



## CHA Project Development Fund (PDF) Application

### About the CHA Project Development Fund

The CHA Project Development Fund (PDF) is funded by the Cowichan Valley Regional District's *Regional Housing Service* and administered by the Cowichan Housing Association under the *Housing Trust Fund* Program. The goal of the PDF is to address the significant shortfall in affordable rental housing stock within the Cowichan Region that is identified in the Cowichan Attainable Housing Strategy. The PDF fund is intended to support non-profit organizations (including charities and cooperatives) and for profit business entities to develop affordable housing proposals for projects that are in the pre-construction phase. Project proponents may make application to the PDF fund to cover a portion of eligible costs incurred to do this project planning work.

One of the impediments faced by groups wanting to build affordable housing (including emergency/shelters and second stage housing) are the soft costs associated with development of an affordable housing project proposal. Often financial outlays are required to get through the first stages of project development before an application for capital funding can become feasible. The purpose of the CHA PDF is to assist housing developers and community groups that are interested in developing affordable housing and shelters to conduct the pre-development work that is required to obtain funding from senior levels of government and/or to determine project viability.

The CHA PDF is to be used strictly to address the above pre-construction "soft costs" for proposals that aim to create new affordable housing by way of construction, acquisition and/or conversions.

While CMHC and BC Housing do provide some PDF financial assistance (sometimes referred to as "seed funding" or "pre-construction" funding) but it can be insufficient, difficult to acquire and is often in the form of a loan. These limitations may impact non-profits and charitable organizations that have limited resources and low thresholds for financial risk.

Priority will be given to projects that contemplate new construction of residential dwelling units, and within that priority will be given to projects that address housing affordability and/or are intended to operate on a rent-geared-to-income (RGI) basis.

Activities eligible for funding could include:

- Analysis of need and demand for the proposed project
- Special purpose surveys
- Preliminary financial feasibility
- Business plans
- Professional appraisal
- Site surveys
- Local government fees (for example, rezoning, development agreement costs)
- Preliminary design
- Project viability assessment/analysis

### **Criteria for Affordable Rental Housing**

Proponents can use the following definitions of affordability in accordance with the type of housing proposed:

- a. Rents charged will be on average 20% or lower below the median or average rent for similar units within the same municipal or electoral boundaries
- b. Rents will be based on 30% of gross household income or the shelter allowance portion of Provincial Income Assistance for 70% or more of the planned units
- c. Projects that are a blend of market and affordable units or that are unique in other ways and don't meet the above definitions of affordability will be considered for PDF funding, but applicants must provide a rationale as to why the project should be considered affordable housing.

### **Maximum Funding**

The maximum funding for a proposed PDF project is \$25,000.

### **Ineligible Projects**

Projects that receive funding from the Cowichan Housing Association Project Development Fund will not be eligible for funding under the Rental Housing Capital Contribution Fund in the same calendar year.

### **Eligibility**

CHA PDF is available to non-profit (including charities and housing cooperatives) and "for profit" organizations whose intent is to build affordable housing. Proponents must submit an application that demonstrates the following:

- a. The organization is in good standing and has a strong track record in addressing community needs
- b. The organization must have the demonstrated functional capacity to deliver the project for which funding is sought
- c. The proposed affordable housing project is aligned with the Cowichan Attainable Housing Strategy and PDF criteria
- d. The proposed affordable housing project is more than 3 units
- e. There is community support for the type and nature of affordable housing under consideration
- f. The proposed PDF work will take place within 6 – 12 months of approval.

Preference will be given to submissions where there are other funding sources (internal or in-kind contributions, CMHC seed funding, BCH PDF funding, etc.) and to projects that produce new affordable residential rental units.

Being selected for funding under the CHA PDF program will not create preferential access to other CHA Housing Trust programs. However, awarded proponents will be able to get non-financial support and guidance through the CHA Housing Project Development Assistance service upon request.

### **Application Process**

1. The proponent meets with CHA Executive Director to discuss the project concept.
2. The proponent submits a PDF Application Package to the CHA Executive Director.
3. The CHA Executive Director presents the application package to the Housing Trust Fund Allocations Committee (HTFAC) for evaluation and scoring. A recommendation is made by the Committee to the Board of Directors of the Cowichan Housing Association to (a) grant funds to the proponent, (b) request further information from the proponent or (c) reject the application.

## Cowichan Housing Association – Project Development Assistance Application

The Board of the Cowichan Housing Association reviews the Housing Trust Fund Allocations Committee's recommendation(s) and (a) grants funds to the proponent, (b) requests further information from the proponent or (c) rejects the application.

### **Application Assessment**

The Housing Trust Fund Allocations Committee will evaluate all eligible applications to assess them according to the established criteria and weighting, including urgency of the need, number and size of dwelling units contemplated and potential impact of the affordable housing project to address regional and local housing needs.

### **Distribution**

For projects that are approved, payment terms will be determined and described in an agreement that is signed by CHA and the organization. Funding will be disbursed based on agreed upon intervals and upon submission of invoices.

An approved proponent may, upon request, receive an advance of up to \$5,000.

### **Reporting Requirements**

Projects will be required to submit quarterly and final Project Progress Report and a Final Report.

*CHA may cancel or amend this process without liability at any time.*

## APPENDIX A: CHA PDF APPLICATION

| A. ORGANIZATION INFORMATION   |                              |                       |
|---|------------------------------|-----------------------|
| <b>Organization Name:</b>   |                              |                       |
| Duncan Housing Society  |                              |                       |
| <b>Mailing Address:</b>   |                              |                       |
| 280 First Street, Duncan BC V9L 4T3   |                              |                       |
| <b>Contact Person:</b>  | <b>Position</b>              | <b>Telephone No.:</b> |
| Christine Wright  | Executive Director           | 250-748-0521          |
| <b>Contact Person Email:</b>  | <b>Organization Website:</b> |                       |
| duncanmanor@shaw.ca   | www.duncanmanor.ca           |                       |
| <p><b>Organization Information</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> For Profit</li> <li><input checked="" type="checkbox"/> Non Profit</li> <li><input type="checkbox"/> Cooperative</li> <li><input type="checkbox"/> Not incorporated</li> <li><input type="checkbox"/> Incorporation pending</li> <li><input type="checkbox"/> Draft Articles of Incorporation attached</li> <li><input type="checkbox"/> Articles of Incorporation attached</li> <li><input type="checkbox"/> Most recent Annual Financial Statement attached</li> </ul>   |                              |                       |
| B. PROPOSED PDF PROJECT INFORMATION   |                              |                       |
| <p><b>Please provide relevant background on your organization and its mandate.</b></p> <p>Duncan Housing Society has been in existence and operating in the city of Duncan since 1971, over 49 years. They have an operating agreement with BC Housing for the existing 122 units of bachelor and one-bedroom apartment units downtown. They have successfully maintained a good working relationship with them and other organizations. The site was original owned and developed by the City of Duncan under a Housing Corporation that subsequently closed and formed the existing non-profit. The Society's mandate is to provide quality, respectful, safe care to seniors over 55.</p>  |                              |                       |
| <p><b>Who will manage the proposed affordable housing project and what is their expertise?</b></p> <p>The proposed project will be owned and operated similarly, by Duncan Manor Society and staff and is anticipated to be in conjunction with other levels of governmental partners such as provincial (BC Housing) and federal (CMHC) and possible the City. The long-term success of the Society demonstrates their commitment to seniors housing proviso, as does their current relationship with BC Housing operations.</p>   |                              |                       |
| <p><b>Describe the proposed affordable housing project concept.</b></p> <p>The existing facility has been significantly aging and is being maintained through ongoing BC Housing operational dollars. As such, the Society and BCH recognizes the need to address the quality of the facility while respectfully caring for the long-term residents. Additionally, the partners recognize the ever-increasing need for additional seniors' care for low to moderate incomes in the community. With a significantly sized site, a phased redevelopment is being explored to house existing and future seniors. This funding will support conceptual and schematic planning for the master site plan, with the first phase being estimated at minimum new seniors 100 units, with a significant portion being fully accessible and all units being adaptable.</p> |                              |                       |

|   |
|---|
| <p><b>Who is the affordable housing project intended to serve? How has the need for this housing been demonstrated to date?</b></p> <p>Duncan Manor anticipates continuing to target and serve low to moderate income seniors. There is significantly demonstrated need for this population not just in Duncan but Cowichan Valley; CMHC (2019) Seniors' Housing Report highlights that the largest decline in vacancy rates for seniors occurs on lower Vancouver Island, with a drop from 2.1 in 2018 to 1.3% in 2019 alone. Spaces with low rent (less than \$1,900) were highest in demand, with average rents increasing over 5.4% in 2019. Specifically, the types of units Duncan Manor offices (bachelors/one beds) saw the greatest jump in rent increases, by over 22% in the region.</p> |
| <p><b>What are the proposed activities of the PDF project? When will these activities take place?</b></p> <p>Duncan Manor needs funds to undertake in short order: geotechnical study on a second site (VSO site), functional program and conceptual design (with an architect); consultation with residents, community and the City; and a phased development plan to address immediate and longer-term site plans (with the support of a planning consultant). These activities are required to occur prior to the January 15<sup>th</sup> BC Housing CHF submission deadline to be considered for CHF funding.</p>   |
| <p><b>Who will you partner with and how will these partners be involved in the PDF project?</b></p> <p>BC Housing: anticipated to be an equity and operational partner.<br/> City of Duncan: anticipated to be an equity partner through supportive approvals and waiving of fees.<br/> CMHC: anticipated to be an equity partner through seed funding and co-investment funding.</p>   |
| <p><b>How will those most impacted by the issue being addressed be engaged in the PDF project?</b></p> <p>Current residents will be consulted throughout the PDF and development phase. Any tenant relocation or displacement will be accommodated through the Society of BCH housing.<br/> Immediate neighbours: will be consulted through the development phase and City processes.</p>   |
| <p><b>What expertise and resources do you need to support your PDF project?</b></p> <p>Design team: for PDF, revised designs from Number 10 Architects and a geotechnical study will be required.<br/> Planning: a planning development consultant to coordinate municipal approvals, project management and funding will be required. Board support: a development committee involving specific board and staff will be required for appropriate governance.</p>   |
| <p><b>Other Comments</b></p>  |
| <p><b>Project Start Date:</b></p> <p>Please use the format DD/MM/YYYY when entering dates.<br/> 9/11/2020</p>   |
| <p><b>Project End Date:</b></p> <p>Please use the format DD/MM/YYYY when entering dates.<br/> PDF end: 15/02/2021</p>   |
| <p><b>Project Support:</b></p> <p>Please provide letters of support for your project.<br/> Please see attached.</p>   |

## APPENDIX B: CONFLICT OF INTEREST DECLARATION

| Proponent Information   |                                      |
|---|--------------------------------------|
| Full Legal Name of Proponent  | Duncan Manor Society                 |
| Any other relevant name under which the proponent carries on Business |                                      |
| Street Address  | 280 First Street                     |
| City, Province  | Duncan, BC                           |
| Postal Code   | V9L 4T3                              |
| Phone Number  | 250.748.0521                         |
| Contact Person and Title  | Christine Wright, Executive Director |
| Contact Phone   | 250.715.5427                         |
| Contact E-mail  | duncanmanor@shaw.ca                  |

### Conflict of Interest

For the purpose of this process, a conflict of interest is:

- a. In relation to the request for funding, the proponent has an unfair advantage or engages in conduct directly or indirectly, that may give it an unfair advantage, including but not limited to (i) having, having access to, confidential information of CHA in the preparation of its submission that is not available to other proponents, (ii) communicating with any person with a view to influencing preferred treatment in the application process, or (iii) engaging in conduct that compromises, or could be seen to compromise, the integrity of the PDF application process; or
- b. In relation to the performance of its contractual obligations contemplated in the contract that is the subject of this procurement, the Proponent's other commitments, relationships or financial interest (i) could, or could be seen to, exercise an improper influence over the objective, unbiased and impartial exercise of its independent judgement or (ii) could, or could be seen to, compromise, impair or be incompatible with the effective performance of its contractual obligations.

If this section is left blank, the Proponent will be deemed to declare that (a) there was no Conflict of Interest in preparing this proposal; and (b) there is no foreseeable Conflict of Interest in performing the contractual obligation contemplated.

Otherwise, if the statement below applies, please check the box:

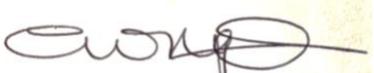
- The proponent declares that there is an actual or potential Conflict of interest relating to the preparation of its proposal, and/or the Proponent foresees an actual or potential Conflict of Interest in performing the contractual obligations contemplated in the application.

If the Proponent declares an actual or potential Conflict of Interest, the proponent must set out details of the actual or potential conflict of interest in the below box:

**Disclosure of Information**

The Proponent hereby agrees that any information provided in this proposal, even if it is identified as being supplied in confidence, may be disclosed where required by law or if required by order of a court or tribunal. The proponent hereby consents to the disclosure of this proposal by CHA to its staff and committees for the purposes of evaluating or participating in the evaluation of this proposal

Christine Wright, Executive Director  
-----  
Name and Title of Proponent

  
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Signature of Proponent

-----  
Name of Witness

-----  
Signature of Witness

Date:

## **APPENDIX C: PROJECT ASSESSMENT CRITERIA**

### **Society Capacity & Project Support**

- Does the applicant have the expertise and track record to carry out the proposed project?
- What evidence of neighbourhood and community support has been supplied?
- Has the applicant sought funding from other government, community agencies, and/or health authority? What is the status of those applications?

### **Affordable Housing Concept**

- Does the proposed project concept complement the priorities and strategies in the Cowichan Attainable Housing Strategy?
- If location is known, does the project adhere to the municipal/electoral area/neighbourhood plan?
- If the target group is known, does the concept address the accommodation needs of the target tenant group?

### **PDF Project Schedule**

- Is the schedule for the proposed project realistic?

### **PDF Project Budget**

- Is the project budget realistic?

### **Project Business Case (if relevant)**

For projects that have developed their Business Case:

- Does the applicant clearly identify need and demand for the target tenant group?
- Does the proposed development project provide good value for money? (i.e. Economy, efficiency and effectiveness)
- Is the applicant using an appropriate procurement technique and are there any appearances or potential for conflict of interest?
- Are the capital and operating budgets realistic and all cost lines clearly defined with appropriate supporting documentation?
- Are the project costs reasonable and reflective of "fair market value"?
- Does the applicant have appropriate financial controls in place to track project capital cost?
- Is the applicant providing a financial contribution to the project? (i.e. equity or in-kind contributions)
- Does the application have a development schedule that includes:
  - description of results to be achieved
  - timelines for each activity
- Is the schedule realistic in today's market?

## APPENDIX D: PROJECT QUARTERLY AND FINAL REPORT TEMPLATE

| <b>SECTION A: GENERAL INFORMATION</b>  |  |
|--|--|
| 1. Name of Organization  |  |
| 2. Name of Lead Organization (if applicable)   |  |
| 3. Project Title   |  |
| 4. Project Manager / Grant Contact   |  |
| a. Name  |  |
| b. Title   |  |
| c. Email   |  |
| d. Telephone   |  |
| 5. Executive Director or Senior Staff Person   |  |
| a. Name  |  |
| b. Title   |  |
| 6. Report covers period from   |  |
| <b>SECTION B: PDF PROJECT PROGRESS</b>   |  |
| <b>1. ACTIVITIES, PROGRESS AND TIMELINES</b>   |  |
| a. Key activities undertaken this period   |  |
|  |  |
| b. Key activities going forward  |  |
|  |  |
| c. Describe changes to implementation plan and rationale   |  |
|  |  |
| <b>2. GRANT CONDITIONS</b>   |  |
| a. Are you able to meet the conditions outlined in your funding agreement? (if no, please explain)                                     |  |
|  |  |
| <b>3. CHALLENGES AND SUCCESSES</b>   |  |
| a. Describe any challenges that the project has experienced during the reporting period.<br>How have these challenges been dealt with? |  |
|  |  |
| b. Describe key successes you have had during this reporting period.   |  |
|  |  |
| c. In light of your successes and challenges, what are some key learnings that you can share?  |  |
|  |  |
| <b>SECTION C: BUDGET</b>   |  |
| a. Please provide a financial summary (See PDF Budget Template)  |  |
| b. Have there been any significant changes this reporting period?  |  |
| c. Are significant changes anticipated going forward?  |  |

