

The Parkdale Hub - West Block (Block A) Request for Proposals Opportunity to Develop and Operate Affordable Rental Housing

Addendum #1 June 19, 2025

CLARIFICATIONS, CORRECTIONS and ADDITIONS:

1. In the RFP, under section 3.1.3 Rent Levels (page 17), delete the following sentence in its entirety

In addition to the above requirements, 10% of the net-new affordable homes must be provided at a maximum monthly shelter cost of 40% AMR.

At its meeting on May 21-22, 2025, City Council adopted Item PH21.4 authorizing the Housing Secretariat to amend the Request for Proposals for the Parkdale Hub – West Block (Block A) to remove the requirement that 10 percent of the affordable housing units be rented at no more than 40 percent of average market rent.

The requirement remains that 20% of affordable rental units be made available for those in receipt of housing benefits. Therefore, in the RFP sections 2.8 (page 14) and 3.1.7 (page 18) remains unchanged.

- 2. In Appendix 9, Budget Form, Project Details Line 33 Explanatory Notes should say, Minimum of 20% of affordable units.
- 3. In Appendix 12 Forms of Agreement Schedule "A" Parkdale Hub, Phase 1 West Block Key Terms Sheet, section 6(a) Proposed Development under Community Benefits Plan, delete subparagraphs (i) to (iv) and replace with: "develop a Community Economic Benefits Plan substantially in accordance with the terms of Schedule D." Also, delete subparagraphs with the definitions for "Community Benefit Hire", "Social Hiring" and "Local Hiring." The revised paragraph shall read as follows:

Community Benefits Plan

Tenant Acknowledges that it shall be required to develop and deliver on a Community Economic Benefits Plan substantially in accordance with the terms of Schedule D."

4. The City of Toronto is pleased to announce that the Toronto Alliance to End Homelessness (TAEH) and the Infrastructure Institute (II) at the University of Toronto's School of Cities are available to assist interested Proponents seeking partnerships for the Parkdale Hub, West Block development opportunity. Depending on the response, TAEH and II will facilitate conversations between Proponents and support service providers, either online or in person. Please reach out directly to TAEH and II to inquire using the contact information provided below:

TAEH: Peter Martin peter@taeh.ca

Infrastructure Institute: Sarah Chan sarahq.chan@utoronto.ca

Using these services is in the sole discretion of Proponents. These services should be considered a resource and that using these services does not mean that an application will be successful. The City does not guarantee access to the services provided and makes no representations as to the quality of the services provided. All submissions must adhere to the RFP Process Terms and Conditions and meet the eligibility requirements as set out in the RFP documents.

QUESTIONS & ANSWERS:

1. To qualify, does the developer need to be non-profit?

Yes. Under the RFP, section 1.4 Eligibility, the Proponent must be an incorporated Non-Profit Housing Organization, Non-Profit Housing Co-operative, or an Indigenous Housing Provider as defined in the RFP and meet the definition of a "non-profit housing development" pursuant to the Development Charges Act and in accordance with the City's Rental Housing Supply Program.

2. If the proposal is a joint venture/partnership with a private developer, does the not-for-profit housing provider need to have at least 51% ownership stake in the building in order to qualify?

A joint venture would require all parties to the joint venture to be the Proponent. The City requires that the Proponent be an incorporated Non-Profit Housing Cooperative, Non-Profit Housing Organization, or Indigenous Housing Provider. Therefore, a joint venture with a for-profit developer would not qualify, regardless of the percentage ownership stake. Please refer to section 1.4 Eligibility of the RFP.

3. Is there a requirement or a priority status provided to local non-profit organizations or non-profits that partners with local organizations?

Please refer to the following sections of the RFP:

- 1.4 Eligibility Who Should Apply
- 6.0 The RFP and Selection
- **4.** The RFP requires Proponents to demonstrate 10 years of operating experience. Can a partner of the Proponent satisfy this experience? Also, can a partner satisfy the development experience requirement?

Yes, the operating partner can satisfy the requirement for 10 years of operating experience, while the development partner and/or Proponent's key consultants can satisfy the requirement for recent (completed in the past) development experience. Please specify the role the development partner played in the examples of completed housing projects.

5. Is there a minimum or maximum number of references to be provided for the Development and the Management Qualifications sections of the submission?

Please provide minimum two (2) and maximum four (4) references under Development Qualifications, section 5.3.4.3.

Please provide minimum two (2) and maximum four (4) references under Management Qualifications, section 5.3.5.2.

6. Section 5.3.3 of the RFP requests that the Proponent propose targets for a Community Benefits Plan addressing Workforce Development, Local Hiring, Local Procurement and Supply Chain Diversity. The City's Community Benefits implementation process seems to require working with a City-approved Workforce Development Intermediary, so it seems prudent to develop this plan in collaboration with the City and this Intermediary. For the RFP response, does the city advise that the proponent propose a full Community Benefits Plan with implementation strategies and partners named, or just targets?

Please indicate in your proposal the minimum targets for the following:

- i) Community Benefits Hires
- ii) Local Procurement
- iii) Supply Chain Diversity

Please refer to the end of this document for definitions on the above terms.

As per section 2.10.1 of the RFP, the Successful Proponent will develop a unique Community Economic Benefits Plan jointly with the City prior to construction tendering.

7. Section 5.3.3.5 - What are person year jobs? How should the proponent calculate person year jobs?

A "person-year" in a job context refers to the amount of work completed by a single individual in a full year, usually equivalent to 2,080 person-hours (40 hours per week multiplied by 52 weeks per year). It is a measure of the total work effort invested in a project or task, rather than the number of people employed. Construction work is often expressed in person-hours, person-weeks, person-months, or person-years of employment.

The City of Toronto's Community Benefits Unit has a formula that uses the estimated construction budget to calculate the number of person year jobs representative of 10% total hiring. Orientation and training on the resource will be provided to the Successful Proponent. Proponents should indicate in their Proposal their proposed Community Benefits Hires target (i.e., percentage of total hiring they are committing to community benefits hiring and workforce development).

8. Section 5.3.3.6 uses the term "Local procurement". Please clearly define this term.

Please reference the end of this document for the definition of Local Procurement.

9. Where can I find more clarity on provision for supply chain and other directives under this RFP?

Please refer to the RFP document (pg. 21 and 22) under section 5.3.3 Vision and Community Building Capacity, subsections 5.3.3.4 to 5.3.3.6. Please also review the Key Terms Sheet, Schedule D.

10. In the future, when the housing is ready, what will the process be for individuals/families to apply for a housing unit?

The City allocates the affordable housing units using a centralized, affordable housing access system. Information on how to apply will be made public prior to the occupancy date for the project.

11. Will the copy of the presentation be available?

The Presentation is posted on the website "Open Calls for Affordable Housing Initiatives" under Parkdale Hub.

12. Figure 1 on Page 9 of the Replacement Rental Housing Terms and Conditions in 2023.PH7.5 Report for Action shows the rental replacement units as a separate component than the rest of the residential component while Pages 38-41, include references that the replacement rental will be integrated within the residential component of the development on the West block. Please clarify if the nine replacement units need to be within a separate freehold component, on the same floor, or integrated with the other residential units on various floors?

The nine replacement units will not be on a separate freehold land parcel. The City will maintain fee simple ownership of the land, while the developer will hold a leasehold interest.

The rental replacement units should be grouped together. It is recommended that the replacement units be on levels 2 and 3 of the building on West Block. For further clarity, the locations of all replacement rental units shall be to the satisfaction of the Chief Planner and Executive Director, City Planning Division.

13. Are there any additional specifications specific to the tenant user group(s) for the nine rental replacement units other than those outlined in the Replacement Rental Housing Terms and Conditions in 2023.PH7.5 Report for Action, Pages 38-41?

The Proponent will submit an Access Plan to outline how replacement rental units without returning tenants will be leased. The City of Toronto is developing a tenant relocation and assistance plan to ensure that the returning tenants from 1313 Queen St. West are assigned a unit or receive appropriate support and/or compensation, at cost to the City. The Operator of the nine replacement units and the Proponent will monitor and report on the replacement rental units.

14. Understanding that the nine Rental Replacement Units must be maintained for a period of 20 years but the affordability term is for 10 years based as detailed in the Replacement Rental Housing Terms and Conditions in 2023.PH7.5 Report for Action, what is the affordability requirement for the nine Rental Replacement units after 10 years?

The non-profit housing Proponent or its non-profit operating partner may determine the rents, according to the Residential Tenancies Protocol, provided in Schedule E of the Key Terms Sheet.

15. Please confirm if rental replacement units are to be co-located or to have direct connection to the community space and front entrance? In DTAH's zoning application drawings, replacement units are co-located with each other and also directly connected to the community space and the front building entrance, which services the community space. In the info session, it was stated that "the replacement units can be located above the community space" and "the replacement units would be located on levels 2 and 3 of the new building of the west block". Neither the zoning approval nor the RFP requires replacement units to be co-located or to have direct connection to the community space and front entrance.

Commercial spaces should be at grade, while residential spaces are in the levels above commercial and community spaces. For further clarity, By-law 1145-2023 under 7. Site Specific Provision (D) says the following:

... all dwelling units in a building must be located above non-residential use portions of a building.

The rental replacement units should be grouped together. It is recommended that the replacement units be on levels 2 and 3 of the building on West Block. For further clarity, the locations of all replacement rental units shall be to the satisfaction of the Chief Planner and Executive Director, City Planning Division.

It is up to the Proponent to demonstrate a design that complies with the by-laws while ensuring the safety and ease of use for residents and commercial tenants.

16. Please confirm that the City requires that proponents deliver 23,000 sq ft of community space? The zoning bylaw amendment requires a minimum of 500sq meters of community space, while the RFP requires 23,000 sq ft. of community space.

While the By-law 1145 requires a minimum of 500 square metres, the RFP requires 23,300 square feet (2,164 square metres) as outlined on Schedule B of the Key Terms Sheet. The City will support the cost of constructing the community space through a capital funding of \$17.7million, as stated page 25 in the RFP (5.3.6).

17. Given the requirement to sublet the Community Space to the City, please confirm that it is intended to be a freehold component of the development in the West Block (Block A).

The City will maintain fee simple ownership of the land. The Non-Profit developer will act as Tenant under the Headlease with the City and the Community Space will be part of the Leased Premises. The Tenant under the Headlease will act as Sublandlord and enter into a sublease agreement with the City, which will act as Subtenant. The form of Community Space Sublease will be released before the end of the RFP Closing.

18. Is it the responsibility of the successful Proponent (Tenant) to fit-up the Community Space beyond all associated mechanical, plumbing, security and electrical systems and devices described in Schedule C to Appendix 12 – Offer to Lease? For example, demising walls, washrooms, kitchen, flooring, millwork, etc. Without this information in a detailed fit-up specification, it is challenging to assess if a \$17.7 million capital contribution from the City would be sufficient.

Yes, it is the responsibility of the Successful Proponent to fit-up the Community Space. Further details will be included in the Project Agreement, which will outline the fit-up required.

19. Schedule B to the Offer to Lease requires that for the Community Space the Tenant shall ensure that such work is performed in compliance with any collective agreement to which the City is bound in the construction industry, and which apply at the time that construction commences. What if the Tenant's or the construction manager retained by the Tenant has different collective agreements with the construction industry? Where there is a difference, will the City permit the construction manager's obligations to prevail as the Constructor of the development?

No, as per the Schedule B to the Offer to Lease, the Successful Proponent/Tenant must comply with the City's Fair Wage Policy and Labour Trades Contractual Obligations Policy in the Construction Industry. The Successful Proponent/Tenant shall ensure that such work is performed in compliance with any collective agreement to which the City is bond in the construction industry, and which apply at the time that construction commences.

20. Are there any specific programs intended for the community space?

Currently the following services are slated for the community space:

- Community garden/urban farming/education
- Newcomer settlement services

- Youth outreach and leadership
- Drop-in meal program, advocacy for homeless women
- Arts and Culture
- Commercial business association
- Child and Family Early Years Programming

There will be additional services added to this complement available in Q2-2026.

21.TCHC Agreements - Numerous agreements will be required with Toronto Community Housing Corporation (TCHC) to allow for the implementation of this project. Has the City engaged TCH and/or executed agreements with TCH on any of the following issues: A) Limiting Distance Agreement for south frontage rear facade, B) underground parking access, C) Shared access to loading through shared drive isle? If so, please share the terms of the agreements. If not, please clarify who is expected to negotiate these agreements and who holds the risk of TCH not agreeing to the required terms. Additionally, on the West Block setbacks, has the City received confirmation from TCH that the proposed south frontage rear setbacks are acceptable? In the Zoning bylaw application (ZBA) package for this includes a Design "Parkdale Hub Design Brief" dated August 21st 2023 by Create TO and DTAH, it states, "The south frontage (rear facade) can be extended to the property line subject to an agreement with TCHC at 245 Dunn." The RFP does not appear to mention if TCH has agreed to this.

The City is in discussions with Toronto Community Housing (TCH) regarding access to the underground parking spaces, surface parking spaces, and the shared driveway at 245 Dunn Avenue, which would serve the TCH building as well as the loading bays for both the West Block and the Centre Block. The City will share more information as it becomes available.

When detailed building designs are prepared by the Successful Proponent, Toronto Building will determine whether a Limiting Distance Agreement is required. Any such agreement will be negotiated between the respective landowners.

22. Please provide clarification on the landscape scope of work planned at the rear of the West Block on the 245 Dunn Parcel to provide the shared service drive, access to the proposed loading area, additional parking, and landscape features. Specifically, who is responsible for this scope of work, is it intended to be part of the West Block development scope of work or by others?

The landscape features, the surface parking, and shared service driveway as shown in DTAH's demonstration plan are not within the boundaries of West Block. The City will

work with TCH to develop a scope of work in consultation with the Successful Proponent.

23. When will the occupancy start?

As shown in the RFP, section 2.4 Timelines, the anticipated occupancy for West Block is in late 2028 or early 2029.

24. The RFP assumes the proponents will apply for and access funding through CMHC's Affordable Housing Fund (AHF). Yet in the past few days, CMHC has communicated that funding for its AHF Community Housing Sub-Stream is "exhausted". Should proponents still assume the AHF program can still be accessed even though the funding is exhausted?

We encourage the Proponents to continue discussing their project with the Client Specialist at CMHC for the appropriate fund or financing tool. The City will work with the Successful Proponent to access any federal and/or provincial grant and financing programs.

25. Please provide CAD or revit files of the survey and any massing /plans that have been produced.

The files will be provided through the addendum.

26. What are the accessibility requirements, including expectations related to wheelchair access?

Please refer to the Key Terms Sheet under 6 (a) Proposed Development – Accessibility. Please also consider the accessibility requirements of any funder, like CMHC, to ensure your proposal would meet the requirements to access funding through their programs.

27. Are there sustainability or environmental targets for this project?

Please refer to the Key Terms Sheet 6 (a) Proposed Development. The development shall meet or exceed the requirements of the Toronto Green Standard Version 4 Tier 2. Please also reference and verify compliance with the energy efficiency requirements of the CMHC funding program if you are pursuing federal loans or grants under the National Housing Strategy.

28. Are Development Charges (DCs), exempt for the rental replacement units and 50% for net new units?

All rental units in the development may be statutorily exempt from payment of DCs, provided that the project and the Proponent meet the criteria outlined in Section 4.2 of the Development Charges Act.

29. Please clarify what actions will be taken to prioritize the site plan review process. Is the pre-submission meeting intended to help scope the site plan approval process?

Upon receipt of the applicant's concept drawings, staff from the Priority Development Review Stream (PDRS) will coordinate the pre-application consultation (PAC) meeting with the applicant and relevant City divisions. PDRS will facilitate an expedited review process and issue a comprehensive checklist outlining the submission requirements for the subsequent site plan application.

30. Is the City or the successful proponent responsible for the demolition work and costs of demolition work associated with the existing building at 1337 Queen Street West? The Offer to Lease references the site with "as is, where is, with all faults"

Demolition is a Project Cost – to be budgeted and completed by the Proponent.

31. Does the construction start date of Q4 2026 for the West Block (Block A) include the demolition work on 1337 Queens Street West or is that expected/anticipated to start earlier?

Prior to commencing demolition, the Proponent must have executed the Lease, registered the Leasehold Parcel, and completed all legal arrangements necessary to occupy and undertake work on the property. The Proponent is responsible for obtaining a demolition permit; however, this permit does not represent the first building permit. For the purposes of the City's Contribution Agreement, construction start is deemed to have commenced only upon issuance of the first building permit.

32. Is all servicing (both civil and utility) available to the lot line for the West Block (Block A)? Is the City aware of any servicing enhancements that are required to facilitate the development?

Water, sewer and stormwater lines are confirmed along Queen Street, while water and sewer lines are along Dunn Avenue. There may be required offsite servicing enhancements. The Proponent and Applicant can seek information through PAC prior to Site Plan application.

Please also reference the following resources:

- <u>Water System Map for Development City of Toronto</u> for general sewer information (size, location)
- <u>Sewer System Map for Development City of Toronto</u> for general watermain information (size, location)
- <u>T.O.INview (Infrastructure Viewer)</u> to see planned infrastructure work including sewer/watermain upgrades
- **33.** The zoning permissions for West Block (Block A) are based on an estimated 171 residential units. Is there a minimum or maximum number of units that must be achieved on the site?

The maximum can be determined given the GFA permitted in the zoning by-law. Please reference the permissions for Block A in By-law 1145-2023. The minimum is what is most viable under your financial model.

34. Is there flexibility with the unit mix in Table 1: Summary of the Parkdale Hub Proposal, OP and ZBA, 2023 in the RFP document?

The nine replacement units must be provided as prescribed. The unit mix for the net new units can be flexible. Please reference the appropriate current design guidelines (see Appendix 6 - Links to Background Documents in the RFP).

35. Is there any requirement to have rent-controlled units or could the building be minimum 50% net-new Affordable Rental, with the balance being the nine Rental Replacement units and market units? And will a proposal with rent-controlled units score higher than a proposal with the balance as market units?

A specific number of rent-controlled units are not required for this project. However, the City strongly encourages inclusion of rent-controlled units in alignment with the HousingTO 2020-2030 Action Plan. Proponents may want to consider including rent-controlled units in their project to benefit from the incentives the City provides through

the Rental Housing Supply Program for the creation of community-housing-led rent-controlled units. For more info, please visit City's <u>Rental Housing Supply Program website</u>.

36. When does the City expect to receive and to share the Tier 3 Risk Assessment (RA), Certificate of Property Use (CPU) and Record of Site Condition (RSC)? Is there any information in the meantime that can be shared on the type of environmental contamination on the site (i.e. soil, groundwater, etc.)?

A Pre Submission Form for the Tier 3 Risk Assessment (RA) was submitted in 2024. Currently the environmental consultant at CreateTO and the Qualified Person is working through the Ministry's comments. The RSC and CPU for 1337 Queen St. W is expected in Q1, 2026.

The City can provide the environmental reports through an addendum.

37. Is the City or the successful proponent responsible for the costs of remediation? If the applicant is responsible, are there any substance reports that can be shared?

Please refer to section16 (b) of the Key Terms Sheet. The Designated Substance Survey can be provided through an addendum.

38. Regarding the Tier 3 Risk Assessment – typically an underground parking garage would function as the "risk mitigation" to any contaminants not being remediated – how does the City intend to mitigate this risk if no underground parking structure is proposed?

The basement level considered for this site will not have an upgraded ventilation system compared to a typical underground parking garage. Vapour Management System (VMS) and vapour barrier (VB) will be required. The City will provide RSC and CPU once MECP completes its review. You may review the following environmental report released with this Addendum:

- Final Tier 3 Risk Assessment (report by EXP Services Inc.)
- **39.** The East Block is envisioned as a 6-storey mixed use building, and it is indicated that the timeline is dependent on the centre and west block. What is the City's plan for that block in terms of process? Will a separate RFP be released at some point?

Housing Secretariat (or its successor) will release a separate RFP for the East Block.

Development planning for East Block will only begin after commitment to construct Centre Block is confirmed.

Key Definitions for Community Economic Benefits Plan

- Community Benefits Hires are defined as people from Indigenous, Black and equity deserving communities that face systemic, institutional, and societal barriers to equitable access and opportunities due to histories of colonization, racism, and discrimination in Canada. Eligibility for Community Benefits Hires includes people who are from the local community and/or Indigenous and/or Black and/or identify with an intersectionality of equity-deserving identities including women, 2SLGBTQ+ communities, youth (16-29), racialized communities, newcomers/recent immigrants (less than 5- years in Canada), persons with a disability including mental health, persons with low income or living in a Neighbourhood Improvement Area postal code, and persons who have been in conflict with the law.
- **Local Procurement** is purchasing from local businesses a business operating in, headquartered in, or have facilities that operate within X* km radius of the site.
- **Supply Chain Diversity** is purchasing from diverse suppliers a business that is at least 51% owned, managed, and controlled by Indigenous, Black, equity-deserving group or a social enterprise.

*km radius will be determined jointly by the City and the Successful Proponent.