REQUEST FOR INFORMATION
FOR:

HEAD LEASE ARRANGEMENTS FOR AFFORDABLE HOUSING

RFI # 25-610780-01

ISSUE DATE: Tuesday, July 15, 2025

SUBMISSION DEADLINE:

12:00 NOON, Monday, September 15, 2025

Community and Planning Services Department
THE DISTRICT MUNICIPALITY OF MUSKOKA
70 PINE STREET
BRACEBRIDGE, ONTARIO
P1L 1N3

TABLE OF CONTENTS

PART A - INFORMATION AND INSTRUCTIONS TO RESPONDENTS 3

1. Introduction 3
2. Delivery of Submissions 3
3. Summary of Events 3
4. Inquiries 3
5. Submission Preparation 3
6. Not a Binding Contract 3
7. District's Rights 4
8. Pricing Information 4
9. Freedom of Information and Protection of Privacy 4

PART B- REQUEST FOR INFORMATION DETAILS 5

10. Background 5
11. Information Requested 6

PART A - INFORMATION AND INSTRUCTIONS TO RESPONDENTS

1. Introduction

This Request for Information (RFI) is intended to assist the District Municipality of Muskoka ("District") in gathering information about the marketplace in order to identify potential options and solutions for future procurements with respect to head leases. Respondents are asked to provide information relating to the structure of head lease arrangements that may be feasible for the provision of affordable housing as described in this RFI document.

2. Delivery of Submissions

The Submission Form (Part C), together with all required supporting documentation must be submitted via email to rose.jackson@muskoka.on.ca no later than 12:00:00 Noon on Monday, September 15th, 2025. Submissions will be deemed to be officially received by the time stamp issued by the District's email server.

Submissions received after the official closing time will be declared late and shall not be considered during the selection process.

3. Summary of Events

Task	**Date**
Issue Date	July 15, 2025
Deadline for receipt of Questions	August 27, 2025 4:00PM local time
Deadline for Addenda	September 5, 2025 4:00PM local time
Submission Deadline	September 15, 2025 12:00 Noon local time

The RFI timetable is tentative. It may be changed by the District at any time, and the District may choose to waive or extend the Deadline for Questions, Deadline for Addenda, and/or the Submission Deadline.

4. Inquiries

All inquiries concerning this RFI including will be made in writing (e-mail) to:

Rose Jackson
Manager, Procurement
rose.jackson@muskoka.on.ca

Inquiries shall not be directed to any other District employees. No clarification requests will be accepted by telephone.

5. Submission Preparation

All expenses incurred through the preparation and submission of the requested information or through the RFI process or related activities will be borne by the respondent. The District will not return the RFI submission or any accompanying documents submitted by a respondent.

6. Not a Binding Contract

This RFI does not constitute an offer by the District and is not intended to be a formal legally binding bid process. The RFI does not bind the District to proceed with any subsequent bid

process, negotiations, or contract and does not constitute a commitment by the District to procure any goods or services.

7. District's Rights

In addition to all other rights, the District specifically reserves the following rights:

a. to accept or reject any or all submissions;
b. to cancel the RFI at any time for any reason without any liability;
c. to seek subsequent information or initiate discussions with any respondent or potential supplier, including those that did not respond to this RFI;
d. contact a limited number of potential suppliers, which may include suppliers that did not respond to this RFI, for the purpose of a competitive process;
e. elect to proceed by way of an open competitive process where all suppliers, including those that did not respond to this RFI, are eligible to compete; and
f. to elect not to procure the good or service that is the subject of this RFI.

8. Pricing Information

Any pricing information provided by respondents is for information purposes and is not intended to be binding. Any legally binding commitments will be established only by the express terms of a subsequent bid process or where established through the execution of a written agreement.

9. Freedom of Information and Protection of Privacy

Respondents are advised that all submissions received by the District as part of this procurement become the property of the District and are subject to the provisions of the *Municipal Freedom of Information and Protection of Privacy Act*.

The District may make public the name of any and all respondents.

PART B- REQUEST FOR INFORMATION DETAILS

10. Background

The District Municipality of Muskoka (the District) was established by Provincial legislation and commenced operations on January 1, 1971. In design and function, the District closely parallels other Regional Municipalities in Ontario with the District Corporation forming the upper-tier of a two-tier system of local government. The Towns of Bracebridge, Gravenhurst, and Huntsville, and the Townships of Georgian Bay, Lake of Bays and Muskoka Lakes constitute the six area (lower-tier) municipalities within Muskoka.

The District's permanent population is approximately 68,600, with an estimated seasonal population of 81,500, bringing the total population to approximately 150,000. The permanent and seasonal populations are expected to grow to 99,100 and 88,500 residents, respectively, by 2051.

Muskoka differs demographically from the rest of Ontario in some important ways that have significant implications on social service systems and infrastructure, including affordable and social housing. Generally speaking, Muskokans tend to be older, less well off, and more dependent on part-time and seasonal employment in the service sector than Ontarians in the rest of the province. For example, a higher proportion of Muskoka's residents are 55 years of age or older in comparison to the rest of the Province. 50% of people who work in Muskoka work either part of the year and/or part time. The median employment income in Muskoka is 16% lower than the Province and 10% of Muskoka's permanent residents are living in poverty.

Housing in Muskoka

Muskoka is experiencing a housing crisis characterized by a significant shortage of affordable housing, lengthy community housing waitlists, and an increase in the number of people experiencing homelessness. In November 2024, the District's Homelessness Enumeration and Point-in-Time (PiT) Count identified 234 individuals - including 27 children - experiencing homelessness across Muskoka. As of December 31, 2024, the District's centralized waitlist included 770 unique households. The wait time for a 1-bedroom unit can be up to eight (8) years. Vacancy rates have been near zero and rents have been steadily climbing for several years, widening the gap between median incomes and rental rates. 39% of rental households and 15% of owner households spend more than 30% of their total income on shelter costs. 2800 households in Muskoka are in core housing need.

Community (or Social) Housing is a mandated and legislated program and the District, as the Consolidated Municipal Service Manager (CMSM), is responsible for using federal, provincial, and municipal funds to administer and fund Community Housing in Muskoka. The overall Community Housing system in Muskoka consists of 686 units of RGI, Non-Profit Market, Affordable or Transitional housing. The District owns or provides property management services for 492 community housing units and 111 affordable housing units. In addition, the District provides community housing system oversight and subsidies to non profit housing providers collectively offering an additional 83 units across the District. Additionally, the system is augmented with time-limited rent supplement/ subsidy programs offering varying depth of subsidy in private market or assisted living buildings.

The District is committed to taking action to realize the goal of the 10-Year Housing and Homelessness Plan (and a District Strategic Plan Objective) of Housing for Everyone. District Council has approved an Affordable and Attainable Housing Investment Framework (Housing

Investment Framework) that commits to $30 million in investments in housing over the next eight years. In addition, the Muskoka Housing Task Force 2.0 is actively working to find solutions and make recommendations to District Council to assist with solving the housing crisis in Muskoka.

While the District is working on capital projects of its own, the Housing Investment Framework recognizes that collaboration and partnership with all housing stakeholders, including the private sector, is necessary to address homelessness and the housing waitlist in an expedient manner. To this end, the District is interested in exploring the possibility of entering into a head lease arrangement(s) with the private sector.

11. Information Requested

A head lease is a commercial leasing arrangement between a landlord and a main tenant where the main tenant can sublease the unit to subtenants. If the District were to enter into a head lease, the District would lease one or more unit(s) from a landlord at an agreed upon rent and would be considered the head tenant and sublandlord. The District would then sublease the unit(s) to a residential tenant, and the District could offer the unit(s) at a lower rent than what the District pays, providing greater affordability for the tenant. The head lease with the owner landlord outlines key terms including rent to be charged, lease duration, maintenance responsibilities, and any restrictions.

In some head lease arrangements, the owner remains responsible for the care and maintenance of the building except for costs associated with individual units covered by the lease agreement, while in other models, the sublandlord may agree to pay for all or some of the expenses involved in operating the property in addition to the negotiated rent.

The District has received limited ad hoc input from the development community regarding head lease arrangements that could be economically and logistically feasible. The District is looking to gain a more fulsome understanding of how a head lease structure could work and what elements or criteria would be attractive to private sector developers. Through this RFI, the District is soliciting information from the development community on criteria that they would be able to meet and models that would be feasible for them in order to inform a future RFP process. The District hopes to provide an opportunity to develop head lease arrangement(s) in Muskoka that are reasonable and customized to suit the region’s rental market and to provide greater access to affordable and attainable stock for low-to-moderate income households.

The District is seeking information from developers with respect to a potential head lease arrangement with the District, including but not limited to, the following:

- What structure would be most attractive/feasible:
    - Head lease an entire new building or portion of a new building;
    - Head lease a number of units within an existing building;
    - Head lease an entire existing building;
    - Head lease one or more units in several different existing buildings; or
    - Any other models that could work.
- Which party would be responsible for undertaking and supervising repair, maintenance, and operations of the building and/or the head leased units
- Financial responsibilities for repair, maintenance, and operations of the building/head leased units
- Financial responsibilities for minor/major capital renewal or replacement for the building/head leased units
- Is there a role for the District to play as facilitator between developers and an employer, or group of employers to facilitate workforce housing needs of employers

- Is there a specific size of building or number of units that is best suited for a headlease arrangement? If so, what size?
- Potential benefits from both the District's and the developer's perspective
- Potential drawbacks or risks from both the District's and the developer's perspective
- Suggestions to mitigate risks for both parties
- If possible, cost estimates for rental rates for studio, one- and two-bedroom units under a head lease arrangement with the District, considering the current construction climate for new developments, or current rental market for existing buildings.
- If possible, estimates of the reduction in rent per unit that could potentially be realized as compared to market rents in respect of a District head lease i.e. by de-risking the project with a head lease commitment from the District
- Timelines to occupancy
- Proposed length of head lease commitment
- Key terms of the commercial lease and what assurance could be provided to the District to allow the District to be confident in its security of tenure and that of its residential tenants
- Other potential requirements of the District with respect to the commitment (i.e. support financing applications, etc.)
- Experience or knowledge of the developer with respect to head leases
- Any other ideas, suggestions, arrangements, or proposals the District should consider if proceeding to a future procurement process

At this information-gathering stage, the District welcomes any and all input regarding key elements the District should consider with respect to the structure and requirements of a future head lease arrangement.

PART C – SUBMISSION FORM

1. Respondent Information

Company Name	
Respondent's Main Contact Individual	
Address	
Office Phone #	
Toll Free #	
Cellular #	
E-mail Address	
Website	

2. Acceptance of Terms

In responding to this RFI, the respondent acknowledges that they have read and completely understand and accepts all terms of the RFI.

_____
Authorized Signature of Respondent

_____
Name of Respondent Representative

_____
Title of Respondent

_____
Date