

Addendum 6

**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 regard to preserving duplexing and laneways, when the RFP references City consent, does this mean that requests have to go to council?

Answer 1:

The Service Manager has delegated authority under the *Housing Service Act* to approve the redevelopment of social housing. However, any site redevelopments are subject to the City's planning processes and potentially other approvals which may involve City Council approvals.

Question 2:

Is there an existing measure of accessibility and meeting the AODA standards and human rights requirements and the building in the spreadsheets should be identified as already meeting the requirements or needing to meet the requirements?

Answer 2:

There is not an existing measure of accessibility that measures compliance with the *Accessibility for Ontarians with Disabilities Act (“AODA”)*. To comply with the AODA and human rights code, TCHC makes accessibility modifications to units based on the specific needs of households living within the units (for example, grab bars, accessible washrooms, and ramps). The number of units within each bundle that have been modified for accessibility is as follows:

- Bundle A: 1 unit
- Bundle B: 4 units
- Bundle C: 0 units
- Bundle D: 0 units
- Bundle E: 8 units
- Bundle F: 0 units

Question 3:

The RFP indicated 64 vacant units. Would you be able to break down each bundle into:

- a) the number of units, broken down by size, and
- b) how many units are ready for occupancy vs uninhabitable?

Answer 3:

The vacancies noted reflect a point in time. This changes regularly. There are no units that are permanently closed and vacancies will continue to be filled through TCHC and City processes during the RFP process and ensuing transition time. The current vacant units are spread throughout the portfolio. The City and TCHC will not be providing up-to-date detailed information as it becomes outdated so quickly.

The City and TCHC have not posted any units that are deemed uninhabitable.

Question 4:

Does the total of the mortgages equal the minimum pricing? Please confirm that the minimum pricing listed is the value of the mortgages as at March 31, 2019.

Answer 4:

Please refer to Appendix C – Pricing, section 2. Evaluation of Pricing of the RFP document. The minimum pricing value includes both the associated mortgages and transaction costs for each property within the bundle, as detailed in 2. Evaluation of Pricing (Appendix C – Pricing of the RFP).

Please refer to 6. Outstanding Mortgages of section B. Materials Disclosure (Appendix D – RFP Particulars) for information on how the minimum pricing was calculated:

It is expected that the proponent will compensate TCHC for an amount that is equivalent to a portion of the total Scattered Houses Portfolio mortgages determined by using the total MPAC value of the specific bundle as it relates to the total MPAC value of the overall portfolio, as well as the transaction costs associated with transferring the Scattered Houses Portfolio.

Question 5:

Please provide the following information with respect to each mortgage (or mortgages by bundle combined):

- a) principal and interest payments for the next two years (by year),
- b) interest rate,
- c) monthly payment,
- d) renewal date,
- e) maturity date, and
- f) amortization schedules.

Answer 5:

This information is not required as the minimum pricing value has been set based on the associated mortgages and transaction costs. It is expected that proponents will not be assuming TCHC's existing mortgages on the properties unless there are extenuating circumstances.

Question 6:

Answer 8 of Addendum 2 says, "The Social Housing Agreement requires that houses be rented at no more than one hundred percent (100%) Average Market Rent ("AMR"). Answer 9 says "The intended outcomes described in section 1.1 Invitation to Proponents must be incorporated into the submitted proposals on the assumption that ... an Average Market Rent of one hundred percent (100%) must be met on all transferred units...." Do these two statements together mean that there is a City requirement all non-RGI units be charged AMR every year?

Answer 6:

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 7:

We understand that many of the non-RGI tenants in the scattered houses currently pay below AMR. Would a successful bidder be permitted to allow this to continue, or must the new owner bring the rents up to AMR? If the latter, would a phase-in period be allowed, or could the AMR rents be imposed on unit turnover?

Answer 7:

Market units can be rented for less than one hundred (100%) AMR.

Question 8:

Can you provide a copy of the standard lease and any schedules TCHC uses with its RGI tenants, and if they are different, the lease and schedules used with the non-RGI tenants?

Answer 8:

Please refer to Annex M – Lease Examples, which is incorporated into the RFP via this Addendum 6 and is attached to this Addendum 6. Annex M – Lease Examples provides examples of current leases used by TCHC. As households entered lease agreements with TCHC at different points in time, other lease agreement versions may have been used at different points in time.

Question 9:

Page 31 of the RFP states proponents should propose an asset management strategy that includes among other things, “the forecasted annual capital costs...” Does this mean anything apart from the information set out in Annex E regarding the backlog and 10-year capital needs of the properties? Should we, for the purposes of developing an asset management strategy, use the numbers set out in Annex E?

Answer 9:

For the purposes of developing an asset management strategy, please use the numbers set out in Annex E – List of Single Family Houses with Building Repair Capital Information.

Question 10:

In the section on Asset Management Strategy, what are you looking for in a “policy for capital projects?”

Answer 10:

Proponent’s proposed strategy should include, but is not limited to, how building condition assessments will be kept up-to-date, and how major projects will be prioritized, planned, and tracked to implementation.

Question 11:

Can you provide us with the terms of reference TCHC used to guide the BCAs it commissioned on the scattered houses?

Answer 11:

Please refer to Annex N – BCA RFPs, which is incorporated into the RFP via this Addendum 6 and is attached to this Addendum 6. Annex N – BCA RFPs include copies of the RFPs which were issued to commission the BCAs for the scattered homes. The scope of work is included within Annex N.

Question 12:

We are requesting information as to why there are no BCAs for Bundle F. Thank you.

Answer 12:

Updated BCAs for both Bundles E and F have been uploaded to the Dropbox folder. Proponents should access both Bundle E - UPDATED and Bundle F - UPDATED in the Dropbox folder at the following link for updated information:

<https://www.dropbox.com/sh/11um6ttnl4bj03d/AADlaHNNH20cdUR8u6isi3NKja?dl=0>

This is the most accurate information that the City and TCHC has at this time.

Question 13:

There doesn't appear to be any explicit restriction on having more than one entity own and or manage a portfolio. That said, there does appear to be a presumption in the RFP that the applicant (i.e. the "housing provider") is a single party. Given that this issue is not addressed in the RFP, can a bundle be divided into multiple sub-bundles, with different entities owning and or operating each?

Answer 13:

The bundle can not be subdivided for the purpose of ownership or relationship with the City. Agreements regarding the operations between multiple entities may be permissible. Proponents should refer to Section 5 of Annex A for a description of assignment or agreements that require City consent.

Question 14:

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 14:

It is the sum of the backlog and the ten-year (10-year) capital projection.

Question 15:

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 15:

The available environmental site assessments ("ESA") were provided in Addendum 5. Each ESA is dated.

Question 16:

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

Answer 16:

The available asbestos reports were included in Addendum 5.

[End of Addendum 6]