

Quayside – Phase 1 Request for Proposals Opportunity to Build, Own and Operate Affordable Rental Homes on City-owned Land

Addendum #2

July 23, 2025

CLARIFICATIONS, CORRECTIONS & ADDITIONS

1. In the RFP, under Section 4.3.6 Operating Plan, the City would like to clarify that the 5% Reserve Fund contribution should be based on Gross Rental revenues.
2. In Appendix 7 – 10-year Operating Budget, please ensure that for each line item, sufficient explanations about the assumption used is included.
3. In the RFP, the first sentence of Section 3.3 Rent Adjustments, is deleted and replaced with the following (with the bolded text showing the clarification changes made):

Rent increases for the affordable units will **be limited by** the provincial Rent Increase Guideline set each year under Ontario's Residential Tenancies Act (RTA) **to a maximum of the** city-wide affordable rents for the year.

4. Please note the estimated affordable rental housing (ARH) gross floor area (GFA) and hard cost per sq. ft. amounts:

ARH Block	Est. ARH GFA (Sq. Ft)	Hard Cost	Hard Cost (per Sq. Ft)
Block 1B	112,365	\$78,695,956	\$700.36
Block 1C1	112,400	\$88,541,524	\$787.74
Block 1C2	90,657	\$68,027,081	\$750.38
Block 1C3	90,657	\$65,960,413	\$727.58

QUESTIONS & ANSWERS

1. Are appliances and window coverings included in the Project Cost?

Project costs include appliances as well as an allowance for blinds for the suites.

2. Please confirm why C blocks are projected to have a 4-year construction period.

Development of the affordable rental housing (ARH) and purpose-built rental (PBR) housing components will advance together as part of the broader master plan work for Quayside-Phase1. The timelines are reflective of the scale and scope of construction for the portion of the Phase 1 that will include both ARH and PBR housing.

Please note this is a preliminary construction schedule for 1B and 1C buildings – as design advances, the construction schedule will be updated.

3. Please confirm that the Project Cost includes meeting CMHC AHF / City of Toronto RHSP requirements for Insurance and Bonding.

An allowance has been carried for insurance and bonding costs - however, project costs are currently estimates and subject to change. The City and QILP will work with the Successful Proponent(s) to have the most up to date project costing as part of the application to CMHC under the Affordable Housing Fund (AHF).

4. Are there considerations for transferring the ownership of the land to Indigenous organizations as part of this project?

The RFP is currently developed on the basis of long-term land lease within Council authority where the City will maintain ownership of the stratified parcels of land and the selected proponent will own the building for the duration of the lease with the City (99 years).

The City acknowledges the importance of conveyance of land to Indigenous and First Nations communities to advance the City's commitments to truth, justice and reconciliation. City Council has directed staff to develop a land back policy framework which is currently under development.

Should there be Indigenous and First Nations housing providers that are successful in this RFP, staff would be prepared to seek City Council authority for land conveyance in accordance with the policy being developed.

Please note - in addition to seeking Council authority, any conveyance would be subject to additional work and further negotiations and due-diligence with other relevant stakeholders and parties including CMHC to ensure their requirements will be met.

As the result, it is likely that in order to maintain project timelines, any successful Indigenous organization would be required to enter into a lease agreement on the same terms contemplated in this RFP, with any approved and negotiated conveyance to follow at a later date.

5. If an Indigenous organization submits a proposal to the City under this RFP, conditional upon owning the land, would the proposal be considered?

As indicated in Question 4 above, the City is prepared to seek Council approval for the conveyance of land to Indigenous and First Nations communities, should they be successful in the RFP process. However such considerations will be made outside of this RFP process.

The City will consider applications submitted that will meet the minimum requirement set in the RFP and include all mandatory information requested. Successful Proponent(s) would still be required to enter into a lease agreement on the same terms contemplated in this RFP, with any approved and negotiated conveyance to follow at a later date.

6. We are a newly formed organization and want to act as the Lead Proponent with a number of non-profit housing organizations as operators for various ARH Blocks. Will the City evaluate our financial capacity alone or the financial capacity of all identified organizations as it relates our ability to obtain necessary financing form CMHC?

The City will evaluate the financial capacity of the organization(s) that intend to be the borrower(s) from CMHC and the tenants of the City. The proposal must clearly indicate if the lead Proponent intends to be the sole borrower from CMHC and sole tenant for the ARH Block(s) being applied for.

If all organizations involved in the proposal will be applying to CMHC under AHF separately and entering into separate leases with the City, then it is recommended these organizations apply directly and separately to the City's

RFP for the ARH Block(s) they intend to lease the land for, own, finance, and operate. Please indicate in the cover letter if your organization is part of a consortium of organizations applying for the balance of ARH Block(s).

7. To address the issue of financial risk to non-profits, would City staff consider recommending to City Council that the City provide the necessary financial guarantees that CMHC will require?

The City is looking for experienced and qualified non-profit organizations that will be well positioned to meet CMHC's borrower criteria and are able to identify guarantor(s) to provide any additional guarantees that might be required by CMHC if the organizations are not strong enough candidates on their own.

Any additional financial support for Successful Proponent(s) which may be required to meet CMHC's requirements for loan guarantees will require City Council approval.

Please include all required information and documentations under "Section 4.3.4 Corporate Financial Viability" in your proposal to inform a comprehensive assessment of your organization's financial capacity and any required recommendations to Council.

8. Does the proponent have any involvement in the selection of the construction manager?

The Construction Manager for the site is not yet hired. The City will provide this update when available, either as part of the RFP or as part of negotiations with the top-ranked Proponent(s).

9. If an organization is engaging a development consultant to manage the construction phase on its behalf, will the development qualifications section of the proposal refer to the development consultant's qualifications or the proponent's qualifications or both?

Please include all relevant information and documentations requested under Section 4.3.2 that will outline the Proponent's experience and capacity to build high-quality, purpose-built, affordable rental housing. This could include internal or external resources that form the Proponent's development team.

Per Section 4.3.2.4 of the RFP, the Proponent is required to submit associated documentation outlining the qualifications of the key consultants and individuals on the proposed development and construction team.

The Proposal must be clear as to which entity will be the lead Proponent for the ARH Block(s) being applied for however, if there are other organizations involved in the development of the affordable rental homes, please include any details on the legal nature of those relationships in your proposal.

10. How does the City intend on supporting Successful Proponent(s) in submitting their AHF application to CMHC by October 31, 2025?

The City, Waterfront Toronto and QILP will support the Successful Proponent(s) in their applications to CMHC by providing a range of required documentations related to the building design, project cost, legal agreements outlining the legal and ownership structure of the project, construction schedule, environmental, energy efficiency and accessibility reports, among others.

11. Is the City able to provide us with rough layouts of the community space block by block?

Given schematic design is underway, we are not able to provide rough layouts of amenity spaces in each block. The intention is to have separate amenity spaces for 1B, 1C1, 1C2 and 1C3. We will share the designed layouts of these amenity spaces, as part of negotiations with the top-ranked Proponent(s).

12. Is there any flexibility regarding the unit types in any of the buildings to match a specific priority population group (such as seniors)?

ARH Block 1B, 1C1, 1C2 and 1C3 are anticipated to include a range of unit types from studios to units with 3 and 4 bedrooms. As noted, given the schematic design is underway, the City can anticipate some variations in the number of units however, the Successful Proponent(s) would not be able to propose substantive changes to the unit mix to accommodate a specific population.

The number of family sized units is consistent with the City's commitment to build more family sized units for low- and moderate-income households in Toronto as per the Growing Up Guidelines.

13. Is the City allocating any points to the amount of equity that a non-profit can bring to the project (outside of the evaluation of the budgets themselves)?

Per Section 2.2.3 Proponent Equity Contribution, Proponents are requested to provide details of any financial contributions that can be made (directly or through other sources) toward the capital or operating costs, as well as the source of those contributions.

Proposals that demonstrate availability of additional equity funding or ability to secure additional capital or operating funding will score higher as part of the evaluation.

14. Does the Proponent have to operate the affordable rental homes?

Please include all relevant information and documentations requested under Section 4.3.3 that will outline the Proponent's experience in operating quality affordable rental housing, providing sound property management, maintaining a portfolio of rental housing in a state of good repair and the ability to provide appropriate supports to residents. This could include the experiences of the Proponent or any other external resources that will form the Proponent's operations team.

Per Section 4.3.3 of the RFP, the Proponent is required to submit associated documentation outlining the qualifications of the key consultants, individuals, or contracted property manager (if applicable) on the proposed development and construction team.

The Proposal must be clear as to which entity will be the lead Proponent for the ARH Block(s) being applied for however, if there are other organizations involved in the operation of the affordable rental homes, please include any details on the legal nature of those relationships (e.g. referral agreement or head lease) in your proposal.

15. How does the City envision addressing the funding gap in the project based on the project cost and funding sources identified in the RFP?

The RFP includes a range of financial support available for the delivery of affordable rental homes including nominal land lease, exemption of a range of development fees and charges, as well as property taxes, for the affordable

rental homes, as well as up to \$260,000 per affordable rental home in grant funding. Proponents will be required to identify any financial contributions they can make (directly or through other sources) toward the capital or operating costs.

Additionally, the RFP includes an estimate for funding and financing that can be applied for under CMHC's Affordable Housing Fund. The City will work with Successful Proponent(s) to access additional funding sources, subject to maximizing Proponent equity and CMHC funding/financing.

Successful Proponents' ability to submit an application to CMHC by October 31, 2025 and their experience and track record in securing construction financing, construction and operation of housing, particularly affordable housing, and fiscal responsibility of the Proponent and the Proponent's team are the primary evaluation factors of this RFP.