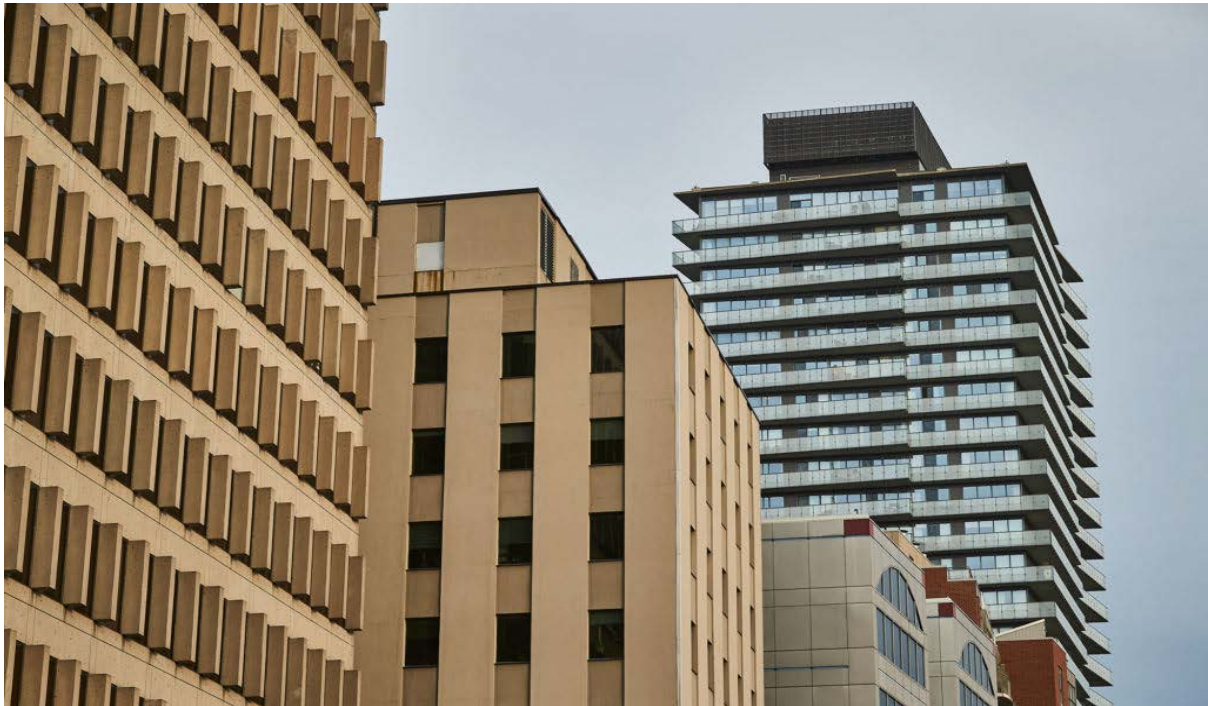


Request for Proposals

City of Toronto Housing Now Property For the Development and Operation of Affordable Rental Housing for Seniors at 140 Merton Street

June 2, 2021



NOTICE TO POTENTIAL PROPONENTS

REQUEST FOR PROPOSALS

City of Toronto Housing Now Property For the Development and Operation of Affordable Rental Housing for Seniors at 140 Merton Street

Please review the attached document and submit your Proposal to the address below by the closing deadline of **12:00 noon (local Toronto time) on August 27, 2021**

Proposals will not be considered unless received by the date and time specified above and received by the Housing Secretariat as specified below.

INFORMATION SESSION	June 23, 2021 2:30 P.M. Online
DEADLINE FOR QUESTIONS (in writing only)	July 30, 2021
ADDENDA	Addenda will be issued with answers to questions raised in the Information Session and questions received in writing. Addenda will be posted on the Housing Secretariat Website under Open Requests for Proposals at: www.toronto.ca/affordablehousing
City Contact: Nadia Lawrence, Housing Development Officer, Housing Secretariat (t) 416-392-8798, (e) nadia.lawrence@toronto.ca	
CLOSING DEADLINE	August 27, 2021 12:00 pm (noon)

The City of Toronto will not be held responsible for submission documents that are not submitted in accordance with the instructions below.

Request for Proposals

City of Toronto Housing Now Property For the Development and Operation of Affordable Rental Housing for Seniors at 140 Merton Street

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Request for Proposals

City of Toronto Housing Now Property For the Development and Operation of Affordable Rental Housing for Seniors at 140 Merton Street

1.0 INTRODUCTION

The City of Toronto's Housing Secretariat and CreateTO, the City's real estate agency, are pleased to offer this Request for Proposals (RFP) for the lease and development of 140 Merton Street (the "Property") by a not for profit corporation, with a focus on affordable rental housing for Seniors.

Up to fifty percent of the residential portion of the future building may be developed and operated as market rental housing to ensure financial viability. The City encourages applications from non-profit community partners, including those who represent targeted communities (i.e. Indigenous). The City also encourages non-profit cooperative housing providers to respond to this RFP.

The Property is owned by the City and will be leased to the Successful Proponent for 99 years at nominal rent. The Successful Proponent must be a non-profit organization. The City will consider non-profit partnerships with private sector groups but the City will enter into the related legal agreements with one legal entity that must be a non-profit. It is anticipated that the Successful Proponent, will engage an experienced builder to develop, design and construct the building. The Successful Proponent will operate the new building as mixed-income rental housing with a focus on Seniors, for the term of the Lease.

The Property is also designated under the Ontario Heritage Act as it includes the War Amps building. A Conservation Strategy has been approved by City Council for the site and must be incorporated into the design of the new development.

140 Merton Street is located in the Davisville neighbourhood of Midtown Toronto, within 350 metres of Yonge Street. The Property is in a vibrant mixed-use community, providing access to transit, a variety of parks and trails, commercial uses, recreational activities, community services and cultural events.

The Property was rezoned in December 2019 through the adoption of City of Toronto By-law 1779-2019. This by-law is in full force and effect. It provides zoning permissions to accommodate the following minimum requirements of this RFP:

- Sufficient gross floor area for 180 residential rental units, a minimum of 90 of which must be affordable.
- 23,142 sq. ft. (2,150 sq. m) of community use space which is to be partitioned into two distinct spaces, with one space having a minimum of 12,378.5 sq. ft.

(1,150 sq. m) of contiguous floor area. The City will contribute up to \$15.3 million toward the project due to the required construction of the two community use spaces. The community use spaces will be subleased to the City for nominal rent upon completion of construction.

A minimum of 50% of the total residential unit count and residential GFA within the project is to be dedicated to affordable rental units. Rents for the affordable units will average a maximum of 80% of the City-wide average market rents (AMR) for Toronto as determined by Canada Mortgage and Housing Corporation (CMHC) annually, with no individual affordable unit to be rented at over 100% AMR and a minimum of 10% of affordable units to be rented out at a maximum of 40% of AMR.

The building will be comprised of approximately 179,219 sq. ft. (16,650 square metres) of gross floor area (GFA).

The Property is being offered for development as part of the City of Toronto's Housing Now program. Through this initiative, the offering seeks to improve City-owned lands through the development of affordable housing and mixed-income, transit oriented, livable communities.

The City's primary objective through this offering is to leverage the land value of the Property in exchange for a mixed market and affordable purpose-built rental housing development with a high quality of design and integration of amenities. The affordable housing is to remain affordable for 99 years, providing quality housing opportunities for future generations.

The City's development and transaction requirements are detailed in section 2.0 of this RFP.

The deadline for Proposals is August 27, 2021 at 12:00 p.m. All key dates in the decision making process are in Appendix 2 and the terminology and definitions used in this RFP are in Appendix 1.

1.1 City Priorities for 140 Merton Street

The City's priorities are to select the best Proposal that:

- 1) provides high-quality, purpose-built, mixed-income rental housing for Seniors;
- 2) provides good value for the land and incentives offered;
- 3) ensures the community use spaces are delivered; and,
- 4) ensures construction starts in a timely manner.

1.2 City Resources to be Provided

The following resources are being offered as part of this RFP:

1.2.1 The land at 140 Merton Avenue, at nominal rent for 99 years;

A long term Lease will ensure that the Property is secured as a stable mixed-use residential project, intended to last for generations. Additional details on the terms of the land transaction can be found in the Lease at Appendix 11.

1.2.2 Zoning of Residential, Mixed-Use Development

The site plan application for the development will be processed through the City's new Concept 2 Keys (C2K) initiative. C2K is intended to improve development application review timelines and is targeted to affordable housing and other high priority projects. C2K provides a dedicated and multi-disciplinary City Planning team to facilitate a more efficient application review.

The Property is being offered with zoning approvals in place, providing an expedited development approval timeline. Upon obtaining site plan approval and construction financing in principle, the Lease will be signed. All zoning-related information can be found in the Links to Background Documents in the RFP at Appendix 4.

1.2.3 City Funding for Community Use Spaces

The Property is currently used by SPRINT Senior Care as community use space. The City will contribute up to \$15.3 million in funding due to the requirement for the construction of two distinct community use spaces in the new building, both of which will be subleased back to the City upon completion. One of the community use spaces will be leased by the City to SPRINT. The Successful Proponent will have no landlord obligations over the two community use spaces other than to the City, as the City will take on these responsibilities.

The community use space which is not dedicated to SPRINT will be the subject of a separate, future, City-led competitive process for prospective non-profit, community use tenants under a long-term lease with the City. Proponents under the current RFP may choose to include in their Proposals suggestions for the programming of this community use space, but the final allocation and lease of the space will be subject to the future competitive process, to be led by the City's Social Development and Finance Administration. More information on the terms associated with the community use space can be found in the Sublease of Community Space at Appendix 13.

Land Transfer Tax (LTT) and Harmonized Sales Tax (HST) will be payable upon the lease back to the City of the community use spaces. These costs will be the responsibility of the Successful Proponent and are an eligible expense under the

City's \$15.3 million in funding for the community use spaces. The City will be exempt from its own LTT, but the provincial portion will be payable, based on the value of the consideration. HST will also be payable based on the consideration, at the municipal HST rate of 1.76%.

Further details on the community use space requirements can be found in the Project Agreement, attached in Appendix 14.

1.2.4 City Open Door Program

The City will make incentives available for all affordable units through the Open Door Program, which currently offers financial relief for the affordable rental housing units. Open Door Program incentives include waivers of the following fees and charges:

- Development Charges;
- Building Permit, Planning Application and Parkland Dedication Fees;
- Education Development Charges (Toronto District School Board only where applicable); and,
- Residential Property Taxes from the commencement date of the Lease, for the units to be operated as affordable housing.

No Open Door Program or other City capital grant funding beyond the \$15.3 million addressed at Section 1.2.3 above has been committed to the development of the Property at this time.

Please note that Open Door Program incentives are not available for the market rental component of the building i.e. any units renting for more than 100% of AMR.

1.2.5 Pre-Development Funding

Given that this site is targeted to the non-profit sector, the City will make available \$50,000 to the Successful Proponent in pre-development funding. The City will also support the Successful Proponent in requesting CMHC pre-development Seed Funding (see below).

1.2.6 Additional Financial Resources

The City acknowledges that additional financial resources may be required to ensure the viability of the project. If Proponents believe additional financial contributions are required to successfully construct and/or operate the building, these should be detailed and fully supported with relevant information in their Proposal, along with any strategies to secure the additional necessary contributions.

1.3 Canada Mortgage and Housing Corporation (CMHC)

The City contributions of land, funding, and incentives will provide the support required to be deemed a co-investing municipal partner by CMHC. The City will work with the Successful Proponent to facilitate any CMHC funding and financing applications.

The CMHC offers multiple programs under the National Housing Strategy with funding and favourable financing to support the creation of affordable rental housing:

Rental Construction Financing: This program provides low-interest loans up to 100% loan-to-cost, to encourage construction of rental housing across Canada.

National Housing Co-Investment Fund: This program provides low-cost loans and forgivable loans to support the development of affordable rental housing. Units must be designed to reflect CMHC's accessibility and energy-efficiency requirements to qualify for funding and/or financing.

Seed Funding: The new construction stream of this program provides interest-free loans and/or non-repayable contributions to support pre-development activities. This can include business plans, preliminary designs, development permits and more. The City will work with the Successful Proponent to facilitate CMHC Seed Funding, as needed.

1.4 Who should apply?

Non-profit Proponents with:

- a demonstrated track record developing good quality affordable rental housing for Seniors on time and on budget;
- demonstrated experience operating rental housing for Seniors and providing sound property management and appropriate supports to residents in a portfolio of residential properties; and,
- demonstrated capacity to create a sound, financial plan for development of the Property, either independently or as part of a non-profit led consortia/partnership.

2.0 SITE INFORMATION AND PROJECT REQUIREMENTS

2.1 Context

The Property is located in the Yonge and Davisville neighbourhood, just south of the Yonge-Eglinton intersection. The Property has direct access to the Davisville subway station and the future Eglinton Crosstown LRT. Through the development of the LRT, the Yonge-Eglinton node is positioned to be a major transit hub in the City.

The area is known for its parks and local amenities, including a mix of residential rental apartment and condominium buildings, offices buildings, community agency spaces, libraries, stores and restaurants. The Property's immediate surrounding uses are a 17-storey high-rise apartment building to the north; four-storey and six-storey office buildings to the east and west respectively; and a medium density townhouse complex and 13-storey apartment building to the south. The south side of Merton Street is directly adjacent to the Kay Gardiner Beltline Trail and the Mount Pleasant Cemetery.

SPRINT Senior Care has leased the existing building at 140 Merton Street from the City since 1998. The City is working with SPRINT to relocate its operations during the construction of the proposed building and it will return to the site to the larger of the two new community spaces, when the space is ready to be occupied.

2.2 Heritage

140 Merton Street is 0.84 acres in size, located between Yonge Street and Mount Pleasant Road. The former War Amps building is located on the site and is the subject of a Heritage Designation by-law, which can be found in Appendix 4. An alteration of the heritage building was approved by Council through the adoption of Planning and Housing Item No. PH11.3 "Alterations to Designated Heritage Property at 140 Merton Street" on December 17 and 18, 2019. Council's decision can be found at the following link:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.PH11.3>

Alterations can only occur in accordance with the requirements of the above noted decision and contingent on the Successful Proponent entering into a heritage easement agreement with the City, attached in Appendix 15. The Successful Proponent will be responsible for preparing a Conservation Plan (based on the preliminary work already completed by consultants on behalf of the City).

2.3 Planning and Approvals

The Property was rezoned by the adoption of City of Toronto By-law 1779-2019 in December 2019. The zoning bylaw is in full force and effect and can be accessed at the following link:

<https://www.toronto.ca/legdocs/bylaws/2019/law1779.pdf>

Associated planning and design-related documents may also be found in Appendix 4 for a more comprehensive overview. It should be noted that these are provided for information purposes only and it is recommended that the appropriate stakeholders are consulted when conducting due diligence.

It is expected that the Proposal submitted to this RFP conform to the parameters of the current zoning permissions for the Property. Any suggested minor variances anticipated should be outlined in the Proposal.

Please see Appendix 4 and 5 for site maps, guidelines and other details.

2.4 Environmental Status

The environmental work and associated costs related to the filing of a Risk Assessment for the Property have been undertaken by CreateTO on behalf of the City.

A Phase 1 and 2 Environmental Site Assessment (ESA) have been completed for the site. As per the findings of the Phase 2 ESA, a Risk Assessment (RA) was completed for this site in coordination with the Ministry of Environment, Conservation and Parks (MECP). A Certificate of Property Use 2161-BHFGV2 and RSC 226456 have been acknowledged by the MECP. The Proponent will be responsible for satisfying all of the requirements of the Certificate of Property Use.

Additional information regarding the environmental status can be found in Appendix 4.

2.5 Legal Agreements

Proponents responding to this RFP are required to sign the Offer to Lease attached hereto as Appendix 10. The Offer to Lease has the following agreements attached as schedules, each of which is provided as a separate Appendix to this RFP:

- Lease between the Successful Proponent and the City (Appendix 11);
- Contribution Agreement to be entered into with the City (Appendix 12);
- Sublease of Community Space (Appendix 13)
- Project Agreement (Appendix 14); and
- Heritage Easement Agreement (Appendix 15).

Applicants should carefully review these documents before responding to this RFP. By responding, the Proponent will be deemed to have accepted the terms of the agreements.

The Contribution Agreement sets out the terms and conditions of the City for providing the funding and resources identified to support the development, including project timing and construction milestones, reporting requirements, marketing, rent levels and generally all obligations of the Proponent.

The Lease sets out terms and conditions, including a term of 99 years and a nominal rent. The Successful Proponent will enter into the Lease upon obtaining site plan approval.

The form of Sublease of Community Space back to the City sets out the terms under which the City will sublet the two community use spaces from the Successful Proponent, following the completion of construction. Both community use spaces will be leased to the City at nominal rent, however it will be responsible for the operating expenses, including any costs associated with shared spaces. As indicated above, the City will enter into a sub-sublease of the larger community use space with SPRINT, the current tenant of 140 Merton Avenue. The City will conduct a competitive process to select a suitable not for profit operator for the other community use space. More information on these requirements can be found in the Project Agreement, referenced in Appendix 14.

The Heritage Easement Agreement sets out the requirements for altering the heritage building and related terms including the approval of heritage conservation plans. The Heritage Easement Agreement must be signed prior to Site Plan Approval.

The Project Agreement sets out the following items:

- Mid-Block Connection – a connection with a minimum width of 2.1 metres, is to be located on the west and/or east and/or north side of the Property, at the Tenant's sole expense, with specific location, configuration, design and dimension to be confirmed at Site Plan Application. An easement is required over this mid-block connection, and all Tenant responsibilities with respect to the connection are outlined.
- Heritage – all steps that the Tenant is required to make prior to Site Plan Approval with respect to the designated heritage building, including executing a Heritage Easement Agreement and providing a Conservation Plan, Heritage Lighting Plan, Interpretation Plan and Landscape Plan are outlined.
- Community Spaces – all requirements related to the two community spaces including details of construction, warranties, fixtures, etc. are detailed.
- Technical studies – all studies that will be required at Site Plan Application are listed.
- Standard contract provisions – all contract requirements including Easements, Governing Law, Insurance and Indemnity provisions are outlined.

A signed copy of the Offer to Lease (Appendix 10) must be included in the Proposal Submission Package. By replying to this Request for Proposals with a signed copy of the Offer to Lease, the Proponent is acknowledging and agreeing to the Lease, Contribution Agreement and Heritage Easement Agreement, substantially in the form of the Schedules attached to the Offer to Lease.

2.6 Residents, Rent Levels and Marketing

2.6.1 Residents and Marketing

The City's intention is to create a Seniors-focused tenant community at 140 Merton, and as such, the Successful Proponent will be expected to undertake marketing and outreach to Seniors.

A Tenant Access Plan will be required prior to occupancy. The Successful Proponent will also be required, at the City's option, to participate in the City's co-ordinated housing access system, or any other process as approved by the City. Prospective residents with approved City housing allowances will be provided with the opportunity to apply.

It will be the Successful Proponent's responsibility to ensure all prospective residents are income tested on first occupancy in order to meet the requirement of the City's Municipal Housing Facility By-law, which states that the household income limit is no more than four times the actual rent by bedroom type in the development.

2.6.2 Rent levels

A minimum of 50% of the total residential unit count and residential GFA within the project is to be dedicated to affordable rental units. Rents for the affordable units will average a maximum of 80% of the City-wide average market rents (AMR) for Toronto as determined by Canada Mortgage and Housing Corporation (CMHC) annually. No individual affordable unit is to be rented at over 100% AMR and a minimum of 10% of the affordable units are to be rented out at a maximum of 40% of AMR.

The affordable units must be retained as affordable rental housing for 99 years. All references to maximum Monthly Occupancy Charges ("rent") for the affordable units as a percentage of AMR refers to AMR by unit type.

The City requires that rents include heat, water and hydro. Where one or more utility is paid directly by the resident the Proponent shall deliver an allowance for utilities (as set by the City) by way of off-setting the amount of the Utility Allowance against the monthly rental payable.

The Average Market Rents for 2021, set out in Appendix 9, are to be used in preparing Proposals. However, the City will use the AMR published by CMHC in effect for the year of occupancy to approve initial rents at that time.

2.6.3 Rent Increases

As set out in the Contribution Agreement, rent increases for the affordable units will be the lesser of the provincial rent increase guideline set each year under Ontario's *Residential Tenancies Act* (RTA) and city-wide average market rents. The RTA guideline applies pursuant to the terms of the Contribution Agreement, despite the normal exemption for new buildings under the legislation.

Maximum annual increases on the market rental housing component are not to exceed the provincial rent increase guideline plus 2%, as detailed in the Rent Protocol attached to the Lease and referenced at Appendix 4.

2.6.4 Rent Supplements and Housing Benefits

To increase affordability for tenants, the Successful Proponent will make available up to 20% of the units to households receiving a monthly housing benefit from the City. The availability of City housing benefits will be confirmed in the Tenant Access Plan.

Additional rent supplements may be supplied by the Proponent through other government programs or a referring agency to deepen the affordability of the units.

2.7 Design and Accessibility Guidelines, Energy Efficiency and Other Regulations

In addition to meeting City Planning and Toronto Building requirements, there are a number of guidelines and regulations that must be addressed in Proposals. Links to the following guidelines and regulations can be found in Appendix 4:

2.7.1. The City of Toronto Affordable Housing Design Guidelines for affordable rental housing address recommendations regarding unit mix, size and location, durability, design of common spaces, finishes, accessibility and adaptability, site features, landscaping and other items.

2.7.2. Housing Now sites are required to meet the *Toronto Green Standard Version 3 Tier 2* for energy performance levels and a minimum 25% decrease in energy consumption and Greenhouse Gas (GHG) emissions over the most recent national building and energy codes (consistent with CMHC's current energy efficiency requirements). In Housing Now sites, 20% of the affordable rental units are required to be accessible and 15% of the market rental units are required to be accessible. Common areas are required to be fully barrier free.

2.7.3. *The Energy Consumer Protection Act 2010 and Ontario Regulation 389/10* require that suite meters be installed.

2.7.1 The requirements for a *Community Benefits Plan* and additional information.

3.0 MAKING A PROPOSAL

Proponents must fully respond to all sections as outlined in this section 3.0. To assist in the preparation of Proposals, Appendix 3 contains a Submission Checklist of all required submission documents.

3.1 Executive Summary

3.1.1 Letter of Introduction

The Letter of Introduction will introduce the Proponent to the City by setting out a brief outline of the Proponent and the members of the team making the Proposal. The Letter of Introduction should be signed by the person(s) authorized to sign on behalf of, and to bind the Proponent to, statements made and information contained in the Proposals to this RFP. The Letter of Introduction should contain the same signature as the person signing the Proposal Submission Form.

3.1.2 Table of Contents

Include page numbers and identify all included materials in the Proposal submission including appendices and their tab numbers.

3.1.3 Summary of Proposal (Not Scored)

The summary should outline in a clear and concise manner the key qualifications of the Proponent and the key features of the Proposal.

3.2 Offer to Lease (Not Scored)

A signed copy of the Offer to Lease attached hereto as Appendix 10 is to be submitted as part of your Proposal. The first page is to be completed with the information requested and the final page signed. Proponents responding to this RFP are required to sign the Offer to Lease. All Proposals must include a certified copy of a resolution of the Proponent's board of directors authorizing the Offer to Lease and the transaction. There is no need to include the schedules (i.e. the Lease, Contribution Agreement, Project Agreement and Heritage Easement Agreement) in your Proposal.

3.3 Development Qualifications (20% Weighting)

Demonstrate the Proponent's experience and capacity to build high-quality, purpose-built, affordable rental housing in accordance with the terms and conditions outlined in this RFP, by providing the following:

- 3.3.1. An outline that demonstrates the Proponent (including the non-profit and partnership entities if applicable) have a robust development

management and construction team including the staff, organizational capacity, housing development experience and construction capability to design and develop a project to completion on the scale and complexity required by this RFP.

- 3.3.2. Details of housing developments completed over the last ten years by the Proponent (including the non-profit and partnership entities if applicable), with respect to the size, complexity, location, resident demographic, tenure, specific features, etc. Note any specific difficulties which were encountered and outline how they were overcome. Also note the extent to which projects were completed and are operating successfully.
- 3.3.3. References for housing projects developed over the past five years by the Proponent must include:
 - i. name of the reference and relationship to the Proponent;
 - ii. a contact name and title, postal address, telephone number, e-mail and website, if any;
 - iii. a description of the project - highlighting its date, scale and whether it was completed on schedule and on budget;
 - iv. the timing and duration of the involvement in the project; and
 - v. services provided to or by the reference (i.e., construction, project management or architectural services).
- 3.3.4. A list of the Proponent's (including the non-profit and partnership entities if applicable) key consultants and individuals on the proposed development and construction team(e.g., builder, general contractor, development manager, project manager, environmental consultant, architect, cost consultant, Heritage consultant etc.), citing their experience and expertise in relation to similar projects and indicating the duties and responsibilities to be assumed in the development of the proposed project.
- 3.3.5. Resumes for key consultants and individuals (including the non-profit and partnership entities if applicable) as an appendix to the Proposal. Include a signed consent form authorizing the disclosure of personal information to the City, or its designated agent(s), for each resume that is submitted. However, the Proponent will accept all liability for disclosure if any consent is not provided to the City.

3.4 Management Qualifications (15% Weighting)

Demonstrate the Proponent's experience in operating quality rental housing for Seniors, providing sound property management, maintaining a portfolio of rental housing in a state of good repair and the ability to provide appropriate supports to residents, by providing the following:

- 3.4.1. An outline that demonstrates the Proponent has the experience to effectively manage the Property over the term.
- 3.4.2. References for housing projects managed over the past five years by the Proponent including:
 - i. name of the reference and their relationship to the Proponent or partner;
 - ii. a contact name and title, postal address, telephone number, e-mail and website, if any;
 - iii. a description of the project, highlighting the number of units, location, type of residents, tenure, age of building, specific features, etc.; and
 - iv. services provided to the reference and for what period. Note any specific difficulties encountered in the management of the project, if applicable, and outline how they were overcome.
- 3.4.3. A list of key consultants, organizations and individuals known at this time that would be involved in property management and support services, if any, their experience and expertise in relation to similar projects and an outline of the duties and responsibilities to be assumed in the operation and management of the building.
- 3.4.4. Resumes for the consultants and individuals involved in property management and any proposed support service provision as an appendix to the Proposal. Include a signed consent authorizing the disclosure of personal information to the City, or its designated agent, for each resume that is submitted. However, the Proponent will accept all liability for disclosure if any consent is not provided to the City.

3.5 Corporate Financial Viability and Capital Funding and Financing Plan (20% Weighting)

Demonstrate that the Proponent is a financially sound and viable organization that has the experience and capability to obtain the necessary financing to complete the proposed work at the Property by providing the following:

- 3.5.1. Proof of financial viability:
 - i. audited financial statements or annual report for the two (2) most recent years available showing the status of reserve funds;
OR
 - ii. a letter from its financial institution or accountant providing assurance to the City that the Proponent has been, and is:
 - financially viable and solvent;
 - confirmation that the Proponent will have the financial capacity to complete the required work referenced in the Proposal; and,
 - that the undertaking of work for this Project will not put any undue financial burden on the Proponent.
- 3.5.2. Copies of the organization's Articles of Incorporation or Letters Patent, the general and borrowing bylaws, as well as a list of the directors.
- 3.5.3. If the Proponent has been formed to develop and/or manage the work at the Property, information about each member organization. Describe the legal nature of the relationship and the roles and responsibilities of each party. Provide details of how and when the parties have worked together in the past.
- 3.5.4. If a subsidiary corporation is to be used for development or management purposes, information on both the parent and subsidiary corporations.

The Proponent is also to provide details on the capital funding and financing plan which includes the following:

- 3.5.5. Details of the proposed breakdown between affordable rental units and market rental units, meeting at a minimum, the requirements listed in Section 2.6 of this RFP. The intent of the Housing Now program is for the market rental units to support the ongoing feasibility of the affordable housing units, and for the percentage and number of affordable housing units to be maximized, while demonstrating financial viability.
- 3.5.6. Details of the equity to be contributed by the Proponent.

- 3.5.7. Details of all proposed capital funding sources for the development of the Property, such as construction financing, mortgage financing and contributions or grants from other sources, for example CMHC's National Housing Strategy programs. Provide an indication as to how financial contributions will be secured, when confirmation of support will be provided, and a strategy or proposal to address any shortfall.

Should Proponents believe additional financial contributions are required to successfully complete and/or operate the building, these should be detailed and fully supported in their Proposal. When supported by sound analysis, acknowledging the need for additional financial resources will not negatively impact a Proponent's score.

Note: A mortgage commitment for construction financing must be in place before the Lease and Contribution Agreement are signed.

- 3.5.8. A completed Capital Budget (using the form attached as Appendix 7) with detailed notes on assumptions used to arrive at cost figures. Include cost figures for the entire development and describe the method used to estimate the costs.

Note: Proponents are responsible for reviewing the Phase 1 and 2 Environmental Site Assessments (ESAs) for the Property and will cover any costs associated with the Ministry of Environment, Conservation and Parks approved Certificate of Property Use. Information on accessing these documents is available in Appendix 4.

- 3.5.9. A monthly cash flow plan for all sources of capital funding in keeping with the anticipated development schedule from Section 3.6 which indicates the major development milestones.

3.6 Development Plan and Schedule (20% Weighting)

Demonstrate that the proposed building incorporates sound planning principles in its design, exemplifies good architecture, fits within the neighbourhood context, takes into account the Affordable Rental Housing Design Guidelines (See Appendix 4), and accords with the conservation strategy set out in the Heritage Impact Assessment for 140 Merton Street, prepared by ERA Architects Inc., dated July 4, 2019, by providing the following:

- 3.6.1. Concept drawings that clearly illustrate the site plan context, main floor level, typical and unique floors, including parking level(s), if applicable, with building sections and elevations. Provide dimensioned unit plans and size (metric units only). Your Proposal should include a target mix of unit sizes, proposed to be appropriately geared toward a Seniors

demographic with a minimum of twenty per cent (20%) of affordable units being Fully Barrier Free plus Fully Barrier Free common areas.

- 3.6.2. An illustration of how the design addresses the needs of the resident groups described in the Proposal. Discuss any design features being incorporated. For units with sizes significantly above or below the City's Affordable Housing Design Guidelines, provide a rationale for the variance.
- 3.6.3. A description of the overall approach to the design of the development and how it integrates with the immediate neighbourhood i.e. how the design and massing will fit harmoniously into the existing context while minimizing impacts on neighbouring streets, parks, open spaces and properties. Particular attention will need to be paid to the heritage impacts. (See Appendix 4)
- 3.6.4. An outline of how the durability and quality of the building will be achieved in order to reduce maintenance costs and prolong the life of the building.
- 3.6.5. An explanation of the approach taken to achieve an integrated green building design; design must comply with the Tier 2 requirements of the Toronto Green Development (TGS) Version 3 Standards for Housing Now sites.
- 3.6.6. Information on any anticipated minor variances if sought, from the current, approved zoning and other related development plan information. Include information that highlights the Proponent's ability to achieve the potential variances if proposed for 140 Merton Street, such as details of any Committee of Adjustment applications in the last five years and the results of the applications.
- 3.6.7. A greater number of adaptable, accessible units and as many universal design features as possible in both the market and affordable rental components.

Demonstrate that the Proponent is able to begin work and start construction in a timely manner, by providing the following:

- 3.6.8. A description of how and when staff, consultants and other resources will be hired and/or mobilized to begin work at the Property.
- 3.6.9. A legible Gantt Chart (or similar) indicating specific dates for the development milestones, including, but not limited to, contract tendering and closing, Site Plan Application and approval, building permit approvals including, specifically, first permit and full building permit,

start of construction, mortgage commitment, completion of structural framing, substantial completion and occupancy of the units.

3.7 Operating Plan (15% Weighting)

Demonstrate that your Proposal is financially viable for the term of the Lease with the City, in addition to keeping the building in a state of good repair and continuing to provide quality, affordable, rental housing throughout the term, by providing the following:

- 3.7.1. A completed Proposed Rents and Building AMR Calculation (see Appendix 9) to show the range of proposed rents by unit type and ability to achieve the required 80% AMR and 40% AMR building requirements for the affordable units.
- 3.7.2. A completed Operating Budget (in the form attached as Appendix 8) with detailed notes on assumptions to arrive at cost figures. Include figures for the entire Property, including other components, if any.

Note: All affordable housing units in the development will receive a property tax exemption for the term of the Lease.

Note: Operating budgets are to be based on 2021 costs, showing assumptions for escalation until the time of occupancy.

- 3.7.3. A completed 10-year Operating Budget to show the sustainability of the model over time with anticipated inflationary costs.
- 3.7.4. An explanation on whether or not the Proponent is proposing to be a participating partner in the form of operating funding or support services for Seniors.
- 3.7.5. The method proposed to include tenants from the Indigenous community which is considered a priority group.
- 3.7.6. A summary chart of the type of units being offered to tenants. Specify any additional segment of the Seniors demographic being targeted if applicable.

The proposed unit type mix will be set out in the in the Contribution Agreement, and must be adhered to for the affordability period.

- 3.7.7. An explanation of the roles and relationships of the various parties involved in the proposed project's operation, including what

organization will be responsible for property management and any support services, if applicable.

- 3.7.8. The way in which deeper levels of affordability may be achieved if possible, which will obtain greater consideration.
- 3.7.9. The way in which market rents are proposed to comply with Council direction on annual rent increases referenced in Appendix 4.

3.8 Community Benefits, Consultation and Communications Outreach Plan (5% Weighting)

Community Benefits

The goal of the City's Community Benefits Framework is to maximize the City of Toronto's levers to create inclusive social and economic outcomes for Torontonians who face systemic barriers to economic opportunities. Community benefits initiatives align with the City of Toronto's Poverty Reduction Strategy, Confronting Anti-Black Racism Action Plan, and the City's commitment to Indigenous persons. Each Housing Now project will develop a unique community benefits plan which will outline the project's objectives and targets when it comes to Local and Social Hiring opportunities, supply chain diversity opportunities, other community benefits outcomes, and also include, tracking and monitoring protocols.

Proponents are required to submit the following:

- 3.8.1. A summary of previous community benefits experience that includes up to three (3) examples of how relevant community benefits initiatives or outcomes may have been achieved by the Proponent in the past. Where possible, each example should include the details of the program or initiative, description of target populations who benefited, and the impact on local community;
- 3.8.2. Propose a target number or percentage of 'person year' jobs for local and/or Social Hiring opportunities generated by the Property, which strives to achieve a 10% social hiring target; and/or
- 3.8.3. Propose a procurement target dollar value from local or diversely-owned businesses.

Note: The Successful Proponent will be required to do the following:

- Develop the Community Benefits Plan jointly with the City of Toronto; oversee the Community Benefits Plan's implementation and track progress through data collection and analysis with

guidance from the City of Toronto; provide quarterly updates with the City of Toronto throughout construction and initial occupancy of the building to monitor progress and address matters related to the implementation of the Community Benefits Plan;

- Agree upon a minimum target number or percentage of ‘person year’ jobs of “Net New” hiring opportunities to be recruited and sourced through local and/or social hiring approaches for the Property, which strives to achieve a 10% social hiring target; and/or
- Agree upon a minimum project procurement target dollar value from local or diversely-owned businesses.

Note: Social Hiring refers to targeted recruitment efforts that aim to hire qualified candidates who face unique barriers to employment or who self-identify as Black Torontonians, Indigenous persons, or people from equity-seeking groups. Social hiring approaches are typically achieved through coordinated processes with community-based employment service providers who are affiliated with the City of Toronto.

Note: Net New hiring opportunities refers to recruitment opportunities by the Proponent and any of its consultants and contractors that are new hires for the purpose of fulfilling aspects of work related to the Property and Lease. Net new hiring opportunities are the focus of local and/or social hiring approaches. Local and social hiring targets are not intended to displace existing employees who are already employees of the Proponent or its affiliates prior to the start of this Project and Lease.

Community Consultation and Communications Outreach Plan

Demonstrate the Proponent’s capacity and plans to engage and consult with the local community and relevant stakeholders and to facilitate the integration of the proposed housing and its residents into the community, by providing the following:

- 3.8.4. An outline of any specific neighbourhood issues which may require particular attention in the consultation and communications plan.
- 3.8.5. An outline of any proposed community consultation and communications to be implemented over the life-cycle of the project (i.e. pre-construction, construction and occupancy phases). **Note:** a mandatory public meeting and review by the City of Toronto’s Design Review Panel will be required as part of the site plan approval process on this development.

- 3.8.6. Information on specific neighbourhood services that proposed resident groups may need to access, including schools, libraries, sports and recreational facilities etc.
- 3.8.7. A list of any key consultants, organizations or individuals that may be involved in the community consultation process, their experience and expertise with similar projects and their duties and responsibilities regarding the project.
- 3.8.8. Resumes for key consultants and/or individuals that may be involved in community consultation and communications as an appendix to the Proposal. Include signed consent forms authorizing the disclosure of personal information to the City, or its designated agents, for any resumes that are submitted. However, the Proponent will accept all liability for disclosure if consents are not provided to the City.

3.9 Exceeding Minimum Requirements

If the Proponent can demonstrate that the following minimum requirements can be exceeded, additional weighting will be attributed for the following areas:

- 3.9.1. The inclusion of more affordable rental units than the minimum requirement
- 3.9.2. The inclusion of more affordable rental units than the minimum requirement
- 3.9.3. The inclusion of controls on rent increases for affordable and market tenants that exceed the minimum requirement
- 3.9.4. The inclusion of supportive housing, including housing and/or housing opportunities for a targeted Seniors community (i.e. Indigenous tenants)

3.10 Additional Mandatory Requirements

Each Proposal must include the following completed forms, all of which are provided in Appendix 3:

- i. Form 1 - Proposal Submission Form signed by an authorized official of the Proponent
- ii. Form 2 - Conflict of Interest Form

- iii. Form 3 - Policy to Exclude Bids from External Parties involved in the Preparation or Development of a Specific Call/Request
- iv. Form 4 - Restrictions on the Hiring and use of Former City of Toronto Management Employees for City Contracts
- v. Form 5 - Environmentally Responsible Procurement Statement
- vi. Form 6 - Declaration of Anti-Harassment/Discrimination City Policy

4.0 **EVALUATION CRITERIA**

Proposals will be assessed on the basis of information provided by the Proponents at the time of submission. The weighted evaluation criteria below are in keeping with Section 3.0 "Making a Proposal". In the event of a tie, Proposals will also be evaluated based on how well they meet the City Priorities for this RFP as outlined in Section 1.0.

Evaluation Criteria Summary

Evaluation Criteria	Evaluation Weighting
Prerequisite: Minimum 90 affordable rental units at average 80% of CMHC AMR and 90 maximum market rental units, with rent increases for in situ market rental tenants limited to Provincial Guideline plus 2%	Pass/Fail
Prerequisite: Minimum of 20% accessible affordable rental units and 15% accessible market rental units plus fully barrier-free common areas	Pass/Fail
Prerequisite: The inclusion of required City Building features (i.e. community space)	Pass/Fail
1. The Proponent:	55%
a) Development team capability, experience and record in acquiring land and developing purpose built and affordable rental housing (as per section 3.3 in RFP)	20%
b) Operating experience in managing affordable rental housing; financial capability and resources, corporate financial viability (as per section 3.4 in RFP)	15%
c) Ability to execute on this deal and secure financing (quality of collateral, guarantors, experience with CMHC) (as per section 3.5 in RFP)	20%

Evaluation Criteria	Evaluation Weighting
2. The Proposal:	45%
a) The Development Plan and Schedule: The design, plan, timeline to construction start and occupancy (as per section 3.6 in RFP)	20%
b) The Operating Plan: Demonstrate that your Proposal is financially viable for the term of the Lease with the City, in addition to keeping the building in a state of good repair and continuing to provide quality, affordable, rental housing throughout the term (as per section 3.7 of the RFP)	15%
c) Affordable Housing Components that exceed the minimum requirements (as per section 3.9 of the RFP): i) The inclusion of more affordable rental units than the minimum requirement ii) The inclusion of deeper levels of affordability than the minimum requirement iii) The inclusion of controls on rent increases for affordable and market tenants that exceed the minimum requirement iv) The inclusion of supportive housing including housing and or housing opportunities for a targeted Seniors community (eg. Indigenous Seniors)	5%
d) City Building, Social Benefit and Community Benefit Components that exceed the minimum requirements (as per section 3.8 of the RFP) i) The inclusion of accessibility and universal design commitments that exceed the minimum requirement; ii) The inclusion of measurable community benefits opportunities, such as social procurement and apprenticeship, training, and/or other hiring opportunities for people from equity-seeking communities, and community benefits agreements for larger sites; iii) The inclusion of measures that exceed the minimum energy and carbon targets;	5%
WEIGHTED SCORE	100%

Note: The successful Proposal must score a minimum of 70 percent. The City shall not be obliged to accept any Proposal in response to this RFP.

4.1 Schedule of Events

Milestone	Date
RFP issued	June 2, 2021
RFP information session	June 23, 2021, 2:30 pm
Deadline for questions from Proponents	July 30, 2021
Release of final Addendum	August 13, 2021
Proposal submission deadline	August 27, 2021, Noon
Estimated completion of evaluation process	September 24, 2021

This schedule is subject to change and appropriate written notice of any changes will be provided where feasible and posted on the "Open Requests for Proposals" page.

4.2 Information Session and Site Visit

An on-line information session will be held on June 23rd, 2021, at 2:30 pm. Details on how to participate will be posted in advance on the "Open Requests for Proposals" page of the City's Affordable Housing Partners website at: www.toronto.ca/affordablehousing.

A site visit will be arranged after the information session. Proponents interested in a site visit must contact Nadia Lawrence, Housing Development Officer, Housing Secretariat, at nadia.lawrence@toronto.ca by July 9th, 2021. Proponents may send a maximum of 2 people for the site visit. Current Covid19 health measures are to be strictly followed.

The information session and site visit are not mandatory.

5.0 SUBMITTING YOUR PROPOSAL

Background documents will be provided to Proponents to help prepare Proposals following a request emailed by Proponents to: housingsecretariatrfp@toronto.ca, as referenced on the website.

Each Proposal must be by digital submission only. Proponents will no longer be required to submit paper copies of their Proposals.

The following process is in place for digital submissions:

Proposals can be accepted via email to: housingsecretariatrfp@toronto.ca. Proponents will receive a notification e-mail confirming file receipt.

A maximum of 45MB can be accepted in each email to housingsecretariatrfp@toronto.ca so multiple, sequential emails will be accepted if required to create a complete Proposal.

If the 45MB maximum size cannot be accommodated for a Proposal using multiple, sequential emails:

- i. Send an e-mail to housingsecretariatrfp@toronto.ca by August 23, 2021 at 12:00 p.m. to provide time for staff to confirm alternative digital solutions with the City of Toronto, Technology Services.
- ii. Within 24 hours, staff will send a response e-mail from housingsecretariatrfp@toronto.ca outlining the method in which the Proponent can complete the submission of the Proposal.
- iii. Proponents will receive an e-mail confirming file receipt.

Proposals are to be submitted no later than the Closing Deadline of August 27, 2021, (12:00 noon) and be addressed to:

**Abigail Bond, Executive Director
Housing Secretariat
Metro Hall, 7th Floor
55 John Street
Toronto, ON, M5V 3C6**

Proponents are recommended to submit Proposals well in advance of the deadline. Delays caused by any electronic delivery or technical issues shall not be grounds for an extension of the closing deadline, and Proposals that are received after the closing deadline will not be accepted.

The City requests that Proponents planning to make a Proposal to this RFP send a brief email to nadia.lawrence@toronto.ca stating their intent to make a Proposal. There will be no obligations associated with this email, nor any implications for Proponents that do not respond to this request. The intent is to gauge interest in the RFP and plan for the Proposal review process.

6.0 EVALUATION AND APPROVALS

6.1 Evaluation Committee

All Proposals will be evaluated through a comprehensive review and analysis in keeping with the RFP Process Terms and Conditions in Appendix 2. The review process will be carried out by an Evaluation Committee which will include members of the Housing Secretariat, CreateTO, Shelter, Support, Housing and Administration and City Finance. City Planning, Legal Services and other divisions will be consulted as part of the Evaluation Committee's review. The Evaluation Committee may, at its sole discretion, retain additional committee members or advisors. The aim of the Evaluation Committee

will be to select the Proposal which, in its opinion, best meets the City's requirements under this RFP.

The Evaluation Committee may choose to use a negotiated process to select the Successful Proponent. Following its initial review of the Proposals, the Evaluation Committee may, but is not obligated to, invite all or a select group of Proponents to make resubmissions. The City reserves the right to continue to negotiate the terms of the Successful Proponent's Contribution Agreement and Lease following the selection of a Successful Proponent. Notwithstanding the results of such negotiations or renegotiations, the City will not be required to re-offer the Property to unsuccessful Proponents or give unsuccessful Proponents an opportunity to resubmit a Proposal, regardless of how the renegotiated terms compare to the submissions made by the unsuccessful Proponents.

By responding to this RFP, Proponents will be deemed to have agreed that the decision of the Evaluation Committee under the oversight of the Housing Secretariat, the Chief Executive Officer, CreateTO, the Deputy City Manager, Corporate Services and Chief Financial Officer and Treasurer will be final and binding.

6.2 Clarifications

As part of the evaluation process, the Evaluation Committee may make requests for further information with respect to the content of any Proposal, in order to clarify understanding; e.g. to remove a contradiction or ambiguity. The clarification process shall not be used to obtain required information that was not submitted at time of closing of the RFP or to promote the Proponent's organization.

6.3 References

In order to complete its due diligence, the City reserves the right to use itself, other municipalities, other orders of government, and/or other funders as references. References will be checked for only the top-scoring Proponents.

6.4 Optional Interviews

The Evaluation Committee, at its sole discretion, may invite a Proponent to an interview, the results of which will be used as a mechanism to revisit, revise, confirm, or finalize the score.

The representatives designated by the committee in its invitation to the Proponent must attend any interview scheduled as part of this evaluation process, which interview may be held by conference call.

A Proponent's representative at any interview is expected to be thoroughly versed and knowledgeable with respect to the requirements of this RFP and the contents of the Proposal, and must have the authority to make decisions and commitments with respect to matters discussed at the interview, which may be included in any resulting agreement.

Where the Evaluation Committee identifies that the composition of the team proposed by the Proponent is an issue, it may require those team members be present for the interview.

No Proponent will be entitled to be present during the interview of another Proponent, or receive any information regarding another Proponent.

The Evaluation Committee may interview any Proponent without interviewing others, and the City will be under no obligation to advise those not invited to an interview until completion of the evaluation and selection process.

6.5 Questions

Please direct all questions regarding this RFP in writing by email to Nadia Lawrence, Housing Development Officer, Housing Secretariat, at nadia.lawrence@toronto.ca before the deadline for questions date above. To ensure that all Proponents have access to the same information, all RFP revisions and any answers to submitted questions will be communicated as an addendum posted online.

6.6 Addenda

If it becomes necessary to revise any part of this RFP, post questions and answers or clarify aspects of the RFP, the information will be provided by an Addendum posted on the "Open Requests for Proposals" page of the City's Affordable Housing Partners website at: www.toronto.ca/affordablehousing. Proponents should monitor this site frequently until the Proposal Submission Deadline. Only answers to issues of substance will be posted. The City reserves the right to revise this RFP up to the Proposal Submission Deadline.

The City will make all reasonable efforts to issue the final Addendum (if any) no later than five (5) days prior to the Proposal Submission Deadline.

6.7 Evaluation Results

Upon conclusion of the selection process, Proponents will be contacted and the results will be available on the Housing Secretariat website: www.toronto.ca/affordablehousing. A staff report will be presented to the Planning and Housing Committee and Toronto

City Council recommending Open Door Program fees, charges and tax waivers for the affordable housing units and that the City enter into the Lease with the Successful Proponent.

Proposal evaluation results shall be the property of the City and are subject to *Municipal Freedom of Information and Protection of Privacy Act* (MFIPPA). Evaluation results may be subject to public release pursuant to MFIPPA. Proponents should be aware that City Council and individual Councillors have the right to view the Proposals, provided their requests have been made in accordance with City procedures. Other than distribution of proposals to members of the Evaluation Committee, proposals will not be made available to others until the conclusion of the evaluation process.