

Request for Proposals

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

ADDENDUM #2

Please refer to the above Request for Proposal (RFP) document and be advised of the following:

1. Questions from the June 23, 2021 Online Information Session:

Q1. Can you clarify the expectations around the Indigenous tenant prioritization in the Access Plan, referenced in 3.7.5?

A. The City considers the Indigenous community a priority group. As such, this RFP encourages the inclusion of tenants from the Indigenous community and as per section 3.7.5, requires that Proposals contemplate and include a method for outreach to this community.

The evaluation criteria in section 4.0, under item 2c) outlines the scoring associated with the inclusion of supportive housing and/or housing opportunities for targeted Seniors communities such as those from the Indigenous community.

Q2. Are there parking requirements?

A. Yes, there are parking requirements. The current conceptual design envisions 45 parking spots on one level of underground parking, which avoids excavation under the heritage structure. The approved Zoning By-law Amendment for the site requires 45 parking spaces consisting of 15 spaces for residents, 15 spaces for visitors and 15 spaces for SPRINT. The non-SPRINT spaces can be chargeable at market rate.

Q3. Are the 10% of affordable units below 40% AMR required – will this be evaluated?

A. Yes. Please see section 3.7 of the RFP.

Q4. Are the required community spaces exempt from DCs/fees or only the affordable residential units?

A. At this time, only the affordable rental housing component is exempt from the eligible Development Charges, see Q11.

Q5. Are the affordable Accessible Units requirement part of, or over and above, the 90 affordable unit requirement?

A. The affordable accessible units are part of the required 90 affordable housing units.

Q6. Will Seniors be defined as 55 and up?

A. In the RFP Appendices Appendix 1 section on Definitions, Seniors are defined as 59 years of age and older.

Q7. Will rent subsidies be available?

A. The RFP asks that Proponents set aside 20% of the affordable rental units for tenants receiving monthly housing benefits from the City. Although the City intends to provide monthly housing benefits to 20% of the affordable units, this funding is subject to the annual City budget process and cannot be committed at this time.

As a point of clarification regarding housing benefits, Proponents are to complete the budgets and rent calculations required for a Proposal without factoring in monthly housing benefits funding. In other words, the project should meet the required affordable rent levels and be financially viable without relying on housing benefit funding.

Proponents should also indicate if they are interested in receiving housing benefits for more than 20% of the affordable units.

Q8. What design flexibility is there in the building itself?

A. The City's intent is for the zoning to define the uses, general envelopes, etc. The site plan application related design elements are to be proposed by the Proponent. As outlined in the RFP, the development is also required to meet Toronto Green Standard Tier 2.

Q9. What is the precise definition of "affordable" if units can charge 100% AMR so long as they average 80%?

A. The affordable housing units encompass the units rented at up to 100% of Average Market Rent (AMR). The target for this property is for the average rent of all affordable units not to exceed 80% of AMR.

Q10. Is there a reduction in Development charges and park levies?

A. This project will be eligible for Open Door Program incentives. Pending Council approval, exemptions from the following fees and charges will be provided for the affordable rental units at the future development:

- Planning Application Fees
- Development Charges
- Building Permit Fees

- Parkland Dedication Fees
- Residential Property Taxes (for the term of affordability)

The City does not provide exemptions for the following fees including, but not limited to:

- Toronto District Catholic School Board Development Charges
- Public Art Contribution
- Hydro Levies
- Fees related to Urban Forestry
- Technical Services Fees
- Right-of-Way Permit Fees including:
 - Landscape Construction Permits
 - Street Occupation
 - Municipal Road Damage

Q11. If the community space ends up costing more than \$15.3 million, would there be a process for the city to cover those additional expenses?

A. No, the intent is that the \$15.3 million will cover the estimated cost of the community space, but there is currently no further funding available should community space costs exceed this amount. As per section 1.2.6 of the RFP, 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.

Q12. Are the SPRINT parking spaces part of the City lease or chargeable at market rate?

A. The approved Zoning By-law Amendment for the site requires 45 parking spaces for the site consisting of 15 spaces for residents, 15 spaces for visitors and 15 spaces for SPRINT. The non-SPRINT spaces can be chargeable at market rate.

Q13. Can a non-profit partnership be struck for the development to be transitioned to a single non-profit for operations thereafter?

A. This is acceptable once the provisions referenced in Q10 have been satisfied.

Q14. Will SPRINT be given office space in the building and will they be required to offer services to the 15 units?

A. SPRINT Senior Care will be provided 15 units of parking, not 15 units of rental residential or community space to operate. More information on the requirements and specifications for the SPRINT community space can be found in the Project Agreement.

Q15. What is the anticipated use or programs anticipated for the community space?

A. There are two uses contemplated for the community space. One is designated for SPRINT's use and the second use is yet to be determined. As stated in section 1.2.3 of the RFP, a future competitive process involving the City's Corporate Real Estate Management (CREM) division and Social Development, Finance and Administration (SDFA) will be undertaken to determine the use of the second community space. A submission of a Proposal to this RFP does not preclude the possibility of a subsequent submission to the future community space competitive process.

Q16. Does the City have a list of the parties that were involved in the preparation of the call document and that are deemed as excluded parties for the RFP submission?

A. At this time there are no external parties that have been identified as excluded parties for this RFP. Consultants such as architects or designers involved in prior work related to the site are not excluded from forming part of a Proponent team.

Q17. Will affordable housing units be exempted from property tax?

A. Yes, the affordable housing units will be exempted from residential property taxes for the 99 year term of affordability.

Q18. Will non-profit organizations that have extensive experience in housing and supporting individuals in housing (including other housing partnerships) be preferred?

A. Yes, previous experience will be factored in as part of the evaluation criteria as referenced in section 3.4 and 4.0 of the RFP.

Q19. Is the number of units fixed by the zoning?

A. No maximum on the number of units has been set through the re-zoning process. The approved zoning does set maximum limits on the GFA for residential and community spaces, as well as on heights. To allow for flexibility, unit counts were not limited, as a Proponent could design the building to offer more units.

Q20. Can you elaborate on the heritage retention requirement of 12m from the facade? Can we demolish the interior of all non-structural components, and replace with any programming that makes sense for those areas? It may or may not end up being common element amenity space.

A. The proposed alterations to the heritage property at 140 Merton have been approved as per PB11.4 "Alterations to Designated Heritage Property at 140 Merton Street" at Toronto Preservation Board on November 12, 2019. Please review the PB11.4 for additional requirements. The expectation is that the

property will be entirely retained in situ to a depth of 12 metres, measured from the primary south front wall of the heritage building. As stated in section 5.0 of the RFP, background documents will be provided to Proponents to help prepare Proposals following a request from Proponents to housingsecretariatrfp@toronto.ca, also referenced on the website.

Q21. The RFP submission requires a descriptive approach to TGS compliance. What level of detail is required to show compliance? For example, an energy model, TGS forms, etc.?

A. A descriptive approach is required under version 3 of the TGS and a minimum of Tier 2 is to be met for this building. The RFP submission is expected to contemplate these requirements. Following the RFP process, energy modelling and other documentation will be required when the site plan and related development applications are submitted to the City, to ensure that Tier 2 is being met.

Q22. Is the Proponent expected to partner with SPRINT on any services to tenants?

A. No, the Proponent is not expected to partner with SPRINT.

Q23. Will the information session presentation be emailed out?

A. No the presentation has been posted on the RFP website: <https://www.toronto.ca/community-people/community-partners/affordable-housing-partners/open-requests-for-Proposals/>

Q24. Is there a possibility for Open Door capital grant funding to be available for this building to support deeper affordability?

A. All currently available funding has been referenced in section 1.2 of the RFP. As stated in section 1.2.6, the City acknowledges that additional financial resources may be required to ensure the viability of the project and 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.

Q25. Will the City be sharing a list of interested bidders if groups are looking for partners? Or share participants from today? (i.e. to form a non-profit consortia)

A. Please see section 3 of this Addendum for details.

Q26. The existing layout provides blocked spaces for the community spaces. Is the intent to provide a shell space fitted out by future tenants or do we have functional space requirements from SPRINT and the other community space we need to design for?

A. The intent of the RFP is for the Proponent to provide fully completed community space. Please review Clauses 6.5 and 6.7 of the Project Agreement for the specifications and requirements. There are no additional functional space requirements for the community spaces.

Q27. The mid-block connection requires an easement to the property north of the site. We understand the successful Proponent is responsible to design and construct the midblock connection. Will the city be securing the easement rights from the adjacent properties?

A. It is not anticipated that the Proponent will be responsible for securing any easement rights outside of the 140 Merton property.

2. Questions Submitted by Email:

Q1. The RFP references using the City of Toronto Affordable Housing Design Guidelines for affordable housing rental recommendations. However, as part of these guidelines, there are references to unit size and unit mix which excludes bachelor units and includes 3-bedroom and 4-bedroom units. Could the City please confirm the following:

- Are bachelor apartments acceptable as part of this submission for affordable units? If yes, does the City have any guidelines for the minimum and average unit size for an affordable bachelor unit?
- If the development does not include any 3-bedroom or 4-bedroom affordable units (due the project being Seniors focused), would this be acceptable as part of the submission?

A. Bachelor units are acceptable as part of the submission to this RFP for affordable and market rental units. There is no requirement for 3 or 4 bedroom units as part of this RFP. Proponents may propose a suitable unit mix related to the targeted Seniors demographic. The Affordable Rental Housing Design Guidelines is a general document and is not site or program specific.

Q2. Could the City elaborate on to what extent the Proponent needs to make design provisions to achieve the design intent of a Seniors' residence? Specifically as it relates to accessibility, space programming, and any other functional requirements (for example, assisted living).

A. The aim of the RFP is to achieve affordable rental housing for Seniors. Section 2.7.2 of the RFP states that 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.

The Proponent may propose accessible units which meet the minimum OBC standards for barrier free units, but are encouraged to exceed minimum standards. The Proposal may suggest that accessible units meet CMHC standards if CMHC funding is contemplated and/or other guiding documents for universal design. The Evaluation Criteria in section 4 item 2 d) includes scoring

for the inclusion of accessibility and universal design commitments that exceed the minimum standards. The RFP anticipates that Proponents will propose programming, levels of accessibility and any housing supports suitable to meet the needs of the anticipated Seniors tenant demographic.

Q3. It appears that Proponents are being asked to show a design in compliance to Tier 2 - TGS - Version 3 energy standards in section 3.6.5. Could the City confirm the level of design detail required for the RFP submission? In particular, is it expected that Proponents provide a design advanced enough to show compliance with the Tier 2 - TGS - Version 3 energy standards for the RFP submission?

A. The design concept submitted to this RFP as outlined in section 3.6 and 3.3.6 is expected to contemplate the Tier 2 requirements applicable to the level of design concept that has been submitted. The financial requirements referenced in section 3.5 and 3.5.8 should anticipate costs related to the Tier 2 requirements. Following the RFP process, energy modelling and other documentation will be required when the site plan and related development applications are submitted by the Proponent to the City for review and compliance with Tier 2 requirements.

Q4. If available, could the City please provide a Designated Substance Report (DSS) for the existing War Amps building on the property?

A. A DSS was prepared in 2016 for the existing War Amps building and has been posted on the website in this Addendum.

Q5. Is the up-to \$15.3 million contribution by the City to be specifically allocated to the community use spaces, or can it be allocated across the entire project?

A. The intent is that the funding would cover the costs related to the requirement to construct the community space. The allocation of the funds in more detailed terms is not required by this RFP.

Q6. Is the \$15.3 million City contribution inclusive of any Open Door Program incentives, such as the \$50,000 pre-development funding referenced in Section 1.2.5 and additional funding referenced in Section 1.2.6, or can the Open Door Program incentives, the pre-development funding and any additional financial contributions be obtained in addition to the City's \$15.3 million City contribution?

A. The predevelopment funding and Open Door incentives are being provided in addition to the \$15.3 million City contribution.

Q7. Section 4.1 of the RFP states that the release of final addendum shall be on August 13, 2021. However, Section 6.6 states that the City will make all reasonable efforts to issue final addenda no later than five days later prior to the Proposal Submission Deadline (ie August 27, 2021), which may be later than the date specified in Section 4.1. Could you please reconcile?

A. This inconsistency was an error. Section 4.1 stands: the release of any final addenda shall be by August 13.

Q8. It is noted that the second community space will be sub-leased through a competitive process led by the City. If the Proponent has a suitable partner that could provide support services to vulnerable populations on the project, would the City be open to referrals for the tenant of the second community space?

A. Proponents may choose to include a proposed lessee for the sublease of the second community space in their Proposals and express an intent to participate in the future competitive process to be led by the City.

Q9. It is noted that Proponents are encouraged to exceed the minimum accessibility requirements as part of the RFP's evaluation criteria. Does the City have any statistics on the need for accessible units through the City's affordable housing waitlist and/or any other sources of information available to the City?

A. At this time there are no consolidated statistics outlining the need for accessible units in this regard. If additional information becomes available, the City provide it in a future addendum.

Q10. Regarding the market rent apartments, will these need to pay property taxes? If so, what will the formula be for assessing the property taxes?

A. The market rental units must pay property taxes. The Municipal Property Assessment Corporation (MPAC) will conduct a Multi-Residential Property Assessment on these units to determine the tax payable. Please contact MPAC directly for complete information. Introductory information on MPAC's assessment approach is available here:

<https://www.mpac.ca/en/PropertyTypes/MultiResidentialPropertyAssessments>

Q11. Is there the potential to include units that are in a more congregate style form – where each unit would have its own bathroom and kitchenette with a communal dining space on the main floor? In this case, the kitchenette design likely wouldn't apply to all of the units in the building but 1 or 2 floors for a partner agency to operate.

A. Yes, Proposals may include units with a congregate style design if it is part of a concept to target a specific Seniors demographic, eg. supportive housing units for Seniors. The Proponent should review the approved zoning to ensure that any proposed unit types comply. Such Proposals are also encouraged to support their designs with a strong rationale.

3. Sharing of Information for Partnerships

The following organizations have expressed an interest in having their information shared for the purpose of facilitating partnerships and collaborations:

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| New Commons Development #400-119 Spadina Ave. Toronto, O.N. M5V 2L1 #304-134 Abbott St, Vancouver, BC V6B 2K4 Olwen Bennett | obennett@newcommons.ca |
| Ridgeford Community Homes Toronto, Ontario Thomas Burns | thomas.burns@rogers.com |

If additional organizations have an interest in sharing their information for this purpose, please email Nadia.Lawrence@toronto.ca and it will be included in a future addendum.

4. Additional Community Benefits Information

In regards to Section 3.8 Community Benefits of the RFP, free services are being offered to respondents on how to structure their Proposals.

This information is now posted on the RFP site: <https://www.toronto.ca/community-people/community-partners/affordable-housing-partners/open-requests-for-Proposals/>

PLEASE NOTE: Any questions not answered in this Addendum will be answered in the next Addendum.