



## Lawrence Heights: Phase 2 & 3 Tenant Benefit Agreement

Item 7

March 24, 2021

Tenant Services Committee

**Report:** TSC:2021-24

**To:** Tenant Services Committee (“TSC”)

**From:** Chief Development Officer

**Date:** March 9, 2021

### **PURPOSE:**

The purpose of this report is to provide the TSC with an overview of a tenant benefit agreement framework that will guide how TCHC will secure tenant benefits as part of the Lawrence Heights Phase 2 & 3 developer selection process, and key objectives for the Lawrence Heights Phase 2 & 3 Tenant Benefit Agreement.

### **RECOMMENDATIONS:**

It is recommended that the TSC receive this report for information.

### **REASONS FOR RECOMMENDATIONS:**

Creating benefits beyond bricks and mortar is integral to community transformation and TCHC’s revitalization program.

### **BACKGROUND**

At the April 27, 2020 Toronto Community Housing (“TCHC”) Board of Directors (“Board”) meeting, the Chief Development Officer was asked, prior to issuing the RFP for Phases 2 & 3 at Lawrence Heights, to bring the proposed community benefits agreement forward for input from the TSC,

including details of how community benefits will be tracked particularly in terms of employment and training. This report responds to that request.

TCHC is committed to creating opportunities for tenants to advance their employment, training, and educational goals. We recognize these opportunities help tenants to achieve economic and housing stability. The average household income within TCHC is \$18,398 compared to the city average of \$65,829. To help address this income gap and related challenges stemming from living in poverty, TCHC creates opportunities through partnerships and internal programs that focus on youth summer jobs, adult jobs, youth and adult internships, scholarships, business development, youth programming, and programs that increase tenant access to food and social services. TCHC has aligned actions with several City strategies including the Toronto Youth Equity Strategy and the Poverty Reduction Strategy.

Within the revitalization context, TCHC applies a holistic approach that addresses economic and service gaps by working with the local community, partners, and the City of Toronto (the “City”) to create social development and economic plans that complement the physical redevelopment. Goals of these plans are shaped by community specific needs and typically fall within foundational pillars including Community Economic Development (“CED”), Access to Health and Social Services, and Community Safety.

TCHC leverages the private-public developer partnership to secure employment, training, educational, and other social opportunities for tenants through a tenant benefit agreement, which is built directly into the footprint of the redevelopment starting with the developer selection process.

## **OVERVIEW OF TENANT BENEFIT AGREEMENTS**

At the core of tenant benefits, our objective is to secure tenant opportunities that will improve economic and housing stability and quality of life for tenants. To achieve this, TCHC incorporates tenant benefits into the developer selection process, where proposals are evaluated against specific criteria determined by TCHC. Benefits are prioritized to the local community and to equity seeking groups within TCHC. Examples of tenant benefits include:

- tenant training and employment including hiring underrepresented groups in the trades, apprentices, offices, and through other business networks;
- scholarships and other educational opportunities;
- tenant business creation and support through social procurement;
- community capacity-building initiatives; and
- endowment funds.

Once a valuation of tenant benefits has been agreed upon through the Request for Proposals (“RFP”) process, TCHC works with the successful proponent to itemize specific and hard targets, including the minimum number of full-time or equivalent jobs, scholarship amounts, formal training opportunities, and funding for tenant capacity building. TCHC has moved away from negotiating employment targets based on percentages and moved towards concrete targets with itemized deliverables that are monetized in value. For example, a 10% employment target has been challenging to quantify when compared to a specific target of 40 full-time equivalent jobs or a minimal valuation of \$1M in employment. Monetizing employment proposals has paved the way for TCHC to improve fairness in evaluating developer proposals, negotiation tactics, and establishes a clearer accountability framework to protect tenant benefits.

Following the completion of the RFP and the award to the successful proponent, that proponent is required to enter into a formal Tenant Benefits Agreement with TCHC, securing the community economic development commitments agreed to.

A summary of current agreements can be found in Attachment 1. Overall, there is combined commitment and realized tenant benefit value of approximately \$50M for all revitalization sites.

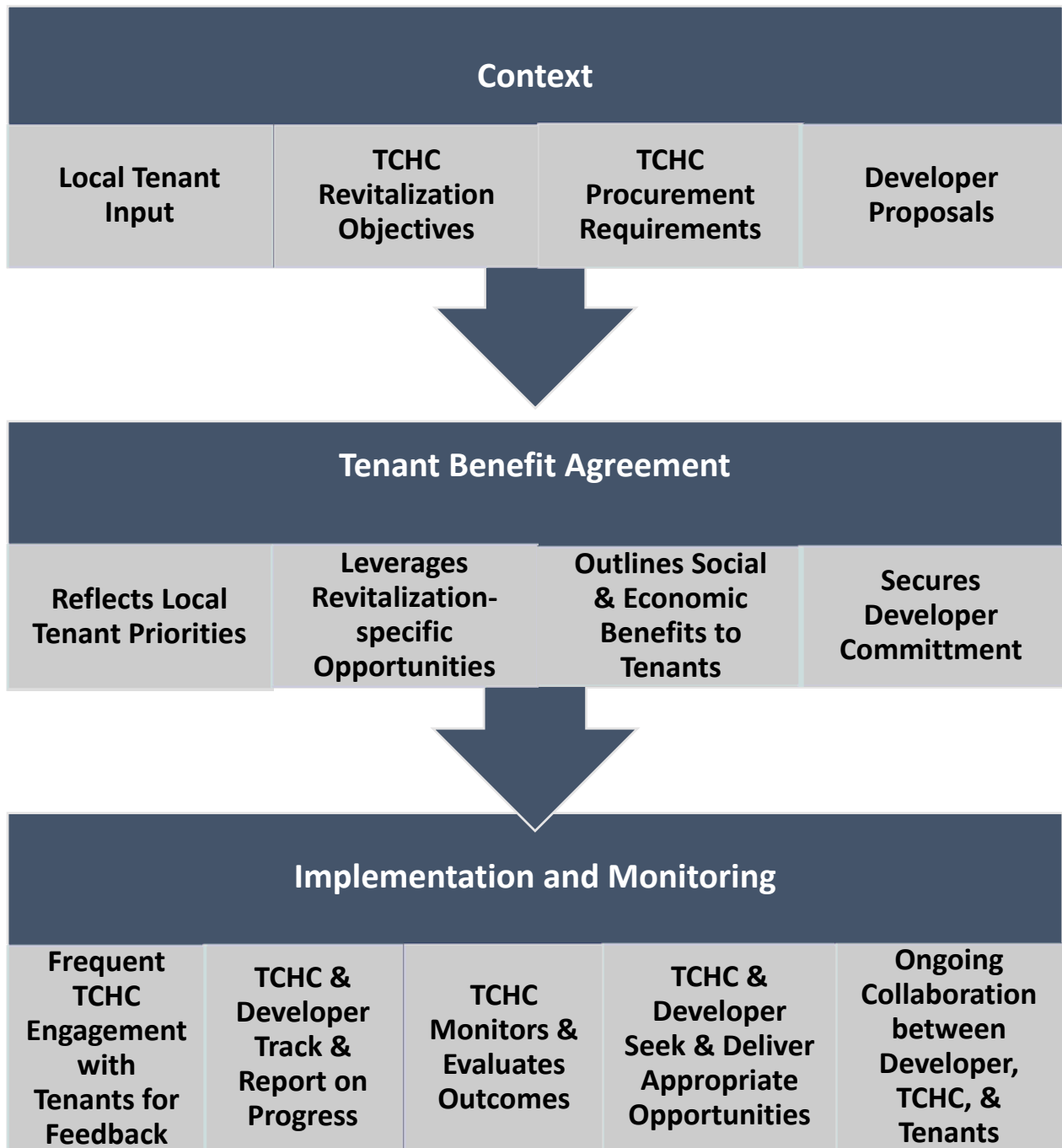
### **TENANT BENEFITS FRAMEWORK: LAWRENCE HEIGHTS PHASE 2 & 3 DEVELOPER RFP**

Lawrence Heights is home to over 3,000 tenants who live in 1,208 rent-geared-to-income (“RGI”) units across the 100-acre site. The revitalization is allocated into four phases of construction and TCHC is preparing to launch Phases 2 & 3 with a developer selection process. A more detailed tenant and land profile can be found in Attachments 2 and 3. The

community is looking forward to a robust tenant benefit plan to complement their social development plan goals.

For the upcoming Lawrence Heights Phase 2 & 3 Developer RFP, the goal is to select a developer that is committed to a strong and comprehensive tenant benefits program that will drive social change for the next ten years. Building on the lessons learned from Phase 1, which secured \$4M in tenant benefits, and best practices across other sites, the Phase 2 & 3 Developer RFP process will include the following:

- Alignment with TCHC's Confronting Anti-Black Racism strategy.
- Development of a tenants' priorities report which will inform RFP specifications for tenant benefits and will be presented to developer proponents at the pre-bid submission stage of the RFP process.
- A tenant-facing component where developers will present their tenant benefit proposals to the community and tenants will be able to rate their presentation. Ratings will be included as part of the overall developer selection scoring.
- As part of the competitive RFP process, the developers will be evaluated based on the financial and in-kind contributions, inclusive of monetary values, set out in their submission. The negotiated agreement confirming the award will contain commitments for those financial and in-kind contributions. The agreement will also require that all direct financial contributions be flexible so that the purpose of such funds can be varied pursuant to the Tenant Benefit Agreement referred to below. The Tenant Benefit Agreement will also provide that the tenants can assess the value of the proposed in-kind benefits to the community and require they be changed if deemed necessary or appropriate.
- After the RFP process is complete, TCHC will work with tenants and the selected developer partner to finalize the tenant benefit agreement. All details for the agreed to financial and in-kind contributions will be fine-tuned, including the number of jobs, training opportunities, scholarships, tenant business initiatives, local procurement, apprenticeships, etc.
- A monitoring and evaluation framework will be created based on the tenant benefit agreement. Reporting between the developer and TCHC will take place on a quarterly basis. An annual progress report will be made available to the community to ensure accountability and transparency.



### LESSONS LEARNED

The TCHC approach to CED has evolved based on lessons learned. TCHC’s original approach of simply asking developers what tenant benefits they would like to offer was not enough to achieve goals and hold a high standard of accountability. Specifications and examples of what tenant benefits should look like and how their proposed employment targets will

be evaluated are now a requirement within the RFP process. See Attachment 4 for an example from the Regent Park Phase 4 & 5 RFP.

Through lessons learned from negotiating and implementing initial tenant benefit agreements, subsequent agreements have been improved in the following ways:

#### RFP Process:

- A local tenant priorities report is compiled to inform the RFP and final negotiated tenant benefit agreement. The report draws data from various sources including consultations, employment surveys, aggregate tenant demographics, the local Social Development Plan, and previous reports on community assets and needs. The report will indicate the specific needs of the community to educate developer proponents at the pre-bid stage of the RFP.
- Requirement that developers hire trades apprentices from pre-apprentice programs that engage low-income and under-represented minority groups.
- Proposed developer tenant benefit terms are monetized and developers are evaluated on same through the competitive RFP process.
- Financial and in-kind contributions are required to be made flexible, which allows for the final agreement to be amended based on tenant priorities.

#### Finalization of Tenant Benefit Agreement:

- Once a developer is selected, their proposed tenant benefit package is further itemized to meet very specific needs of TCHC tenants. This enables TCHC to work with the community and selected developer to specify how the monetary contributions, employment targets, defined jobs, training, and other contributions will be aligned with tenant aspirations.
- Creation of an accountability and implementation plan that defines roles of TCHC and the developer partner in facilitating tenant access to training and employment opportunities. The developer partner is required to demonstrate how they will work with the trade unions, training partners, and other partners to address barriers to employment and ensure high job retention.

- As legal agreements are between TCHC and the developer partner, third-party partnerships are carefully assessed to mitigate against accountability gaps if non-TCHC entities are involved in the implementation of the plan.

#### Monitoring and Evaluation:

- Accountability measures are required to ensure developer commitments are met. This includes regular monitoring and tracking of developer progress, tenant experience, and achievement of targets. Progress towards a tenant benefit is approved by TCHC before being counted towards a target.
- Clearly defined metrics are used to qualify hard targets and in-kind supports. Developers report on employment data including job type, employer, employment duration, and wage. In-kind supports and endowment funds are categorized to align with specific tenant priorities and contributions are regularly reconciled to ensure targets are met.
- In the event tenants within the immediate revitalization community are unable to fill employment or training opportunities, opportunities are opened to tenants from other TCHC communities including revitalization sites with priority given to equity seeking groups.

### **ACCOUNTABILITY FRAMEWORK FOR AGREEMENTS**

Tenant benefit agreements are closely monitored by TCHC to ensure tenants receive the full committed benefits and developers are held accountable. To achieve this, TCHC works with the developer to itemize and monetize every component of the Tenant Benefit Agreement. At regular intervals throughout the year, progress is reconciled against the developer's agreed upon terms. If at the end of the agreement term, obligations have not been fulfilled, developers are required to provide equivalent monetary contributions. For example, if employment was valued at a minimum of \$1M and the developer was able to achieve \$800,000 at the end of the term, the developer would be required to pay TCHC \$200,000 in lieu of not achieving the employment target. This monetary contribution, in lieu of not meeting a target, will fund CED initiatives which create tenant pathways to formal employment such as job training, scholarships, internships, business and social enterprise development, etc., and respond to the identified CED priorities in the community. This

safeguards tenant benefits and enables flexibility to the developer partner in circumstances where targets are not achieved.

## **IMPLICATIONS AND RISKS**

Tenant benefits agreements are an integral component to supporting TCHC's overall objective/goal/approach to improve tenants' economic and housing stability.

It is essential that TCHC continues to engage in tenant benefit agreements in revitalization sites, otherwise it will diminish TCHC's ability to work with partners, the City, and tenants to create employment, training, and educational opportunities for tenants.

Not having tenant benefit agreements would mean limited opportunities to drive economic and social change in the community. While TCHC would achieve the corporate goal of creating quality homes, there would be limited mechanisms to drive economic and housing stability.

Keeping Tenant Benefit Agreements under the control of TCHC ensures:

- TCHC's interests and the needs of tenants are protected and accountable within the legal agreement between TCHC and the developer.
- A long-term accountability framework can be executed inclusive of on-going monitoring and tracking.
- Tenant relationships built through the planning, design, relocation, tenant consultation, and on-going community development processes are aligned with creating and implementing a tenant benefits agreement.
- Urban design and amenity features are aligned to facilitate long-term social transformation and CED opportunities.

## **SIGNATURE:**

*"Vincent Tong"*

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Vincent Tong  
Chief Development Officer



**ATTACHMENTS:**

1. Summary of Current Tenant Benefit Agreements
2. Lawrence Heights and Neptune Tenant Demographics
3. Lawrence Heights Site Map
4. RFP for Developer Partner Regent Park Revitalization Phases 4 & 5  
– Section 5: Proposal Evaluation

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**SUMMARY OF CURRENT TENANT BENEFIT AGREEMENTS**

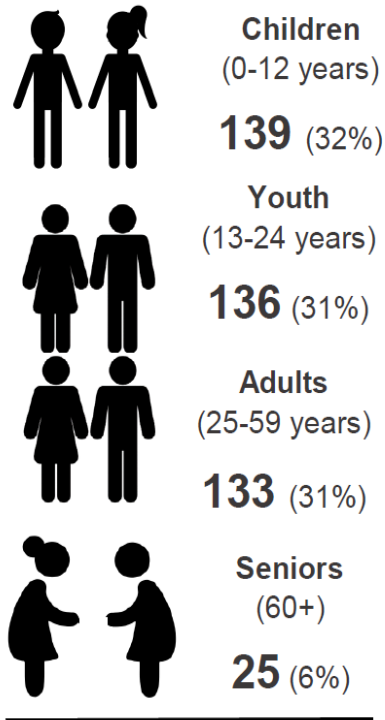
<b>Site</b>	<b>Tenant Benefit Committed by Developer</b>	<b>Number of Jobs Achieved</b>	<b>Months of Full-Time Jobs</b>	<b>Tenant Benefit Achieved (approx. value)</b>
Allenbury Gardens (FRAM)	10% of jobs on site for tenants and <b>\$0.07M</b> endowment	35 tenants employed  (11 FT & 24 PT)	397	<b>\$1.02M</b>
Leslie Nymark (Tridel)	22 full-time jobs or Equivalent and <b>\$0.1M</b> endowment	9 tenants employed in full-time jobs	178	<b>\$0.61M</b>
Lawrence Heights Phase 1 (Context/ Metropia)	<b>\$3.5M</b> in jobs & training and <b>\$0.5M</b> in scholarships	74 tenants employed (37 FT & 37 PT)	650	\$2.28M and \$0.5M in scholarships as of Sept 2020
Alexandra Park Phase 1 (Tridel)	40 full-time jobs or equivalent and <b>\$0.08M</b> endowment	116 tenants employed (90 FT & 26 PT)	1,747	<b>\$3.63M</b> and <b>\$0.15M</b> in training & scholarships and <b>\$0.2M</b> contracts to the community
Regent Park (Daniels/ Co-tenancy) Phase 1-3	10% of jobs offered to tenants and monetary commitment for community investment projects	Tenant employment for Phase 1-3 is led and reported by City of Toronto's TESS. 584 jobs secured by local residents from 2009. Plus approx. <b>\$8.3M</b> invested for tenant benefits (\$0.86M by TCHC, \$2.6M directly by Daniels, and \$5M indirectly) for Phase 1-3		

Site	Tenant Benefit Committed by Developer	Number of Jobs Achieved	Months of Full-Time Jobs	Tenant Benefit Achieved (approx. value)
250 Davenport (Diamond Corp/ Metropia)	Implementation plan to be finalized in Q2 2021. Min. <b>\$1M</b> in employment and <b>\$0.5M</b> in scholarships			
Alexandra Park-Phase 2 (Tridel)	Tenant benefit agreement in progress to be finalized. Min. 100 full-time jobs and min. <b>\$2.3M</b> monetary commitment towards CED.			
Don Summerville (Context/RioCan Living)	Tenant benefits valued up to <b>\$1.85M</b> , agreement to be finalized in 2021.			
Regent Park Phase 4-5 (Tridel)	Tenant benefit agreement to be finalized through tenant consultation in 2021. <b>\$26.75M</b> valuation committed towards CED and community development investments.			

Total value of committed and achieved tenant benefit has a minimum value of \$50M (sum of bolded figures). The valuation of benefit is anticipated to increase as tenants secure employment opportunities and developer hard job targets are achieved.

## LAWRENCE HEIGHTS AND NEPTUNE TENANT PROFILE

Community profile: NEPTUNE DRIVE 135,145,155 NEPTUNE DRIVE (Dev. 216)



Total population:  
**433**

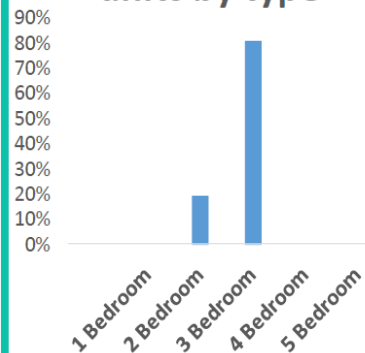
Total number of households

**130**

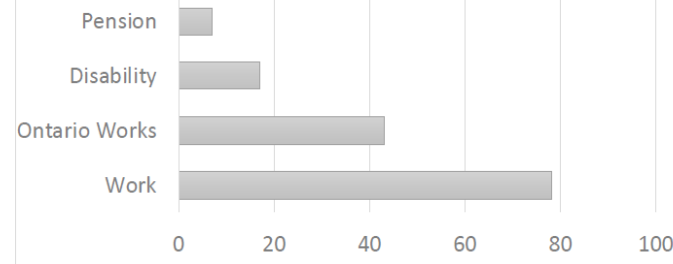
Languages most commonly spoken

- Spanish
- Vietnamese
- Somali
- Tagalog

Number of units by type



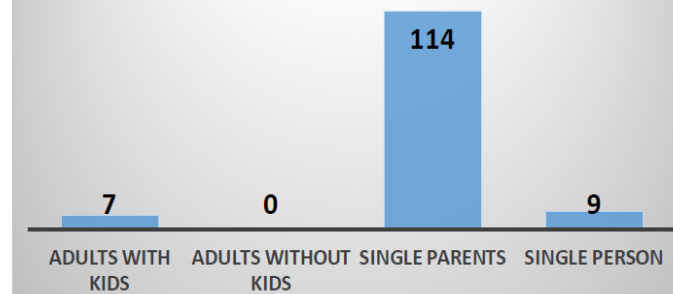
Income Sources



On-site services and supports

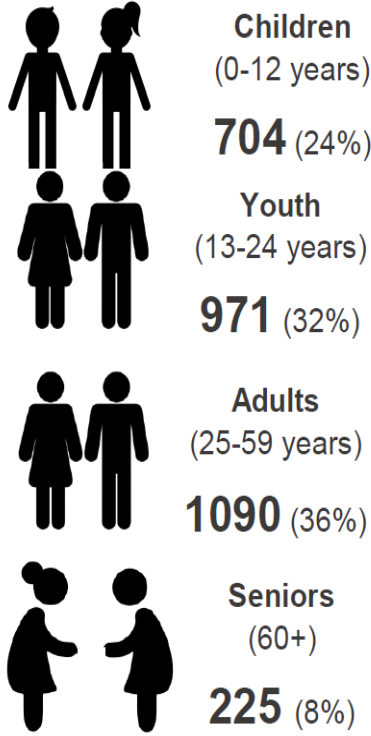
- Arts Starts

Number of households by type



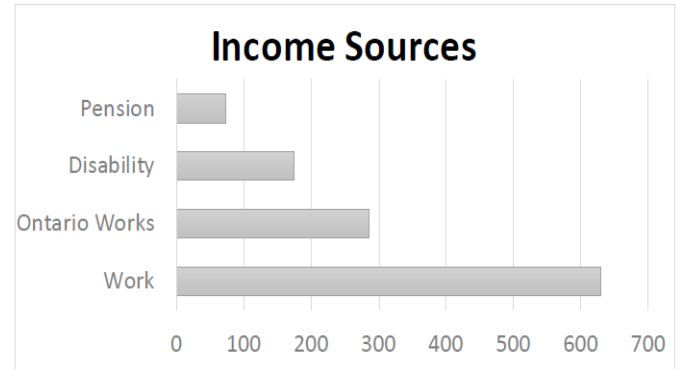
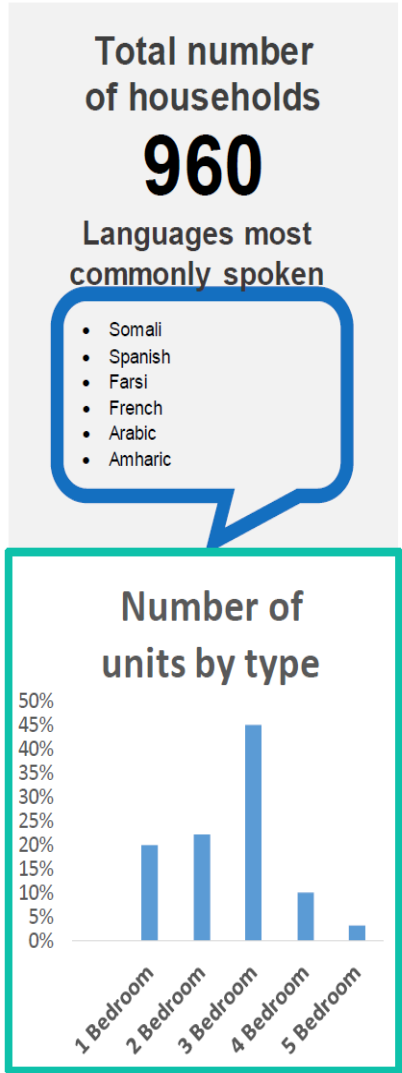
Posted: April, 2018

Community profile: LAWRENCE HEIGHTS E.&W. {1-11,15-87 AMARANTH CRT;1-133 BAGOT CRT;50-58 BLOSSOMFIELD DR; 1-87 BREDONHILL CRT; 1-78 CATHER CRES; 1-11,15-97 DORNEY CRT; 2-96 EDENGARTH CRT; 1-125 FLEMINGTON RD; 1,3,5, LEILA LANE; 1-3 OLD MEADOW LANE; 2-84 PENGARTH CRT; 1,2,6 REPLIN RD; 1-119(ODD0, 20-22 VARNA DRIVE (Dev. 200))

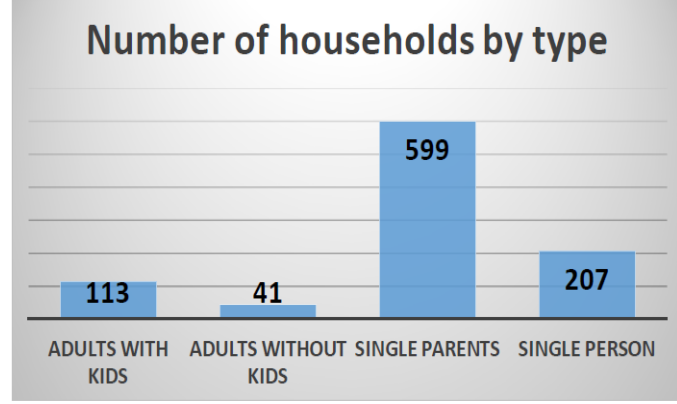


Total population:  
**2990**

Posted: April, 2018



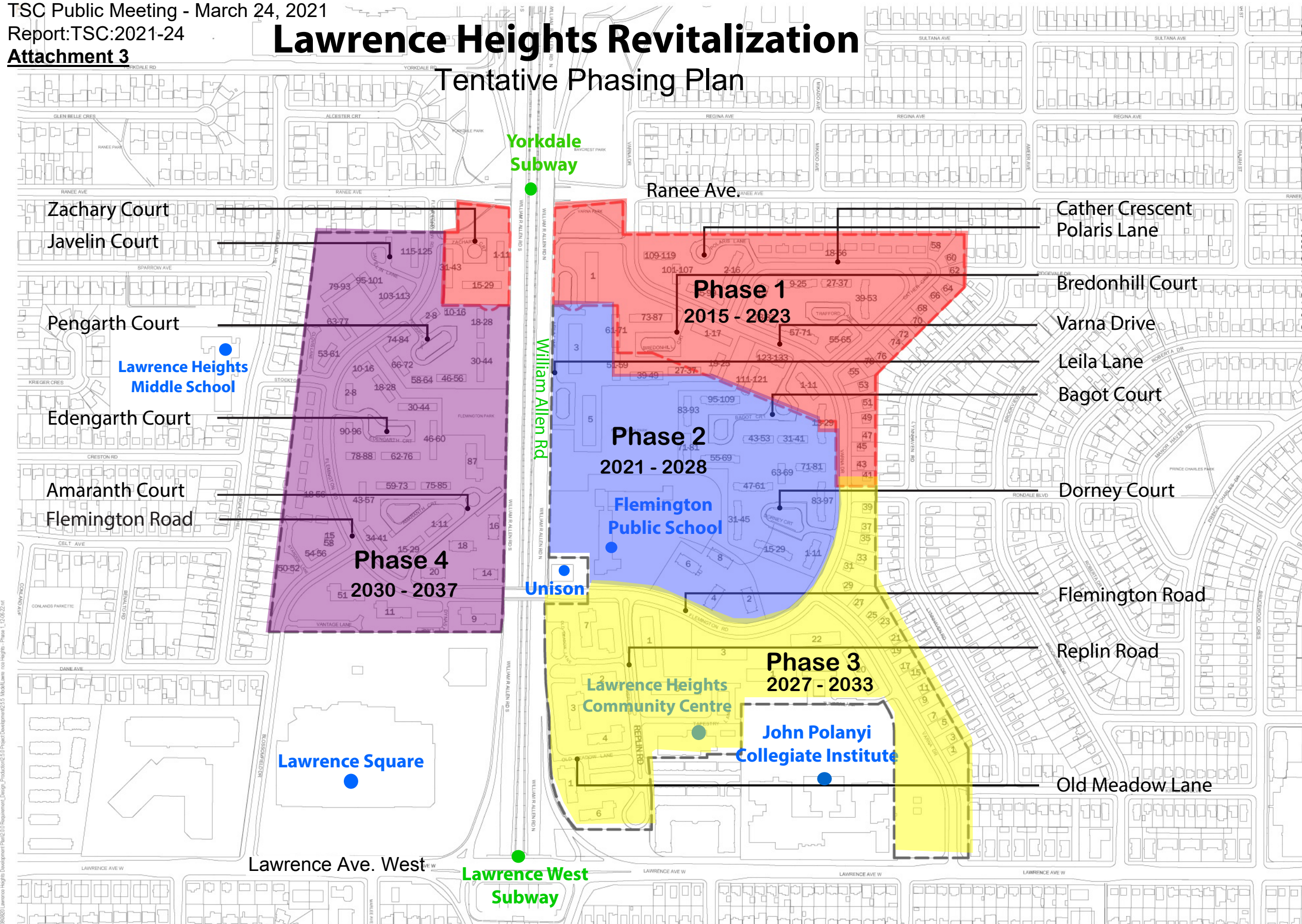
- On-site services and supports**
- Faith Sanctuary (Pentecostal Church)
  - Harvest Food Bank
  - Lawrence Heights Parents Association - East African Parents Association (Tenant-led)
  - Toronto Employment & Social Services and Toronto Public Health
  - North York Community House
  - Food Share (all 5 organizations work at few locations of this Dev.)





# Lawrence Heights Revitalization

## Tentative Phasing Plan



## PART 5 – PROPOSAL EVALUATION

### 5.1 Proposal Format

Proponents must include the following items in their response to this RFP and proposals must comply with the format outlined below, using the same headings in the same sequence.

Failure to provide required information and complete submissions may result in disqualification, at the discretion of TCHC. Proposal requirements are itemized here and discussed in detail below. TCHC requires that proposal submissions be clearly separated according to the below numbered tabs:

Proposal Tab 1	Covering Page / Index
Proposal Tab 2	Covering Letter
Proposal Tab 3	Mandatory Submission Requirements
Proposal Tab 4	Rated Criteria: A) Proponent Team B) Business Concept C) Analysis of Risk and Risk Mitigation Strategy D) Marketing and Sales Strategy E) Community Economic Development
Proposal Tab 5	Submission Form C
Proposal Tab 6	Development Pro Forma
Proposal Tab 7	Relevant Staff Resumes

### 5.2 Mandatory Submission Requirements (Tab 3)

#### 5.2.1 Submission Form A – Proponent Acknowledgments

Each proposal must include a Submission Form (Submission Form A) completed and signed by an authorized representative of the proponent.

#### 5.2.2 Submission Form B – Bank Reference Letter

Each proposal must include a reference letter from a Schedule 1 bank, credit union or trust company that confirms the proponent is in good standing, substantially in the form of Submission Form B.

### 5.3 Initial Evaluation Criteria and Scoring (Tab 4)

The following sections set out the categories, weightings and descriptions of the evaluation criteria of the RFP. Proponents who do not meet a minimum threshold score for a category will not proceed to the next stage of the evaluation process.

Specifically, in order to be considered for the community presentation, proponents must achieve a score of:

- Not less than 50% for each Rated Criteria; and,

- At least 70% on the Rated Criteria subtotal

The following criteria, points, and descriptions will be used as follows:

<b>Rated Criteria Category (Items A to E)</b>	<b>Total Points</b>	<b>Minimum Threshold</b>
A) Proponent Team	2 points	1 points / 2 points
B) Business Concept	40 points	20 points / 40 points
C) Analysis of Risk and Risk Mitigation Strategy	25 points	12.5 points / 25 points
D) Marketing and Sales Strategy	3 points	1.5 points / 3 points
E) Community Economic Development	10 points	5.0 points / 10 points
<b>Rated Criteria Subtotal</b>	<b>80 points</b>	<b>56.0 points / 80 points</b>
<b>Community Presentation</b>	<b>20 points</b>	
<b>Total Points for Initial Evaluation Criteria</b>	<b>100 points</b>	<b>70.0 points / 100 points</b>

**A) Proponent Team (Staffing Approach) (2 points)**

TCHC expects that there will be no material changes from the Stage 1 RFVQ. However, in order to support the community economic development and engagement component of Phases 4 and 5, TCHC requires that a team member be assigned to oversee this role.

Proponents are to confirm the staffing approach articulated in the Stage 1 RFVQ and provide the following:

- A detailed organizational chart showing the proposed structure of the proponent’s staffing approach. The name, title, and role of all key proposed staff working on this project are to be included in the organizational chart to reflect the full project needs. For any changes in staffing from Stage 1, please provide a brief team member bio and the number of years of experience (minimum 5 years). **(2 points)**

Please be advised that no changes in the proponent’s team identified in the submission shall be permitted after the submission deadline without the written consent of TCHC.

Proponents are to provide written notice to TCHC at the earliest opportunity of any proposed changes in the proponent’s team. TCHC may, in their discretion reject the proposed changes in the proponent’s team if TCHC, in their discretion, consider that the change may have a material adverse impact on the proposal submission. If TCHC determines that the proposed change in the proponent’s team is not acceptable, TCHC may, in their discretion, permit the proponent to propose a substitution for the applicable change in the proponent’s team.

**B) Business Concept (40 points total)**

Proponents are required to submit a minimum of two business concepts of which one must be a pure land sale option.

Proponents are asked to describe their proposed business concepts as reflected in each Submission Form C and supported by each pro forma. This information will be used to inform the evaluation of Submission Form C. In preparing their business concepts, Proponents are directed to refer to Appendix A - Assumptions Phases 4 & 5.



Please consider the following in your submission for this section:

- TCHC will consider any and all proposed forms of business concepts. However, TCHC will only consider a land sale option for retail in any of the business concepts proposed.
- For the development of market housing and retail, TCHC will not contribute equity beyond land value, to the proposed business deal.
- Proponents may choose the sequencing of block development.
- As applicable to the business concept proposed, TCHC's expectation is to generate revenues from the sale of land in order to address the cost of replacing all social housing units and the deliverables discussed in Part 2.
- Additional considerations include the timing associated with receiving deposits, land payments, and net returns.

The business concept will be evaluated (40 points) based on the total proceeds to TCHC as follows:

For the pure land sale option, TCHC will evaluate the following, when calculating the total proceeds to TCHC:

- Blended land price for residential;
- Blended land price for retail;
- Development and construction management fees for the rental housing paid to the successful proponent. Proponents must state the development and construction management fee on a per unit basis;
- Any proposed cost shared items; and,
- Individual cash flow payments will be discounted back to present dollars by the prime rate plus 2%.

For any other deal structure, TCHC will evaluate the following, if proposed, when calculating the total proceeds to TCHC:

- Blended land price for residential;
- Blended land price for retail;
- Residential profit to TCHC based on profit split proposed;
- Any proposed cost shared items;
- Development management fees paid to TCHC; Proponents must state the development management fee on a per unit basis;
- Development and construction management fees for the rental housing paid to the successful proponent. Proponents must state the development and construction management fee on a per unit basis;
- Any other compensation proposed to TCHC; and,
- Individual cash flow payments will be discounted back to present dollars by the prime rate plus 2%.

The total proceeds will be scored based on a relative formula. Each proponent will receive a percentage of the forty (40) total possible points allocated for the net proceeds by dividing that proponent's proposed net proceeds by the highest proposed net proceeds. For example, if a proponent proposes a return of \$100 million to TCHC and that is the highest proposed net proceeds, that proponent receives 100% of the possible points ( $40/40 = 100\%$ ). A proponent who proposes net proceeds of \$90 million receives 90% of the possible points for that category ( $36/40 = 90\%$ ), and a proponent who bids \$50 million receives 50% of the possible points for that category ( $20/40 = 50\%$ ).

*Pro Forma (Tab 6)*

To assist in TCHC's analysis of the business concept, proponents are also asked to submit detailed pro forma for each business concept and a digital live and manipulatable Excel pro forma model for each of the market blocks. To clarify, live Excel pro forma models must include formulas and be unlocked. Pro forma models must also tie directly to the Business Term Summary Sheets. Please include a cash flow schedule by month detailing the timing of payments to TCHC with your development schedule milestones.

For each pro forma provided, please outline your fundamental assumptions on a separate tab labelled, Assumptions. Please refer to Appendix A for some pro forma assumptions. In your live pro forma, please state the Gross Construction Area (GCA), and Net Saleable Area (NSA) assumptions, based on the Gross Floor Area (GFA) assumptions provided in Appendix A. Please also include your assumptions on escalation rates, construction cost per square foot, residential sales price per square foot, residential sales absorption schedule, retail lease rates, retail capitalization rate, and any discount rate applied.

**C) Analysis of Risk and Risk Mitigation Strategy (25 points total)**

TCHC must ensure that the corporation's exposure to project risk is effectively managed. While risk mitigation is a consideration for TCHC, proponents are encouraged to provide TCHC with innovative ideas and strategies, which not only minimize risk and maximize revenues to TCHC, but help achieve TCHC's goals of building a cohesive mixed-income, mixed-use community.

*Financial Risk (10 Points)*

In order to evaluate reasonableness of proponent's assumptions, the assumptions will be compared to benchmark ranges in common market databases and cost reports. Proponents are asked to provide background information to justify their assumptions including residential sales comparables and retail lease comparables, and any assumptions on escalation rates applied. Proponents will receive full points if they are able to fully justify their assumptions. Assumptions in this section must correspond to assumptions in your pro forma.

- assumptions about potential residential revenues and absorption rates, retail lease rates, and escalation rates **(5 points)**
- costs of construction, and escalation rates **(5 points)**

**Market/Construction Risk (15 Points)**

Proponents are asked to identify potential market and construction risks and outline how their proposals will limit TCHC's exposure and also offer creative solutions to achieving the Deliverables.

- Describe the market risks you foresee and how your proposal mitigates against market risk **(5 points)**.
- Describe the construction risks you foresee and how your proposal mitigates against construction risk **(7.5 points)**.
- Describe how your proposal minimizes tenant disruption and the time period tenants are relocated off-site **(2.5 points)**.

**D) Marketing and Sales Strategy (3 Points total)**

The marketing and sales strategy will be evaluated based upon the experience of the proponent in marketing similar developments and the creativity of their approaches and strategies for Phases 4 & 5.

Please consider the following elements including:

- Promotional strategy, advertising, and sales delivery approach for the market buildings;
- Sales positioning for target market; and,
- Relevant market experience in the context of this sub-market or comparable market.

**E) Community Economic Development and Approach to Community Engagement (10 points total)**

Toronto Community Housing has a strong interest in generating employment and training opportunities for tenants from its development activities. The proponent is to propose a Community Economic Development plan for hiring and training Toronto Community Housing tenants as part of the development of Phases 4 & 5.

TCHC strives to make a difference in the lives of tenants by advocating for and enabling connections to labour market, business development and skill-building opportunities. As such, it is expected that the following will be considered by proponents: educational scholarships, mentorships, apprenticeships and training opportunities that link tenants' skill development with the needs in the local labour market. The successful proponent is expected to leverage its relationships within its group of companies, consultants, trades, and others, to access available jobs in a range of fields including but not limited to construction, administration, professional, and creative positions.

With the commitment to community economic development proposed in this section, TCHC and the proponent are accountable to tenants for the commitments that are set. In this regard, the proponent will work with TCHC and Regent Park tenants, RPNA, the TCHC Council, and other stakeholders, to monitor and account for the proponent's commitment. The successful proponent will be required to formalize an arrangement with the community and TCHC to monitor community benefits deliverables and outline roles and responsibilities of the successful proponent, TCHC and the community. It is anticipated this arrangement will be formalized within one (1) year after the execution of the Phases 4 & 5 project agreement, and will form part of a plan for community benefits. The plan will be publicly available.

The proponent is to:

- Propose a local employment commitment (dollar value of direct investment). The local employment commitment will be scored based on a relative formula. Each proponent will receive a percentage of the two and a half (2.5) total possible points by dividing that proponent's total commitment amount by the highest commitment amount. For example, if a proponent proposes a total commitment of \$1,000,000 and that is the highest commitment amount, that proponent receives 100% of the possible points (2.5 points= 100%). A proponent who proposes a total commitment amount of \$1,000,000 receives 80% of the possible points for that category (2 points= 80%), and a proponent who proposes a total cost of \$200,000 will receive 20% of the possible points for that category (0.5 points= 20%). Please note these figures are meant to be examples and not suggested amounts. **(2.5 points)**.
- Outline a training and scholarship commitment (dollar value of direct investment and minimum number of training and/or scholarship opportunities). The points will be calculated in the same manner as above. **(2.5 points)**;

In addition to local employment and training, a large part of a revitalization project is community engagement that occurs throughout the entire process. Community engagement facilitates participation in the revitalization process and the connection to programs and services that enhance capacity building and quality of life. As outlined in the Stage 1 RFVQ, the successful proponent will be expected to play a significant role in the continuation of the community engagement process and TCHC would require that an individual be assigned to oversee this role.

The Regent Park community also benefits from the Social Development Plan and the refreshed Social Development Plan. A copy of the Social Development Plan and refreshed Social Development Plan can be found in the Additional Information package described in Section 3.1.2.

The proponent is to provide the following:

- Proponents are to describe how they would engage community members throughout the revitalization process and how they would manage community consultation. Please describe ideas for community engagement topics, techniques, and resources for tenants and other stakeholders, identifying relevant community conversations that could take place during the redevelopment of Phases 4 and 5. This description should include how the proponent would support conversations about elements such as, physical design, retail uses, and the sustainability of the Social Development Plan (commitment to advancing safety, spaces/interaction, and communication). Points will be awarded based on the breath and innovativeness of the proponent's responses for their suggested strategy. **(2.5 points)**
- Proponents are also to propose either a dollar value of direct investment or in kind contribution, such as sponsorship of a community benefits initiative (or a combination), to support the Social Development Plan. Please state the dollar value of the direct investment or in kind contribution. The points will be calculated in the same manner as the local employment commitment above. **(2.5 points)**;

TCHC expects that any direct investment commitments made through either CED contributions, or commitments to the Social Development Plan will allow for flexibility and allocation based upon the need of TCHC and RPNA, TCHC Tenant Council, and other stakeholders.

## F) Community Presentation (20 points)

Proponents should refer to Part 6 for further details on the evaluation of the Community Presentation.

### 5.4 Final Evaluation Criteria

For the BAFO, proponents are required to re-submit the Section 5.3 rated criteria indicating any changes from their original submission, and their related Submission Form C and live pro forma.

The following categories, weightings and descriptions will be used in the final evaluation of rated criteria during Stage III of the evaluation process (Concurrent Negotiations and BAFO), described in Part 4 of this RFP. These criteria will apply only to BAFO proposals submitted by top-ranked proponents invited to participate in Stage III. Each category will be scored in the same manner as prescribed in Section 5.3.

<b>Final Rated Criteria Category</b>	<b>Weighting (Points)</b>	<b>Minimum Threshold</b>
A) Proponent Team	2 points	1 points / 2 points
B) Business Concept	40 points	20 points / 40 points
C) Analysis of Risk and Risk Mitigation Strategy	25 points	12.5 points / 25 points
D) Marketing and Sales Strategy	3 points	1.5 points / 3 points
E) Community Economic Development	10 points	5.0 points / 10 points
<b>Final Rated Criteria Total Points</b>	<b>80 points</b>	<b>56.0 points / 80 points</b>

In order to be invited to Stage IV to negotiate a Memorandum of Understanding, the top-ranked proponent must achieve a score of:

- Not less than a 50% score for each Final Rated Criteria Category ; and,
- At least 70% on the Final Rated Criteria Total Points

**[End of Part 5]**