



RFP No: LC-2024-04

RFP for Affordable Housing Units in Lanark County & The Town of Smiths Falls

Clarification # 1 issued April 12, 2024

Questions received from proponents are in black. Lanark County's response is in red.

Item 1.3 identifies some criteria for the end users (tenants). One point mentions tenants that have been selected from the County's community housing centralized wait list.

Item 1.6 also mentions a community housing waitlist, which we assume to be run by the county.

Based on these terms it appears as though the County will be involved with the tenanting process.

In terms of payments for monthly rent charges to tenants, will the proponent receive the funds from the County, or will the proponent be responsible for collecting the rents directly from the tenants?

The proponent can choose to house people directly from the County's waitlist or ByName list of people experiencing homelessness. Or they can manage their own tenant selections keeping in mind the tenant must always meet specific income and asset criteria. Or as a third option they could have a combination of both options, i.e. 3 units house people from a County waitlist and the remaining units the proponent selects their own tenants.

The proponent is responsible for collecting rent from the tenant.

Can you explain the forgivable loan part. And also can you confirm that it is the intent to select a proponent that will build, finance and manage the property for 30 years?

Forgivable loan – as long as the proponent remains in compliance with the agreement conditions (i.e. maintains the units as affordable rental spaces), no payments are required. At the end of the 30 years, the loan is forgiven; it can be discharged from the title of the property and no payment is ever required.

The intent is the proponent would build, finance, and manage the units. We would be open to other innovative ideas, such as a three-way partnership where a private for-profit builder builds and owns the unit and a third-party non-profit operates the units or acts as the landlord

Appendix D - Section 1.5 reads as follows:

1.5 Affordability Criteria and Rents Approved projects must remain affordable or geared-to-income for a minimum period of 30 years. Affordability is defined as having rents that are at or below CMHC's Average Market Rent (AMR) or rent-geared-to-income as per provincial/County calculation at the time of occupancy (typically 30% of a household's income). RFP (Consecutive Negotiations) – LC-2024-04 – Request for Proposals for Affordable Housing Units in Lanark County & The Town of Smiths Falls Page 21 of 24 Projects may include both market rent units, affordable units, and rent-geared-to-income units, but only units with rents that meet the affordability/RGI criteria will receive the funding. Rent increases after initial occupancy for affordable units shall be made in accordance with Rent Increase Guidelines and other rules established in the Residential Tenancies Act (RTA). Technically new rental buildings (built after 1991) are exempt from RTA rent increase guidelines, but the Administration Agreement for the program states that rent increases must follow the RTA rent increase guidelines, and must still remain at or below average market rent which for the purposes of this RFP is \$982/month for all units.

Question: Assuming that a project proposal is entirely creating affordable / RGI units, is rent capped at:

- i) \$982 per month
- ii) 30% of gross household income, up to \$982 per month
- iii) the higher of i and ii; or
- iv) other

If 'other', please specify.

The maximum rent a proponent can charge for units the County is funding is \$982/month, despite whether the proponent chooses to submit as Rent Geared to Income (RGI) or not. The proponent can determine the level of affordability that they would like to (RGI being deeply affordable), however the maximum that can be collected from a tenant for units the County funds is \$982/month.