

City of Toronto Request for Proposals

For Non-Profit Acquisition of Affordable Rental Housing Under the Multi-Unit Residential Acquisition Program (MURA)

Date Issued: July 16, 2024

Deadline for Submissions: September 19, 2024



NOTICE TO NON-PROFIT AFFORDABLE HOUSING PROPONENTS

City of Toronto Request for Proposals

For Non-Profit Acquisition of Affordable Rental Housing Under the Multi-Unit Residential Acquisition Program (MURA)

Please review the attached document and submit your proposal in accordance with the instructions provided by the closing deadline of:

12:00 noon (local time) on September 19, 2024

Voluntary Online Information Meeting:	August 6, 2024 Login details will be posted at: https://www.toronto.ca/community-people/community-partners/housing-partners/open-requests-for-proposals/
Deadline for Questions (in writing):	September 5, 2024
City Contact:	Terence Frederick Housing Development Officer Housing Secretariat HousingSecretariatRFP@toronto.ca

TABLE OF CONTENTS

MULTI-UNIT RESIDENTIAL ACQUISITION PROGRAM (MURA) REQUEST FOR PROPOSALS

1.0	BACKGROUND	
1.1	Introduction	5
1.2	References to Labeled Provisions	8
1.3	Definitions.....	8
2.0	MURA PROGRAM	
2.1	Purpose	11
2.2	Eligible Proponents	12
2.3	Eligible and Priority Properties	12
2.4	MURA Funding	13
2.5	City Incentives	15
2.6	Other Financial Contributions	15
2.7	Approval and Payment Processes	16
2.8	Legal Agreements and Accountability	18
2.9	Rent Levels and Ongoing Affordability Requirements	19
3.0	RFP PROCESS	
3.1	RFP Deadlines and Timing	20
3.2	Submitting a Proposal.....	21
3.3	Proposal Evaluation and Selection Process	21
3.4	Clarifications of the Property Acquisition Packages.....	22
3.5	Evaluation Results	22
3.6	Evaluation Criteria	22
4.0	MAKING A PROPOSAL	
4.1	Proposal Requirements	23
4.2	Proposal Structure and Contents.....	23
4.3	Property Acquisition Package	29
4.4	Proposals to Purchase Condominium Units.....	29

APPENDICES

Appendix 1 – Forms and Information	
A.	Proposal Submission Form
B.	Capital Budget Form
C.	Operating Budget Form
D.	Rent Chart
E.	Mandatory Forms
F.	Property Acquisition Package Information
H.	Questions and Answers

Appendix 2 – Legal Documents

- A. Contribution Agreement
- B. Form of City Commitment Letter
- C. Form of Promissory Note
- D. Form of Escrow Agreement

1. BACKGROUND

1.1 Introduction

Toronto City Council approved the Multi-Unit Residential Acquisition Program (“MURA”) in November 2021. MURA funding is intended to support the purchase of privately-owned rental housing by Non-Profit housing providers. MURA’s aim is to protect existing affordable rental buildings by converting the properties to permanently affordable Non-Profit housing.

Non-Profit sector acquisition of apartment buildings and multi-tenant houses (also known as rooming houses) are eligible under MURA. MURA funds can also be used to support critical health and safety repairs and renovations to bring the properties acquired under the program up to acceptable standards.

MURA is implemented through open and competitive annual Request for Proposals (RFP). These RFPs select Non-Profit housing providers, including Indigenous Housing Providers, non-profit housing co-operatives and community land trusts, to receive a funding commitment and undertake the purchase and operation of eligible rental housing properties.

The primary objectives of the MURA program are to:

- Prevent the loss of affordable rental housing and create permanently affordable Non-Profit housing;
- Improve housing stability for current and future tenants;
- Improve the physical condition of buildings; and,
- Ensure the long-term financial sustainability of the properties.

The City has previously issued MURA RFPs in 2022 and 2023. Some \$64 million in funding has been allocated to Non-Profit groups, which is anticipated to support the purchase of 15 buildings with some 368 homes.

As part of the City’s 2024 budget, a total of \$101 million was committed to MURA for 2024-2026. \$51 million of this funding is projected to be available through this RFP. The total value of this RFP’s allocations will be determined by the funds requested by Successful Proponents and the funds available. City incentives in the form of property tax relief, and waivers of any planning application and building permit fees are also available through the MURA program and this RFP.

To support the City of Toronto's commitment to Indigenous peoples, 20% of the funding allocation under MURA is dedicated to acquisitions by Indigenous Housing Providers for Indigenous residents.

MURA supports a number of key strategic actions in the City’s Housing TO 2020-2030 Action Plan, including to:

- Prevent homelessness and improve pathways to housing stability;

- Maintain and increase access to affordable rents;
- Ensure well-maintained and secure homes for renters; and
- Increase the supply of 'For Indigenous, By Indigenous' affordable housing.

Acquisitions by Successful Proponents are eligible for MURA funding of up to a maximum of \$200,000 per dwelling unit for apartment buildings and \$150,000 per dwelling room for multi-tenant houses (“MURA Funding”). There is also a maximum of \$12 million per building or Successful Proponent. In other words, no individual entity will be allocated more than \$12 million in funding under this RFP.

MURA Funding alone is not intended to pay for the entire cost of purchasing and repairing a property and any remaining costs are to be funded or financed by Proponents. Proponents are expected to obtain first mortgage financing to the maximum extent possible and MURA Funding is to be combined with other available sources of financial support, such as equity contributions from Proponents or any available program funding from other orders of government.

New for 2024

In June 2024, Toronto City Council adopted a number of updates to the MURA program. The key changes are:

1) Removing the minimum and maximum unit limits per building

Previously only apartment buildings and multi-tenant houses of between 6 and 60 units were eligible for MURA. These limits have now been removed so that larger and smaller properties are eligible.

As noted above, the maximum funding limits per unit remain the same and the \$12 million maximum funding limit per building also remains unchanged.

2) Enabling the purchase of new and completing condominium units

MURA can now support the purchase of new or soon to be completed condominium units. The units are to be operated as affordable rental housing and all standard MURA program requirements will apply to such Proposals. The condominium units must be purchased directly from the developer and be either new and ready for occupancy or completed within one year of the MURA Proposal.

New for 2024 (Continued)

3) Providing MURA incentives for projects with other funding

The standard MURA incentives of property tax relief and planning and building permit fee waivers can now be provided to projects where other primary funding or financing is available. Pending more information about the Canada Rental Protection Fund announced by the federal government as part of their 2024 Budget, enabling such “stand-alone” City incentives may allow MURA to be combined or “stacked” with federal funding or financing. MURA eligibility criteria and other program requirements would continue to apply.

The following link is to the June, 2024 City Council decision which included the above updates: <https://secure.toronto.ca/council/agenda-item.do?item=2024.PH13.9>

MURA will incorporate the City’s income-based definition of affordable rents as set out in [Official Plan Amendment 558](#), as well as the Province’s affordable rents published in the [Affordable Residential Units Bulletin](#). Properties acquired through MURA must maintain affordable rent levels at the lesser of the City’s affordable rents and the Province’s affordable rents. This updated requirement for affordable rents also aligns with the City’s new Rental Housing Supply Program. The following maximum affordable rents will apply for 2024:

Unit Type	Maximum Rent
Studio	\$1,088
1-bedroom	\$1,378
2-bedroom	\$1,992
3-bedroom	\$2,190

As in previous years, Proponents can respond to this RFP with or without a particular affordable rental housing property in mind for acquisition. Should a Proponent have a specific property they are considering for acquisition, this building can be the basis of their Proposal. Otherwise, Proposals are to reflect the type and size of property Proponents are interested in acquiring.

Successful Proponents selected through this RFP will be notified in writing and will be provided with a Commitment Letter from the City. The Commitment Letter will set out the approved number of units and maximum funding amount based on the type and size of the building the Proponent has identified. The MURA Funding is comprised of: (i) deposit funds required for the purchase of the property; (ii) pre-acquisition funds for due diligence/pre-acquisition work related to the acquisition of the property; and (iii) acquisition funds for the acquisition of the property. Successful Proponents must return an executed copy of the Commitment Letter and comply with the terms and conditions

set out by the deadline in order to receive the deposit and pre-acquisition funds from the City. The acquisition funding, and if applicable, renovation funding, will be released following satisfaction of the conditions set out in the Contribution Agreement.

After making an offer to purchase and entering into an agreement of purchase and sale for an eligible property, Proponent's will submit a site-specific Property Acquisition Package for approval by the City in its sole and absolute discretion.

Affordable rental housing properties that have been purchased by a Proponent using short-term funds or financing are also eligible for funding. Proposals must demonstrate to the City that MURA funding is required to refinance or obtain long-term financing for the property, so as to maintain the viability of the property and/or the Proponent organization.

Properties acquired with the support of MURA Funding may be prioritized for any future federal and/or provincial repair and renovation program funding administered by the City. The City will support Proponents in securing such repair and renovation program funding that may be available directly from other orders of government or other sources.

The following link is to the November 2021 City Council decision approving the MURA Program: <https://secure.toronto.ca/council/agenda-item.do?item=2021.PH28.3>

1.2 References to Labelled Provisions

Each reference in this Request for Proposals to a numbered or lettered “section”, “subsection”, “paragraph”, “subparagraph”, “clause” or “sub-clause” shall, unless otherwise expressly indicated, be taken as a reference to the correspondingly labelled provision of this Request for Proposals (RFP).

1.3 Definitions

Throughout this Request for Proposals, unless inconsistent with the subject matter or context:

“Access Plan” means a policy established by the Proponent and approved by the Director of Housing Stability Services, Housing Secretariat, which policy shall specify how tenants are to be selected and how information about such process is disseminated to the public.

“Affordable Housing” means Housing that is acquired and operated in accordance with the terms of this RFP and Contribution Agreement.

“Affordability Period” means a minimum of ninety-nine (99) years from the date of the closing of the Approved Property.

“Approved Property” means a Housing property for which a Property Acquisition Package has been received and accepted by the Executive Director of the Housing Secretariat as suitable for purchase under MURA.

“Approved Funding” means the total amount of the grant by way of forgivable loan to be provided towards the purchase, and if applicable, renovation, and if applicable, short term financing, for the purpose of acquiring an Approved Property and/or renovation of an Approved Property, as determined by the Executive Director of the Housing Secretariat.

“Average Market Rents” or “Average Rents” or “AMR” means average monthly City wide rents by bedroom type as determined in the autumn survey published by CMHC for the prior calendar year; if CMHC does not publish a survey of City wide rents, then “average market rents” for the calendar year shall be City wide average rents as determined by the City.

“Affordable Rent or Affordable Rents” means Housing where the Monthly Occupancy Cost is at or below the lesser of the Provincial Affordable Rents and the City’s Affordable Rents.

“City” means the City of Toronto.

“City’s Affordable Rents” means Housing where the Monthly Occupancy Cost is at or below the lesser of Average Market Rent or 30% of the before-tax monthly income of renter households in the City of Toronto as follows:

1. Studio units: one-person households at or below the 50th percentile income;
2. One-bedroom units: one-person households at or below the 60th percentile income;
3. Two-bedroom units: two-person households at or below the 60th percentile income;
4. Three-bedroom units: three-person households at or below the 60th percentile income.

“City Incentives” means the fees, charges and property tax exemptions outlined in Section 2.5 of this RFP.

“CMHC” means Canada Mortgage and Housing Corporation.

“Commitment Letter” means the letter, substantially in the form of the letter attached hereto as Appendix 2B to be provided to Successful Proponents setting out the terms and conditions of the MURA Funding including the maximum allocated amount available to the Successful Proponent.

“Contribution Agreement” means the written agreement, substantially in the form of the written agreement attached hereto as Appendix 2A entered into between the City and

the Successful Proponent(s) to this RFP with respect to the MURA Funding and City Incentives to be provided by the City and the obligations of the Proponent under MURA.

“Council” means Toronto City Council.

“Executive Director” means the Executive Director of the City of Toronto Housing Secretariat, or his/her designate or successor, if any.

“Indigenous Housing Provider” means a non-profit organization with a mandate to provide housing for Indigenous communities, operate under Indigenous governance models, have executive and senior management who identify as Indigenous, and are primarily staffed by Indigenous community members and/or follow an Indigenous service model.

“Housing” means residential accommodation and facilities, common areas and services used directly with the residential accommodation. Housing does not include commercial or institutional premises, social or recreational services, and services or facilities related to mental or physical health care, education, corrections, food services, social support or public recreation.

“Housing Access System” means the City's centralized housing access system, which includes the allocation and administration of Housing Benefits.

“Housing Benefits” means a financial benefit provided for or on behalf of a tenant to make up the difference between the rent payable by a tenant and the rent payable to the landlord for a residential unit.

“MFIPPA” means the *Municipal Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, c. M56.

“Monthly Occupancy Costs” means the total of the monthly rent payable to the Proponent for a Unit including the cost of hydro, heat, water and hot water. Monthly Occupancy Costs do not include charges for applicable taxes, parking, cable, internet, telephone or any other like charges. If heat, water or hydro costs are separately metered and paid directly by the household, then the Proponent shall deliver the Utility Allowance by way of setting off the amount of the Utility Allowance against the monthly rental payable.

“MURA Funding” means the City funds provided to the Successful Proponents, as determined by the City pursuant to the terms of this RFP, Commitment Letter and Contribution Agreement.

“Non-Profit” means a not for profit corporation to which the Not-for-Profit Corporations Act, 2010, S.O. 2010, c.15 applies, that is in good standing under that Act, a corporation without share capital to which the Canada Not-for-Profit Corporations Act, S.C. 2009, c.23, applies, that is in good standing under that Act, a non-profit housing co-operative

as defined in the Co-operative Corporations Act, R.S.O. 1990, c. C.35 and that is in good standing under that Act, an Indigenous Housing Provider or community land trust organized on a not-for-profit basis.

“Pre-Acquisition Funding”, “Deposit Funding”, “Acquisition Funding”, and “Renovation Funding” have the meanings outlined in Section 2.4.

“Property Acquisition Package” means the documentation and information, listed in Appendix 1 F, to be submitted by the by Successful Proponents as required by this RFP.

“Proponent” means a legal entity, being a Non-Profit that submits a Proposal in response to this formal Request for Proposals (RFP).

“Proposal” means a proposal submitted by a Proponent in response to this Request for Proposals (RFP), which includes all of the documentation necessary to satisfy the submission requirements of the RFP.

“Province” means the Province of Ontario as represented by the Minister of Municipal Affairs and Housing.

“Provincial Affordable Rents” means the affordable rents by bedroom type set out in the “Affordable Residential Units for the Purposes of the *Development Charges Act, 1997* Bulletin”, as it is amended from time to time, that is published by the Minister of Municipal Affairs and Housing pursuant to section 4.1 of the *Development Charges Act, 1997*, S.O. 1997, c. 27.

“RFP” means this Request for Proposals package in its entirety, inclusive of all appendices and any addenda that may be issued by the City.

“Successful Proponent” means a Proponent or Proponents whose Proposal, as determined through the evaluation criteria described in the RFP, best meets the City’s requirements and with whom the City enters into a Commitment Letter for MURA Funding.

“Utility Allowance” means is the average amount of separately metered utility costs, determined by the City and published on the City’s web site at: [Current City of Toronto Average Market Rents & Utility Allowances – City of Toronto](#)

2.0 MULTI-UNIT RESIDENTIAL ACQUISITION (MURA) PROGRAM

2.1 Purpose

The purpose of this RFP is to solicit proposals from qualified Non-Profit housing providers interested in funding from MURA to acquire privately-owned affordable rental

housing and operate the acquired property at Affordable Rents for a 99-year term (the “Affordability Period”). MURA Funding can also be used to support critical health and safety repairs to bring properties acquired under the program up to acceptable standards.

2.2 Eligible Proponents

Only Non-Profit entities are eligible to apply to this RFP. This includes not-for-profit corporations, non-profit housing co-operatives, Indigenous Housing Providers, and community land trusts organized as a Non-Profit.

Proponents awarded MURA funds under the previous RFP, but that have not yet purchased a property, are ineligible for additional funding under this RFP.

The City is seeking Non-Profit Proponents that:

- Have direct experience with the purchase of affordable rental housing properties or have assembled a capable team of partners or consultants with this experience to assist with a property acquisition;
- Have a strong affordable rental housing management track record or the experience and capacity to provide safe, good quality affordable rental housing and a positive living environment for tenants;
- Have the experience or ability to complete any necessary repairs, upgrades or renovations for an Approved Property and maintain the property in a state of good repair over the long term;
- Have the necessary supports available to enable any vulnerable tenants to live independently and with dignity; and,
- In the event that a Proponent intends to purchase new or soon to be completed condominium units, the Proponent and their team of consultants should have experience with such purchases of condominium units as affordable rental housing under the Condominium Act, 1998

2.3 Eligible and Priority Properties

Buildings and properties to be prioritized under the MURA program include:

- Buildings that currently have affordable rents and are at risk of rent increases; and,
- Buildings housing tenants who are mainly lower-income, vulnerable or marginalized.

Buildings and properties eligible under the MURA program are:

- Residential or mixed-use affordable rental housing in the form of apartment buildings or multi-tenant houses as defined in the City of Toronto Zoning By-law 569-2013;
- Properties leased by Non-Profit entities that are at risk of sale to the open market;
- Properties that can successfully operate at Affordable Rent levels while remaining financially viable and in a state of good repair;

- Properties that are either occupied or vacant; and,
- New or soon to be completed condominium units to be operated as affordable rental housing, purchased directly from the developer, in developments that will be completed within one year of the MURA Proposal.

Note: Proponents considering the acquisition of multi-tenant (rooming) houses should be informed regarding the City’s new regulatory framework and enhanced licensing requirements that came into effect on March 31, 2024. More information is available here: <https://www.toronto.ca/community-people/housing-shelter/multi-tenant-rooming-houses/>

- Eligible multi-tenant (rooming) houses may include a lodging house, boarding homes, bachelorettes or similar accommodations with single room occupancy;
- Multi-tenant houses/rooming houses must be:
 - Licensed, or;
 - Evidence must be provided of the Proponent's ability to obtain a new license or reinstate a lapsed license, or;
 - The rooming house use must be documented as legal non-conforming, or permitted to maintain its existing use as a rooming house or similar single room occupancy;

In March 2024 Toronto City Council approved a new Multi-Tenant Housing Renovation Program to preserve and improve multi-tenant (rooming) houses. The program is now available and can be combined with MURA funding. The new program provides grant funding and/or financial incentives to eligible property owners to address costs related to improving safety and building conditions for tenants, and bringing properties into compliance with the Zoning By-law, Ontario Building Code and Ontario Fire Code. Information on the repair and renovation program is available here: <https://www.toronto.ca/community-people/housing-shelter/multi-tenant-rooming-houses/multi-tenant-house-owners-operators/multi-tenant-house-renovation-repair-program/>

Buildings that are NOT eligible for MURA include:

- Those containing units not subject to the Residential Tenancies Act, 2006 at the time of acquisition (except for certain conversions noted below);
- A shelter or crisis care centre including hostels, unless being converted to permanent rental or non-profit co-op housing; and,
- Nursing homes or retirement homes unless being converted to permanent rental or non-profit co-op housing.

2.4 MURA Funding

The funding available through this RFP will be allocated using the following maximum amounts:

- \$200,000 per dwelling unit for apartment buildings; and,
- \$150,000 per dwelling room for multi-tenant (rooming) houses.

Proponents should note that these are maximum funding amounts and that Proponents are expected to obtain long-term, first mortgage financing to support acquisition and/or renovation costs to the greatest extent possible. For more information please see Section 2.6 Other Financial Contributions below.

20% of MURA Funding allocations will be dedicated to supporting Indigenous housing organizations delivering affordable rental housing for Indigenous residents.

Successful Proponents will be notified in writing by the City following the award of funding Shortly after the award, Successful Proponents will be required to enter into a Commitment Letter with the City. The Commitment Letter will confirm the maximum number of units and maximum amount of funding that the City will be able to provide. A Successful Proponent's Approved Funding will be based on the number of units and building type that are indicated in their Proposal and will be at the absolute discretion of the Executive Director, Housing Secretariat.

The Commitment Letter will be in effect for a period of one year (from the date of the letter), within which time a Successful Proponent must have submitted a Property Acquisition Package to the City for approval. In the event that a Successful Proponent does not find a property to purchase within the one year timeframe, an option to renew the allocation beyond one year will be available on request, and granted at the sole discretion of the Executive Director, Housing Secretariat, for a period of time agreed to by the Executive Director. Otherwise, the City reserves its rights to terminate its obligations to provide funding under the Commitment Letter and the related MURA funding will be reallocated.

The form of Commitment Letter is attached as Appendix 2 B to this RFP. The Approved Funding will be advanced to the Successful Proponent's Escrow Agent, pursuant to an Escrow Agreement entered into between the Successful Proponent, the City and Escrow Agent. (See Appendix 2D for the form of Escrow Agreement.) Approved MURA Funding will have the following components:

- a) Pre-Acquisition Funding
\$25,000 will be available to Successful Proponents for pre-acquisition costs, including legal or consultants' fees for due diligence work such as appraisals or building condition assessments.
- c) Deposit Funding
10% of the total Approved Funding will be advanced to Successful Proponents to be used towards the deposit required by the Agreement of Purchase and Sale.

The Pre-Acquisition and Deposit Funding will be advanced to the Escrow Agent within 30 days of receipt from the Successful Proponent of the following: the executed Commitment Letter, executed Escrow Agreement, and Promissory Note (which must be signed in wet-ink and the original delivered to the City). The

Pre-Acquisition and Deposit Funding is secured by way of the Promissory Note. Please refer to Section 2.8 Legal Agreements and Accountability for more details and Appendix 2C for the form of this Promissory Note.

- d) **Acquisition Funding**
The total Approved Funding amount, less the Pre-Acquisition Funding, the Deposit Funding, and any approved Renovation Funding, will be advanced on or before the sales closing of the Approved Property.
- e) **Renovation Funding**
Any Approved Funding that has been approved for urgent health and safety repairs will be advanced according to an agreed upon schedule as set out in the Contribution Agreement.

A Proponent's Approved Funding is subject to adjustment and will be determined by the City when the financial information for a specific property is available, up to the program's maximum per unit/dwelling room thresholds and the number of units set out in the Commitment Letter.

The final Approved Funding will be secured by way of a mortgage charge on title of the property purchased in accordance with the terms and conditions of the Contribution Agreement between the Successful Proponent and the City. Please refer to Section 2.8 Legal Agreements and Accountability for more details and Appendix 2A for the form of Contribution Agreement.

2.5 City Incentives

Proponents will be provided with an exemption from taxation for municipal and school purposes for the 99 year affordability period and, if applicable, exemptions from the payment of any planning application and building permit fees related to an Approved Property.

To be eligible for the City's property tax exemption the rent for a unit cannot exceed the maximum Affordable Rent levels for the Affordable Housing units. In the event that individual units have rents above this level, Proponents must commit to reducing the rents when the property is purchased.

Further information about rents is available below at Section 2.9 Rent Levels and Ongoing Affordability Requirements.

2.6 Other Financial Contributions

The City's intent is that MURA Funding be combined with any available equity contributions from Proponents, long-term first mortgage financing, and/or program funding from other orders of government, to support the acquisition of the largest number of affordable units possible.

Financing is to be based on affordable rents, should the building's existing rents exceed this amount. All acquisition and renovation costs in excess of Approved Funding are the responsibility of the Successful Proponents.

Properties acquired with MURA Funding may be prioritized for any future federal and/or provincial repair and renovation program funding administered by the City. Proponents will be supported by the City to secure repair and renovation program funding administered directly by other orders of government, such as CMHC's National Housing Co-Investment Fund Housing Repair and Renewal Stream and the Renovation, Repair and Renewal Fund for Indigenous Housing.

The City acknowledges MURA requirements may differ from those of other programs, for example, maximum Affordable Rent levels differ from CMHC maximum rent levels. Proponents are encouraged to enter into discussions with other funders early in their acquisition process to better estimate the amount of loan and/or grant funding likely to be awarded and more accurately complete the capital and operating budgets required under this RFP.

In addition to the new Multi-Tenant Housing Renovation Program referred to above, the City also delivers low-cost financing for environmental retrofits and energy-efficiency upgrades to existing multi-unit rental buildings through the Tower Renewal initiative. More information regarding the Tower Renewal initiative is available here: <https://www.toronto.ca/community-people/community-partners/apartment-building-operators/tower-renewal/>

2.7 Approval and Payment Processes

The approval stages for Proponents, funding and property acquisitions and associated payment processes are as follows:

a) RFP Proposal Submission, Evaluation and Selection

Proposals will be scored based on the Evaluation Criteria in Section 3.5 and in keeping with the Proposal and Evaluation Process outlined in Section 3.2. Proponents will be selected from those scoring a minimum of 70 points and to the amount of funding available.

Proposals submitted in response to this RFP may make a request for funding based on an existing property the Proponent is interested in purchasing, or a hypothetical property based on the Proponent's preferred property type, for example a 30-unit apartment building or a 12-room multi-tenant house.

b) Allocation of Approved Funding and Advance of Pre-Acquisition and Deposit Funding

Successful Proponents will be notified in writing and provided with a City signed Commitment Letter, form of Escrow Agreement, and form of Promissory Note stating their Approved Funding.

Within thirty (30) days of receipt of the Commitment Letter, Proponents are to:

- Provide a resolution from the Board of Directors authorizing the entering into of the Letter of Commitment, Escrow Agreement and the delivery of the Promissory Note;
- Return the signed Letter of Commitment and original Promissory Note;
- Execute the Escrow Agreement; and,
- Provide the in-trust banking information of their Escrow Agent.

(See Appendix 2 for templates of these documents.)

Within thirty (30) days Successful Proponents will then receive \$25,000 in Pre-Acquisition Funding and 10% of their Approved Funding as Deposit Funding, to be paid in trust to their lawyer, for the acquisition of an eligible property.

Successful Proponents will be assigned a Housing Secretariat staff contact to support the approvals and payment processes. Regular communication will be expected to ensure the property acquisition runs as smoothly as possible.

c) Offer to Purchase, Payment of Deposit, Approval of Property Acquisition Package and Purchase

Subsequent to having their Proposals approved under this RFP and receiving a Commitment Letter from the City, Successful Proponents will have up to twelve (12) months from the date of the Commitment Letter to enter into an agreement of purchase and sale for a property and submit a Property Acquisition Package for approval by the City. For more information regarding the Property Acquisition Package, please see Appendix 1G and Section 4.3 Property Acquisition Package below.

Proponents are expected to seek both professional and legal advice when preparing and presenting an offer to purchase for a building that meets the conditions in this RFP, however, any offer to purchase submitted to the City by a Proponent seeking funding must include the following terms and conditions.

Note: Deposit Funding paid by the City to the Proponent's Escrow Agent, in trust, cannot be released without the lawyer confirming that these terms and conditions form part of the Proponent's Offer to Purchase.

- 1) The deposit payable shall be fully refundable until such date as all conditions in the agreement are waived by both parties;

- 2) The closing date can be no earlier than 60 days after the Agreement of Purchase and Sale becomes firm and binding, meaning all conditions in favour of either party are waived or confirmed as having been met; and,
- 3) A condition that provides the Proponent a minimum of 60 days to confirm financing, satisfactory to the Proponent, is available.

The City will complete the review and approval of acquisitions within 30 days of receipt of a complete Property Acquisition Package. Approval will be based on the property meeting the eligibility requirements in this RFP and the Property Acquisition Package requirements at Appendix 1G, including the submission of budgets that demonstrate that the proposed building is financially viable and can be kept in a state of good repair in the long term to provide quality, affordable, rental housing throughout the Affordability Period.

A Proponent's final MURA Funding allocation will be determined, in consultation with the Proponent based on:

- 1) the capital and operating budgets submitted with the Property Acquisition Package, up to the program's maximum per unit/dwelling room funding thresholds and the Proponent's initial Approved Funding; and,
- 2) the first mortgage financing available.

Note: The property acquisition price must be substantiated by an independent market appraisal per the requirements of the Property Acquisition Package at Appendix 1G.

d) Advance of Closing and Renovation Costs

Closing can be no earlier than 60 days after the Proponent has waived all of its conditions under the agreement of purchase and sale. Prior to closing, a Contribution Agreement will be entered into between the Successful Proponent and the City. The City will advance the remaining funding to the Successful Proponent's Escrow Agent in trust for the purchase closing, upon the fulfillment of all conditions precedent set out in the Contribution Agreement. Funding to be used for renovations, if any, will be advanced upon fulfillment of all conditions precedent set out in the Contribution Agreement. Should the purchase not close, all funds are to be repaid to the City in accordance with the terms of the Commitment Letter, Escrow Agreement and Contribution Agreement.

2.8 Legal Agreements and Accountability

Successful Proponents must agree to the terms and conditions in the Commitment Letter, Escrow Agreement and provide an executed original (wet-ink) Promissory Note substantially in the form attached as Appendix 2 prior to receiving Pre-Acquisition Funding and Deposit Funding.

By replying to this Request for Proposals, Proponents are agreeing, if approved, to enter into a Contribution Agreement substantially in the form of the Contribution Agreement attached as Appendix 2A. Prior to the City advancing the Acquisition Funding for completing the purchase of the Approved Property, the terms and conditions of City financial support, as well as a responsibilities and obligations of the Proponents are set out in the Contribution Agreement. Entering into a Contribution Agreement will be at the absolute discretion of the City.

Note: In the event that funding sources from other orders of government are available to the City, the MURA program's legal agreements and documents will be updated to accommodate any changes required. Such changes will be at the absolute discretion of the Executive Director, Housing Secretariat.

Note: The Contribution Agreement attached as Appendix 2A of this RFP contemplates a purchase of a purpose-built rental building. In the event that the City approves a Proposal to purchase a freehold parcel within a condominium building or condominium units registered under the Condominium Act, 1998, a revised form of agreement will be provided which will largely be based on the form of Contribution Agreement attached as Appendix 2A to this RFP.

The Contribution Agreement requires that the value of the MURA Funding and City incentives, not including the value of the property tax exemption, be secured by a mortgage on the title to the Approved Property. This mortgage in favour of the City secures the Successful Proponent's obligations and no principal or interest payments are required provided the Successful Proponent is not in default of the agreement. Please note that the City charge is a standard requirement and there is no negotiation of the length and term of the City charge.

When not in default under the Contribution Agreement, the funding is forgiven at a rate of 1% every year over the Affordability Period.

Should the Successful Proponent be unable to complete the acquisition before the expiration date of the Commitment Letter, as that letter may be extended and on such further terms and conditions as deemed necessary in the sole and absolute discretion of the Executive Director, Housing Secretariat, all expended Pre-Acquisition Funding must be accounted for and all unexpended and all Deposit Funding must be returned to the City within 30 days of the expiration date of the Commitment Letter.

2.9 Rent Levels and Ongoing Affordability Requirements

The intent of MURA is to secure long-term affordable rental housing and an Affordability Period of 99 years will be required for all Approved Properties. Approved Properties are to operate at Affordable Rent levels that incorporate the City's income-based definition and the provincial Affordable Residential Units definition of affordable

rental housing. In the event that individual units have rents above the Affordable Rent levels, Proponents must commit to reducing the rents when the property is purchased.

Rents are referred to as Monthly Occupancy Costs in the Contribution Agreement. New tenants are to be income tested, on first occupancy, and may have monthly household incomes of no more than four times the Monthly Occupancy Costs.

Under MURA the maximum rents under the Affordable Rents are as set out as follows for 2024:

Unit Type	Maximum Rent
Studio	\$1,088
1-bedroom	\$1,378
2-bedroom	\$1,992
3-bedroom	\$2,190

Should utilities be metered separately by unit and residents required to pay utility costs directly, a Utility Allowance is to be deducted from the Monthly Occupancy Costs for each separately metered utility, as determined and updated annually by the City.

Utility Allowances are published at: <https://www.toronto.ca/community-people/community-partners/social-housing-providers/affordable-housing-operators/current-city-of-toronto-average-market-rents-and-utility-allowances/>.

The allowable Monthly Occupancy Cost increase each year for existing tenants will be the lesser of the rent increase guideline set each year under the Residential Tenancies Act, 2006 (RTA), or an increase to the current Affordable Rent level by bedroom size.

Proponents are encouraged to reduce costs for tenants by providing rent supplements or other Housing Benefits directly or in partnership with other Non-Profit agencies. Approved Properties are required to make 20% of the affordable units available to households in receipt of a City Housing Benefit, if funding is available, and may be required to participate in the City's Housing Access System. Proponents are also encouraged to provide support services for tenants. The ability to contribute Housing Benefits and/or provide support services will be evaluated under Evaluation Criteria E – Operating Budget and Management Plan, Section 3.

3.0 RFP PROCESS

3.1 RFP Deadlines and Timing

The overall timing for this RFP and the City's process of evaluating Proposals and recommending Proponents to the Executive Director, Housing Secretariat for final approval is as follows:

Date	Milestone
July 16, 2024	RFP Issued
August 6, 2024	Online Information Session, 10:30 - 12:00 AM (details of how to join will be posted online)
September 5, 2024	Deadline for written questions
September 12, 2024	Last Addendum issued, if needed
September 19, 2024	RFP Submission Deadline, Closing 12:00 PM Noon
October, 2024	Successful Proponents to be notified

This schedule is subject to change and appropriate written notice of any changes will be provided where feasible on the City's web site.

3.2 Submitting a Proposal

No printed, hard-copy materials are to be submitted as part of this RFP process. The City uses a secure file transfer system to accept digital Proposals. Early submissions in advance of the RFP submission deadline of September 19, 2024 at 12:00 p.m. noon, are encouraged.

When a Proposal is ready to be submitted, Proponents must email HousingSecretariatRFP@toronto.ca to request a secure file transfer link. Requests for secure file transfer link should be sent no later than 12:00 p.m. noon on September 18, 2024, twenty-four hours before the RFP submission deadline. The link will be sent from sftservice@sft.toronto.ca. Each Proposal should preferably consist of one well-organized PDF document combining all materials.

3.3 Proposal Evaluation and Selection Process

- a) All Proposals and Property Acquisition Packages will be evaluated by a Selection Committee comprised of Housing Secretariat staff, with other relevant City staff as necessary. The Selection Committee may at its sole discretion retain additional committee members or advisors.
- b) The Selection Committee will evaluate proposals based on the information provided by the Proponents in their submissions and will score proposals using the Evaluation Criteria set out in Section 3.6 of this RFP.
- c) Proposals which meet the minimum scoring requirements to pass will then be ranked based on their total score.
- d) The Selection Committee reserves the right to require any or all Proponents to attend an interview with the Selection Committee. The interview will be used to clarify information in Proposals only. No new information is permitted. The interview will be used to confirm or revise the Proponent's score before the Selection Committee makes a final decision.

- e) The highest scoring proposals will be considered the winning proposals.
- f) Interviews may be conducted in person, by video conference or by phone.
- g) The Selection Committee may also ask proponents for clarification in writing. A request for clarification is only intended to remove contradictions or ambiguities in a Proposal to permit a fair evaluation. No new information is allowed. The Selection Committee may request this further information from one or more Proponents and not from others. Any information provided in writing by a Proponent in response to a request for clarification will form part of their formal Proposal.
- h) By responding to this RFP, Proponents will be deemed to have agreed that the decision of the Selection Committee will be final and binding.

3.4 Clarifications of the Property Acquisition Packages

As part of the subsequent review of Property Acquisition Packages submitted to the City, the Housing Secretariat staff may make requests for further information in writing if deemed necessary.

3.5 Evaluation Results

Proposal evaluation results shall be the property of the City and may be subject to public release pursuant to MFIPPA. Proponents should be aware that Council and individual Councilors have the right to view the Proposals provided that their requests have been made in accordance with the City procedures.

3.6 Evaluation Criteria

Proposals will be assessed on the basis of the criteria set out below. A Successful Proposal must score a minimum of 70 points in total.

The City shall not be obliged to accept any Proposals made in response to this RFP.

	Evaluation Criteria	Points Available
A	Acquisition and Renovation Qualifications	20
B	Management Qualifications	20
C	Corporate Financial Viability	10
D	Financial Plan and Budget	10
E	Operating Budget and Management Plan	10
F	Property Acquisition Plan	20
G	Tenant and Community Impact Plan	10
	TOTAL	100

Property Acquisition Packages will be approved separately on the terms set out in Appendix 1 G Property Acquisition Package.

4.0 MAKING A PROPOSAL

4.1 Proposal Requirements

All sections and requirements set out below must be completed and/or provided in full, whether or not a Proponent has entered into an agreement of purchase and sale or is considering a specific property for which the information required is available. If there is no building and/or site specific information available, the information is to be submitted based on a hypothetical property, illustrating the type and size of building the Proponent is interested in purchasing.

Note: Proposals to purchase condominium units are additionally subject to the rules set out in section 4.4 below.

Each Proposal should:

- a) be limited to 16 pages, minimum 11 point font with unlimited Appendices;
- b) include a table of contents with page numbers including Appendices;
- c) reference the same numbering as in this RFP and have all Appendices clearly named and numbered.

All Proponents must submit:

- Proposal Submission Form provided in Appendix 1A;
- Other standard forms as provided in Appendix 1B-D;
- Mandatory Forms provided in Appendix 1E; and,
- Proposal Sections A through F with the Proposal Information listed below.

4.2 Proposal Structure and Contents

Letter of Introduction (not scored)

The Letter of Introduction will introduce the Proponent and the members of the team making the Proposal. The Letter of Introduction should be concise and signed by the person(s) authorized to sign on behalf of the Proponent, e.g. a board member. The Letter of Introduction should acknowledge that the Board of Directors of the Proponent understands and accepts the terms of this RFP and intends to authorize the Proponent to enter into the required Agreements by way of Board resolution when required.

Table of Contents

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

Summary of Proposal (not scored)

The summary should provide a brief outline in a clear and concise manner of the key qualifications of the Proponent, as outlined below, and the key features of the proposed project.

Proposal Sections

A) Acquisition and Renovation Qualifications

Demonstrate that the Proponent and the consultant team have the experience and/or capacity and skills to acquire an Approved Property and successfully complete any critical health and safety renovation work by providing the following:

- 1) An outline that demonstrates the Proponent will have the staff, organizational capacity, and/or experience to complete the acquisition and any required renovations. Provide the name, qualifications and relevant experience of staff person(s) or team members that will be managing the project for the Proponent.
- 2) Details of housing acquisitions and/or development, rehabilitation, conversion, addition and major repair or renovation projects completed over the last ten years by the Proponent, including address, type of property, size, tenant profile, and the scope and budget for the work. Emphasize projects of similar size and type of building as the intended property for acquisition and provide proof of completion on time and on budget.
- 3) Details of the names, qualifications and relevant experience of the consultant team that will assist the Proponent such as project manager, real estate advisor, engineer, architect, general contractor etc. Include their authorized resumes with emphasis on a similar type of project.

B) Management Qualifications

Demonstrate the Proponent's or a proposed property management company's experience in operating good quality affordable rental housing in the long term, by providing the following:

- 1) Details of effective management strategies for properties of similar size and type as proposed, property management services provided, number and sizes of buildings currently managed, and the ability to provide appropriate supports to residents where needed, i.e. provide details of best practices, management approach, organizational chart, status of arrears and vacancies, support services partner organizations etc.
- 2) Details of projects or addresses in the portfolio that have been managed for a least 5 years by the Proponent or proposed property manager including size, location, tenant profile and issues that arose and how they were dealt with to maintain the financial viability of the project and the well-being of the tenants.
- 3) Details of the names, qualifications and relevant experience of the Proponent's property manager or manager to be provided by the proposed property management

company. Include their authorized resume especially for similar size and type of building.

C) Corporate Financial Viability

Demonstrate that the Proponent is a financially sound and viable organization that has the experience and/or capability to obtain the necessary financing, in addition to the MURA Funding, to complete the acquisition and any proposed renovations and cover any cost over-runs by providing the following:

1) Proof of Financial Viability:

i. Audited financial statements and annual reports for the two (2) most recent years available, including details of the status of all reserve funds and how they can be used.

AND

ii. A letter from the Proponents financial institution or accountant providing assurance to the City that the Proponent has been, and is financially viable and solvent as a going concern; has the financial capacity to undertake the acquisition and financing of a new property of the size proposed; and that the undertaking of this project will not put any undue financial burden on the Proponent.

2) Copies of the Proponent's Articles of Incorporation or Letters Patent, the general and borrowing bylaws, and a list of the directors, including their terms and qualifications.

If the Proponent has been formed through a partnership or other joint venture formed to acquire and/or manage this project, provide this 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. Only one organization can be the Proponent and accept legal responsibility if approved, if it is a partnership and not a legal joint venture.

D) Financial Plan and Budget

Demonstrate that the Proponent has a realistic financial understanding of all costs involved in buying and renovating the building type chosen, can successfully secure financing, and can justify the financial contribution requested of the City by providing the following:

1) A completed capital budget form (Appendix 1 C.) for a building that can be currently acquired, or a proposed building to be acquired in the next 12 months, with detailed notes on assumptions used to arrive at cost figures. Include costs for the entire development and describe the method used to estimate costs i.e. cost consultant, architect, engineer, previous developments, due diligence work etc.

Note: All Proposals should include the services of a life safety consultant or similar role in order to identify critical renovations necessary to meet health and safety standards e.g. fire alarm system.

- 2) State the number of units for which MURA Funding is being requested reflecting the maximum allowable funding by building type. Provide details of the potential purchase price and renovation costs to ensure critical renovations are addressed.
- 3) Details of all other projected capital financing and funding for the project, such as renovation financing, contributions or grants from other sources and any Proponent equity. Provide proof that these financial contributions are or will be secured or explain how and when proof will be provided i.e. include letters of support and details of discussions with lenders and funders to date with full information about the parties and forms of support.

E) Operating Budget and Management Plan

Demonstrate that the operation of the proposed building as described in Section D Financial Plan and Budget is financially viable in the long term and can be kept in a state of good repair to provide quality, affordable, rental housing throughout the Affordability Period, by providing the following:

- 1) A completed operating budget form (Appendix 1 D.) for a known or proposed building e.g. a 30 unit apartment building or a rooming house with 12 rooms, with detailed notes on assumptions to arrive at cost figures. Include costs for the entire building, including the proposed affordable rental and any non-residential space.

Note: To show project viability, operating budgets are to be based on current costs and affordable rents, even if current rents are above affordable levels. Proposals to purchase condominium units must account for any related maintenance, condominium or common expense fees.

Note: Reserve funds should be funded with a minimum of 8% of gross income.

- 2) An outline of who the Proponent is targeting to house and how residents are to be selected for vacant units and on unit turn over. Include any details of support services to be provided for existing or new tenants to assist in their housing stability. This outline will be the basis of an Access Plan which must be finalized with the City prior to closing. 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.
- 3) A completed Rent Form of existing or proposed rents (Appendix 1 E).
- 4) Confirm what percentage of units you would prefer to have receive Housing Benefits. Note that accepting Housing Benefits for a minimum of 20% of a property's

units is required. However, the City cannot commit to the number of Housing Benefits until the Property Acquisition Package is submitted and approved. Detail what percentage you are requesting from the City and what percentage you may have or expect to have from other sources. Provide documentation to confirm and/or details of how and when confirmation will be provided for any other sources and their amounts.

- 5) A management plan including details of staff positions and their roles for those hired by the Proponent or the proposed property management company and role of the Proponent's Board of Directors in management.

F) Property Acquisition Plan

Demonstrate that you understand the steps to acquire and renovate a property by providing as much as possible of the following information for the type of building you propose to acquire.

Note: Please indicate what the information provided is based on e.g. real estate listings, due diligence, previous acquisitions etc.

1) Property Information

Describe the type of property you propose to acquire with rationales for your choices:

- (i) The wards or areas of the city you looking for a property;
- (ii) Type and size of property you propose to acquire e.g. small apartment building of how many units, or a rooming house with how many rooms;
- (iii) Anticipated condition of the building e.g. needs minor repairs, needs some system upgrades etc. or needs extensive repairs and renovations;
- (iv) Occupied, partially occupied or vacant;
- (v) Provide due diligence documentation (Building Condition Audit (BCA) / Property Appraisal, condominium documentation e.g. Condominium Declarations or by-laws);
- (vi) Non-residential space or not e.g. some retail or commercial space in the building, vacant or occupied;
- (vii) Building features – laundry room, air conditioning, parking, elevator, type of heat, amenities, common elements etc.;
- (viii) Other relevant information that may be requested and required by the City.

Note: See section 4.4 for additional requirements in respect of proposed condominium purchases.

2) Purchase and Renovation Timeline

Illustrate the major steps from approval of MURA Funding by the City to paying a deposit, completing the agreement of purchase and sale, finalizing financing, closing the sale, and completing all critical health and safety repairs. Include all aspects of the project such as legal, financing, consultant studies, start and completion of

renovations, start of property management etc. Should short-term funds or financing be proposed, include all relevant details and evidence that MURA funding is required to refinance and or obtain long-term financing for the property, and to maintain the viability of the property and/or the Proponent organization.

3) Renovation Plan

Illustrate your understanding of anticipated or potential critical repairs that may need to be done immediately to ensure health and life safety standards are met, potential work to be done in the following 12-24 months, cost estimates, the proposed process to secure professional contractors etc. The renovation plan should: list any consultants, contractors or others you intend to work with; detail any potential energy conservation measures and accessibility modifications anticipated; and demonstrate the financial capacity to address unforeseen renovation costs including potentially available equity, reserve funds or borrowing capacity.

G) Tenant and Neighbourhood Impact Plan

Demonstrate your understanding of the day-to-day management of an existing tenanted building and the impact on tenants and neighbours of new Non-Profit management and building renovation work by providing 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 e.g. communication plan;
 - (ii) how landlord functions will be set up and implemented e.g. rent collection, arrears policies etc.;
 - (iii) how maintenance functions will be implemented for the building and for the inside of units e.g. regular building cleaning, tenant work orders etc.
 - (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 i.e. noise, dust, access to units, common areas, etc. 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 i.e. 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.

4.3 Property Acquisition Package

Subsequent to a Successful Proponent entering into an agreement of purchase and sale for a specific property, a Property Acquisition Package, the contents of which are outlined in Appendix 1G, must be submitted to the Housing Secretariat for approval.

A Proponent's Approved Funding, as set out in the Commitment Letter is subject to adjustment and will be determined when and as the financial information for a specific property is available and up to the program's maximum per unit/dwelling room thresholds and the number of units set out in the Commitment Letter.

The City reserves the right to require additional information and to work with the Successful Proponent to ensure the MURA Funding will secure an operationally viable acquisition.

4.4 Proposals to Purchase Condominium Units

In addition to the requirements set out above, proposals to purchase condominium units are also subject to the rules set out in this section.

Proposals to purchase condominium units must comply with the following additional requirements, and must provide sufficient detail to support how the legal arrangements will ensure compliance with the requirements. If the proposal is for the purchase of condominium units (registered or to be registered under the Condominium Act):

- 1) any applicable and available documentation and agreements with the developer should be included in the Proposal, or described if not yet available;
- 2) the Proposal must account for any related maintenance, condominium or common expense fees;
- 3) there shall be no provisions in the condominium declaration, by-laws or rules that prohibit or restrict, in any way, the use or occupancy of any of the affordable housing units for affordable rental housing purposes in accordance with the terms of MURA;
- 4) all of the owners and occupiers of the affordable housing units shall have the same means of access to the affordable housing units as the other owners and occupiers of all other residential units within the development;
- 5) there shall be no restriction on the use of the common elements by the owners and occupiers of the affordable housing units other than restrictions that are generally imposed on all owners of residential units in the condominium; and,

6) any other information or documentation that may be requested by the Executive Director, Housing Secretariat from time to time.

Note: The form of Contribution Agreement attached as Appendix 2A does not include terms that would be required in the event that the City approves a Proposal to purchase condominium units with MURA. Should the City approve a Proposal to purchase condominium units, the Contribution Agreement will be revised to reflect such a purchase on such terms and conditions deemed necessary by the Executive Director, Housing Secretariat.