annex P – RGI Rent Households Per Bundle, which is incorporated into the RFP via this Addendum 7 and is attached to this Addendum 7. Proponents should note that the remaining number of units in the bundle are either paying market rent or are vacant. These figures are subject to change as units turn over and as vacancies are filled.

Question 16:

According to the RFP, TCHC spent approximately \$1.9 million on utilities in 2016. Annex L, issued on January 10, sets out the mix of units where tenants pay for utilities and do not receive an allowance, units where tenants pay for utilities and do receive an allowance from TCHC and units where TCHC pays for utilities and charges the tenants extra. Was the mix of units in these three categories roughly the same in 2016 as it was as of the date of the Annex L data?

Answer 16:

Yes.

Question 17:

Did the \$1.9 million cost in 2016 include all the payments by TCHC to utility companies plus the allowances to tenants who paid their own utilities minus the chargebacks to tenants where TCHC paid utilities? If not, what categories were included in the 2016 figure of \$1.9 million.

Answer 17:

Annex Q – 2017 Utility Costs By Bundle, which is incorporated into the RFP via this Addendum 7 and is attached to this Addendum 7, details utility payment information for 2017 by bundle and by utility type (electricity, gas, water, and waste) approximating one million dollars (\$1,000,000). These 2017 utility costs only include payments made by TCHC to utility companies.

Question 18:

Do all the units use curbside pickup for solid-waste disposal (garbage, recycling, green bin)?

Answer 18:

Yes.

Question 19:

Was the cost of any curbside pickup included in the utility cost of \$1.9 million in 2016 that the RFP mentioned?

Answer 19:

Proponents should refer to Annex Q – 2017 Utility Costs By Bundle, which was is incorporated into the RFP via this Addendum 7 and is attached to this Addendum 7, for updated utility costs by bundle and utility type (electricity, gas, water, and waste) for 2017.

Question 20:

If TCHC incurred any waste disposal costs for the scattered units that are not included in utilities, where do they appear in the operating costs?

Answer 20:

There are no other waste disposal costs.

Question 21:

Answer 1 of Addendum 2 says the average replacement value for properties with a historical designation is \$168 per square foot. Given the current cost of materials and labour in Toronto, this number seems small to me. How recently was this number arrived at? What methodology (e.g. consulting with BOMA, using internal data, other) was used to determine this number?

Answer 21:

Replacement values included in the RFP are as of 2016. In 2017, an increase of two percent (2%) was calculated, and in 2018 an increase of four percent (4%) was calculated.

Question 22:

What exactly does it mean for the list of properties (in RFP Appendix D, Section B. #10 Property Stratification) that “may be stratified” and what is the reason for the delineation of these specific properties? I understand the details will be provided in a draft stratified R-Plan if applicable, but does the possible stratified R-Plan (Schedule A, pg. 5 #10) refer only to land severance or does it include other interests such as air space (building up), adding on same level, lot work, outbuildings, landscaping etc.?

Answer 22:

These properties were identified by the City for potential stratification based on their location. Stratification would not impact the day-to-day operation of social housing.

Question 23:

The link at the end of Addendum 3 is not accessible, will it be functional soon?

<https://www.toronto.ca/wp-content/uploads/2019/10/984a-RFP-TF-2019-001-ANNEX-C-Mapof-TCHC-Single-Family-Houses.pdf>

Answer 23:

Proponents should use this corrected link: <https://www.toronto.ca/wp-content/uploads/2019/10/984a-RFP-TF-2019-001-ANNEX-C-Map-of-TCHC-Single-Family-Houses.pdf>

Question 24:

Can a proponent submit more than one bid OR can they offer two Bundle options on the one bid they submit with respective vi) Operational Plans and Funding Requirements, vii) Asset Management Strategies and viii) Pricing Forms?

Answer 24:

Proponents may only submit one proposal per bundle; however, proponents may include more than one bundle in their proposals. Proposals should be tailored to the bundle(s) for which proponents are submitting proposals.

[End of Addendum 7]