

September 28, 2017

REQUEST FOR PROPOSALS NO. PSVAHA2017-04 (the "RFP")  
DEVELOPMENT PARTNER SELECTION FOR 1001 KINGSWAY AND 3279-  
3297 VANNESS AVENUE

QUESTIONS AND ANSWERS No. 2

Q1	<p>In Part B1 Section 3.2 "Proposal Details", Section 3.2.1 "Financials" v) states:</p> <p><i>"Where applicable, please confirm the Proponent's agreement to (i) the cost of reimbursing the Housing Agency for such development work already carried out, and (ii) the amount of fees payable to the Housing Agency."</i></p> <p>Please define and quantify what costs if any will be re-imbursable by the project to the City/VAHA for work completed prior the proponent assuming responsibility for the work completed to-date on each of the seven sites?</p>
A1	<p>Please see QA No.1, available on the City of Vancouver Supply Chain Management website.</p>
Q2	<p>Part B1 Section 3.2 "Proposal Details" Section 3.2.6 "Proponent and Consultant Profile", iii) states:</p> <p><i>"Financial profile - provide the most recent three year audited financial statements from all entities that form the Proponent's team"</i></p> <p>However Appendix 11 requests two years of financial statements. Please clarify.</p>
A2	<p>Please provide the most recent <u>three year</u> audited financial statements from all entities that form the Proponent's team. However, if the entity is new, VAHA will consider financial information that includes a statement from the Proponent's auditor stating a net worth that is sufficient for the proposed investment.</p>
Q3	<p>Please provide clarification on required street and fire access to the proposed project including anticipated improvements and dedication on McHardy Street (east of the site) and to the lane to the north.</p>

A3	The successful Proponent will work with the City to ensure a safe and practical solution is developed to address the unique access issues for the site. This could include improvements to and/or addressing of the lane, as well as potential improvements to McHardy Street. There is a 10m (33') road dedication for the 5000 block of McHardy Street. In addition to providing a transportation connection, there are also underground utilities (including BC Hydro) within this road dedication that provide value to their respective networks.
Q6	How does VAHA determine market rents for each site? What is 90% of market for each site?
A6	The market rent is to be determined with reference to all available rental information of comparable units in the market area. The proponent is expected to make their own assessment of the market rent and prepare their proposal accordingly. A market rent Analysis by an independent Market Consultant will be a requirement of the Development Agreement; this is detailed in Section 3 (c) 'Affordability Requirements' under Part D, Appendix B of the RFP Packages.
Q7	How is the City scoring affordability? If there is a choice to provide more than the target or minimum, are more units that are below market more important or is deeper affordability more important for the scorecard? If there are opportunities for more sustainable building practices or more affordable units, what would VAHA like to prioritize?
A7	VAHA will be scoring affordability based on the depth of affordability above the minimum stipulated for the project. This will involve comparing the rental income being proposed to the potential income, based on the aforementioned minimum. Other elements of the scoring will reflect the acute housing need in Vancouver by identifying proposals with larger numbers of affordable units. Sustainability, operation, schedule etc. will be scored separately. The weighting for the scoring elements is captured under Part A, Section 8.2 of the RFP packages.
Q8	Parking is not listed as part of the requirements. Less parking delivers more affordability. Is the City okay with prioritizing affordability over parking which will lead to no parking or low parking on all sites?
A8	Parking is identified under the proposed Form of Development for each Project in Part B, Section 3.3 of the RFP Packages. The calculations for parking requirements will be dependent upon the number of units proposed and location of the site. Any proposals that request a relaxation of parking requirements should contain a clear rationale to support and justify any

	variance to the Parking bylaw requirements.
Q9	In the "Year 1 - Operating Budget Template", there is a footnote explaining that "Year 1 means the first twelve months of operation following the issuance of occupancy permit". In the case if the first 12 months following occupancy permit is assumed to be the "lease up year", should the Operating Budget be based on the lease up year or first year of stabilization.
A9	The intent is to obtain information about the operating proforma upon stabilization, which is taken to mean the period when the vacancy rate is stable and when rent and expenses no longer change significantly apart from projected inflation or market related escalation rates. The footnote should therefore be interpreted by the Proponents as year 1 means the first twelve months of <u>stabilized</u> operation following the issuance of occupancy permit.
Q10	Under "Project Budget" Section C "Term Loan Assumptions", the implied DCR is based on year 1 operating pro forma. Again I want to confirm if it means the first 12 months regardless of lease up assumption or the 1st year of stabilization.
A10	Please refer to the previous answer.