

May 8, 2023

Addendum 1: Multi-Unit Residential Acquisition Program (MURA) 2023 Request for Proposals (RFP)

A. Questions from Information Session, April 24, 2023

Q1. Will the City be waving the Land Transfer tax?

A1. No, the Land Transfer Tax due on a property purchased with MURA funding is not waived. However, the cost of the tax is an allowable capital expense under the MURA program.

Q2. Can you provide examples of successful projects from last year's RFP?

A2. The City is not currently sharing information regarding successful proponents and projects. When the purchase of 2022 projects are complete, the Housing Secretariat will host a Community Partner's table to bring together successful proponents and any interested non-profit groups to provide an opportunity to share knowledge and experiences.

Q3. Will the mortgage for the City's MURA contribution be registered on title in second position?

A3. Yes, the City mortgage-securing MURA funds can be registered in second position on title.

Q4. Does the program have any restrictions with regards to the stacking of other sources of funding, for example, using other government grants?

A4. There are currently no restrictions on stacking or combining MURA funding with funds from other programs and other levels of government.

Q5. Will the City increase the MURA funding amount from the initial approved funding if the property later proposed for acquisition by the proponent is a higher price?

A5. No, the approved funding amount will not later be increased. The Commitment Letters issued to successful proponents will indicate the maximum amount of funding available to the proponent. If a successful proponent has the opportunity to purchase a property that has a larger number of units than anticipated, they would be encouraged to explore first mortgage financing to cover the financial gap.

Q6. Are property taxes automatically exempt or do proponents need to apply for this and get this approved?

A6. There is not a separate application process for property tax relief. Once a successful proponent has secured a property, tax relief by-laws will be passed by City Council and site-specific information required for the waiver will be provided to City tax authorities in the Revenue Services Division and the Municipal Property

Assessment Corporation (MPAC). The tax waiver will take time to process, and successful proponents will be expected to pay property taxes in the interim.

Q7. Is an Agreement of Purchase and Sale (APS) enough to be successful and be offered a Commitment Letter?

A7. Proponents do not have to submit an APS with their proposal and an RFP submission can be completed with or without an identified property. The RFP is intended to select proponents that can purchase an eligible property within the one-year funding timeframe, and then manage the property over the long term as good quality, affordable and financially sustainable rental housing.

Q8. What are the rules on how the pre-acquisition funding can be used?

A8. MURA pre-acquisition funding is intended to pay for up-front costs including legal or consultants' fees for due diligence work such as appraisals or building condition or environmental assessments.

Q9. How many units of affordable housing does the City expect this MURA proposal to secure with this year's funding?

A9. The 2022 MURA RFP was successful in supporting the purchase of six apartment buildings with 140 units, at a rate of roughly \$175,000 per unit. Using the same per unit figure, it is anticipated that the 2023 MURA RFP will secure an estimated 120 units.

Q10. Can two separate groups that have been approved to receive MURA funding combine the approved funding amounts together to obtain a larger building, or do partners need to identify this in their applications?

A10. The MURA program as approved by Toronto City Council includes a 60-unit maximum for eligible properties. The scenario suggested here could be considered within this limit, for example if each of the two groups had been provided a funding allocation for 30 units and wanted to combine their allocations to purchase a 60-unit property.

Any partnerships such as this should be clearly described in a proposal including the legal structure of the partnership. Currently there can only be one legal entity that will be the Proponent that enters into the required agreements with the City.

Q11. Can MURA funding be stacked with the National Housing Co-Investment Fund renovation stream?

A11. Yes, the MURA program can be combined with CMHC's National Housing Co-Investment Fund - Housing Repair and Renewal Stream.

Q12. Is there any restriction on agencies collaborating or is that encouraged?

A12. Any collaboration among agencies that strengthens MURA proposals is encouraged. For example, two groups bringing together their respective history and experience in (a) providing support services and (b) owning rental properties and

providing landlord services would be encouraged to collaborate to create a stronger proposal.

Q13. For conversions or other projects with planning implications, how might this affect timelines for closing if the purchase is conditional on subsequent approvals?

A13. Properties that require a conversion from non-residential to residential use are not eligible for MURA. MURA is not a new construction program so significant planning approvals are not anticipated.

The MURA program involves a one-year turnaround from the issuance of the Commitment Letter to the purchase of a property. Groups are encouraged to select properties that can receive any required approvals within that time frame.

Q14. What is recommended regarding first mortgage financing?

A14. Groups are encouraged to speak to their lenders about the level of financing that could potentially be secured to support a competitive proposal. Groups are encouraged to increase the purchasing power of the program by adding equity and financing.

Q15. Can the MURA funding be used for the demolition and redevelopment of an existing building?

A15. The demolition and redevelopment of an existing building is not what MURA funding is intended for. MURA Funding is intended to support the purchase of existing privately-owned rental housing, thereby protecting and converting existing affordable rental buildings to permanently affordable non-profit housing.

Q16. The presentation references housing benefits. What are they?

A16. Housing benefits are any subsidy that is provided to the tenant or the unit that reduces the tenant's rental amount paid. This can include Canada-Ontario Housing Benefit (COHB), Rent-Geared-to-Income (RGI) subsidies and housing allowances.

Q17. Are there any restrictions around the tenant populations served? For example, if a proponent serves a specific cultural group, are they precluded from MURA Funding?

A17. The City's affordable housing programs are intended to support lower-income Torontonians including equity-deserving populations as identified in the [Housing TO 2020-2030 Action Plan](#). This may overlap with cultural populations.

Q18. Can a portion of a building purchased be excluded from the MURA program so that some units can exceed the 80-100% AMR rent level?

A18. No, the entire building needs to meet the MURA rent level requirements. Affordable rental housing properties acquired with MURA funding are to operate at an overall building average rent of 80% of Average Market Rent (AMR), with no individual units above 100% of AMR.

Q19. How would a property that has existing tenants with some potentially above AMR receive property tax exemptions?

A19. The City cannot provide tax relief for units that are above AMR. It is expected that the proponent would either (a) reduce the rent levels so that they meet the MURA requirements or (b) receive a partial tax exemption commit to reducing rents on these units as the units are vacated and re-rented over time. When all units are below AMR the remainder of the building will be provided with a tax exemption. Any vacant units as of the date of acquisition are to be rented at or below AMR and will be tax exempt.

Q20. Does MURA provide a carve out for Black-led, Black-serving organizations?

A20. At this time, the only dedicated funding set aside or carved out is the 20% of MURA funding that will be dedicated to supporting Indigenous housing organizations.

Q21. Can an organization or group contribute the difference where the purchase price exceeds the MURA Funding?

A21. Yes, proponents are encouraged to contribute equity or obtain long-term, first mortgage financing to support acquisition and/or renovation costs to the greatest extent possible.

Q22. Is there a minimum and maximum number of units required in a building?

A22. Apartment buildings and multi-tenant houses (also known as rooming houses) of between six and 60 units are eligible for MURA funding.

Q23. Will MURA funding be extended to co-operative housing models or is the program just for landlord-tenant rental housing only?

A23. Co-operative housing models are eligible.

Q24. Are rooming house tenant agreements expected to be month-to-month tendencies?

A24. MURA requires that all units comply with the requirements of the Residential Tenancies Act, 2006 (RTA) and month-to-month tenancies are acceptable.

Q25. Can a group or organization operate with rents below 80% AMR?

A25. Yes, lower rents are encouraged. Properties that can successfully operate at an overall building average below 80% of Average Market Rent (AMR), while remaining financially viable and in a state of good repair, are encouraged.

Q26. Can you submit more than one building in the proposal?

A26. Two separate buildings should be submitted as two separate proposals and the proposals will be evaluated independently. In the event that an owner of two properties is selling both as an inseparable package, one proposal would be accepted.

Q27. What happens if a building is mixed-use, that is, includes non-residential areas?

A27. MURA is not intended to fund the purchase of non-residential space. The building appraisal and financial details of the acquisition should clearly show that MURA funds are supporting the affordable rental housing component of a property and the proponent's equity or financing are supporting the non-residential area.

Q28. Where can we find the City's priorities for target tenant population groups? We're looking to create housing for single moms.

A28. The [Housing TO 2020-2030 Action Plan](#) includes priority tenant populations, including women, Black/Indigenous people, seniors, youth, people with disabilities, people experiencing homelessness and supportive housing tenants.

Q29. Are proponents with an identified property in their proposal evaluated higher than proponents with a proposed target property?

A29. No, the evaluation criteria in the RFP are neutral in this regard. A proposal can be completed fully with or without an identified property. The intent is to select proponents that can purchase an eligible property within the one-year timeframe and are able to manage the acquired property in the long term as good quality, affordable and financially sustainable rental housing.

Q30. Can you explain the tenant and community impact plan of the evaluation criteria?

A30. The intent of the Tenant and Neighbourhood/Community Impact Plan is described at Proposal Section G and requests that proponents demonstrate their understanding of the day-to-day management of an existing tenanted building and the impact on tenants and neighbours of the transition in ownership. As per Proposal Section G, proponents are requested to provide the following:

1. New Management Plan that demonstrates a robust property management plan and includes:
 - (i) how the new management will be introduced to existing tenants for, example, communication plan
 - (ii) how landlord functions will be set up and implemented, for example, rent collection, arrears policies, and so on
 - (iii) how maintenance functions will be implemented for the building and for the inside of units, for example, regular building cleaning, tenant work orders, and so on
 - (iv) how continued access to existing supports and any needed new support services to the tenants will be put in place to ensure a stable living environment for all tenants
2. Renovation Impact Plan that shows possible impacts of renovation work on tenants, that is, noise, dust, access to units, common areas and so on, and plan to mitigate those impacts, and a tenant relocation plan, if required by extensive renovations.

3. Neighbourhood Impact Plan that demonstrates a strong public and stakeholder engagement plan, including:

- (i) how the immediate neighbours will be informed that the Proponent is the new owner and landlord
- (ii) details of any communication with the local Councillor to date and/or how you intend to communicate through the purchase and any renovation process
- (iii) how the immediate neighbours will be informed about any proposed renovation plan, that is, communications plan, meetings with nearby stakeholders etc. and the impact that the renovations could have on the neighbours and how those impacts will be mitigated.

Q31. Does the AMR limit per room in a rooming house go up if it is a double occupancy room?

A31. No, the AMR limit is based on the room rather than the number of occupants.

Q32. Is a mixed-income housing model encouraged or have an advantage in the evaluation over a proposal that targets 80% AMR for all the units?

A32. No, there is no advantage to proposing a model with a diverse mix of rent levels. That is at the proponent's discretion provided the building average is maintained at 80% AMR and no units are above AMR.

Q33. Can we use MURA funding to cover the purchase of an apartment building that we have under contract to purchase?

A33. Yes.

Q34. How will group homes be addressed in comparison to a rooming house with regards to the MURA program?

A34. Group homes will be treated the same as rooming houses. Please note that MURA requires that all units comply with the requirements of the Residential Tenancies Act, 2006 (RTA).

Q35. Can you purchase a block of units in a condominium property to make that portion of units affordable?

A35. No, the acquisition of existing or new condominium units is not eligible for MURA funding.

Q36. Is transitional housing looked favorably on with regards to the program?

A36. Transitional housing proposals are eligible for MURA. Proponents should understand the RTA requirements for transitional housing and demonstrate that in their proposals. Proponents should also provide details on their plans to arrange permanent housing for tenants transitioning out of the property.

Q37. Would a property that has a mix of self-contained apartments and rooming house rooms be eligible?

A37. Yes, provided the rooming house component was able to be licenced by the City.

B. Questions Received by Email at HousingSecretariatRFP@toronto.ca

- Q1. If we were to extend vertically by adding a few floors to increase the unit number to less than 60 units, and in compliance with the zoning and building bylaws without needing a rezoning, would that be acceptable under MURA?**
- A1. This addition would be considered new construction and would not fit into the MURA Program guidelines. MURA funding is intended to support the purchase of existing privately-owned rental housing. An addition to an existing building would best be treated as a separate project and could pursue funding sources other than MURA with the City's support.
- Q2. Our group is structured to a specific tenant type which only requires studio or one-bedroom units. Does the narrowness of the unit type required affect the application process?**
- A2. No, there is no disadvantage to a proposal that will only have studio and one-bedrooms. The intent of the MURA Program is to provide as many affordable housing units as possible.
- Q3. We are exploring the purchase on a building that has 17 units with some three- and two-bedroom units. We are interested in converting these 17 larger units to 27 smaller units. Is the funding available based on the original 17 units or the proposed 27 units?**
- A3. The MURA program is primarily an acquisition program and the funding would be based on the current configuration of the property at the time of acquisition. Using this example, the maximum funding would be \$200,000 for each of the existing 17 apartment units.
- It is worth noting that a significant renovation/reconfiguration of a building as described may require a zoning amendment process to increase the number of units. As noted in the answer above, in this scenario, the City would support a proponent to secure other repair and renovation program funding.
- Q4. We are working on responding to the MURA RFP, can we be assigned a City contact to advise on our application at this stage?**
- A4. No, only successful proponents will be assigned a City staff person.
- While the RFP is live, all questions can be directed to HousingSecretariatRFP@toronto.ca and will be responded to in an Addendum.
- Q5. Does the City have any properties we can use as part of a submission?**
- A5. No, MURA is intended to support groups to identify properties independently. The City does not own rental housing properties that would be eligible for MURA.

Q6. We missed the MURA RFP Information Session and I'd like to know if there's another one coming up.

A6. There will not be another MURA information session. Please refer to the City website for the presentation from the Information Session and any further Addendums.

Q7. We currently own a building with commercial space on the main level and residential on the second level. Can MURA funding be applied to opportunities to retrofit the first floor to residential housing and add five floors to the existing building?

A7. MURA funding is intended to prevent the loss of affordable rental housing through the purchase of a property. If a property is already owned by a non-profit group this would not qualify as a MURA site.

The proposed five-storey new addition would also not be eligible for MURA. This component would be eligible for new affordable rental housing construction programs.

Q8. Does the 16-page proposal limit include the introductory letter and table of contents?

A9. Yes, all components outlined at Section 4.2 Proposal Structure and Contents of the RFP should be included within the 16-page limit. However, supporting documentation can be added in appendices and there is no page limit on the size of a submission's appendices.

Q9. Can new residential units created through the conversion of non-residential spaces within the envelope of an existing rental building (for example surplus parking spaces or underutilized common areas) be included in the total unit counts for the MURA application?

A9. The MURA program is intended primarily as an acquisition program and the funding would be based on the current configuration of the property at the time of acquisition.

Proposals that involve the conversion of limited areas within a residential building will be considered, however, it is worth noting again that any significant renovation/reconfiguration of a building may require a zoning amendment process to increase the number of units.

Q10. Would the retrofitting of a hotel into affordable residential units be eligible for MURA funding?

A10. No, the MURA program is intended to protect existing rental housing and not the purchase and conversion of commercial properties such as hotels.

Q11. If we make a MURA submission based on a specific address and then the offer is not accepted, can we switch to another address that we might find somewhere else?

A11. Yes, a successful proponent's MURA allocation can be applied to another property within the program's one-year timeframe under this scenario.

C: Affordable Rental Housing Administration Manual

The City of Toronto has created an Affordable Rental Housing Administration Manual that applies to projects supported by the City's Housing Secretariat, including MURA projects. The manual describes the requirements for the administration of affordable rental housing and is intended to be a guiding resource for the landlords, housing providers and property managers. Access the [Affordable Rental Housing Administration Manual \(toronto.ca\)](https://toronto.ca/affordable-rental-housing-administration-manual) and Proponents are to accept the terms of the manual prior to making a MURA proposal.