



**COCHRANE DISTRICT
SOCIAL SERVICES ADMINISTRATION BOARD
HOUSING SERVICES**

Expression of Interest

DEVELOPMENT OF AFFORDABLE HOUSING

Document: DSB 2018-001

Issue Date: Wednesday, March 7, 2018

Closing Date: Tuesday, April 10, 2018

Closing Time: 4:30 p.m. local time

Submissions are to be delivered to:

**Cochrane District Social Services Administration Board
500 Algonquin Blvd. E.
Timmins, ON.
P4N 1B7**

Introduction

Cochrane District Social Services Administration Board-Housing Services (CDSSAB-HS) is requesting responses to this Expression of Interest (EOI) from non-profit and private sector organizations wishing to create affordable rental housing within the District of Cochrane. Responses to this EOI received by the CDSSAB-HS will be considered for funding opportunities through the Canada-Ontario Investment in Affordable Housing (IAH) for Ontario Extension Program.

The CDSSAB would like to hear from respondents their ideas, concepts or specific responses to create new affordable housing for low and moderate income households.

There is a total of two hundred thousand dollars (\$200,000) that is available through this program and a variety of projects may be considered through the EOI process.

Process

The CDSSAB-HS will review all expressions of interest and gauge the amount of interest in the project and the general viability of the endeavor. After a review of submissions received the CDSSAB-HS may request more details including a capital and operating budget for each project.

Once the CDSSAB-HS is satisfied the project has merit, will meet the needs of the community and is viable. The application will be submitted to the Ministry of Housing (MHO) for consideration.

The CDSSAB-HS reserves the right to reject all expressions of interest and take no further action.

Once a project has been selected and approved for IAH (2014 Extension), it will receive a Conditional Letter of Commitment (CLC) from the MHO. The CLC confirms the Ministry's approval of the project and outlines the steps that must be taken prior to the respondent and the CDSSAB-HS entering into a Contribution Agreement (CA). **Construction must begin within 120 days of the CA date.**

Responses

Eligible projects must be one of the following:

- New construction, including additions and extensions
- Acquisition and, where required, rehabilitation of existing residential buildings to maintain or increase the affordable rental housing stock
- Conversion of non-residential buildings or units to purpose-built rental buildings/units

Social housing redevelopment which involves building new affordable rental units/additions on social housing sites may be eligible provided that the appropriate ministerial or service manager consent, as applicable, is obtained as per the *Housing Services Act, 2011*.

Projects that are not eligible include:

- Secondary suites in owner-occupied housing
- Nursing and retirement homes
- Social housing projects/units that receive ongoing federal and/or provincial subsidies (e.g. demolition and replacement of existing social housing units)
- Shelters, crisis care facilities and transitional housing
- Owner-occupied housing
- Student residences
- Supportive Housing (Supportive Housing is defined as individuals requiring full 24 hr. support services)

While the rental housing can be for a range of unit sizes it should be noted that the greatest need identified by the CDSSAB-HS Waitlist Statistics (appendix A) is for one bedroom units.

The proposed units must be suitable for tenants to live independently.

While the CDSSAB-HS would allow the affordable rental housing to bill separately for utilities, preference will be given for rental housing which is made more affordable by including some or all utilities in the monthly rate.

Apartment buildings being proposed in excess of one floor must include accessibility to additional floors. Preference will be given to responses that incorporate energy efficiency measures, positive design, and barrier free features for persons with disabilities.

The CDSSAB-HS is prioritizing the involvement of Not for Profit Housing Providers* in order to grow the number of rent geared to income (RGI) units within the housing system over the long term. As such, EOI will receive additional consideration for a commitment to RGI units.

Note: rent geared to income may be achieved in partnership with the CDSSAB's rent supplement program.

Under the Rental Housing Component of the IAH (2014 Extension) and 2016 SIF Program the average combined federal and provincial contribution is up to 75% of the total capital cost per unit or \$150,000.00 per unit whichever is lower. Total capital costs include land, financing, hard (construction) and soft costs but less any HST rebates.

Funding is in the form of a long term forgivable capital loan which is available during the development and construction phases of the project. The following requirements apply to projects approved under the Rental Housing Component:

- Minimum 10% equity must be provided for projects sponsored by private proponents.
- Minimum 4% equity must be provided for projects sponsored by partnerships between private companies and non-profit organizations.
- No equity contribution is required for projects sponsored by non-profit or co-operative housing organizations to encourage participation by these groups in the program.
- Please note that private lenders may have additional equity requirements

Projects approved under the Rental Housing component must remain affordable for a minimum period of 20 years. Affordability is defined as having rents for the project that are at or below 80% of CMHC Average Market Rent (AMR) for the specific area at the time of occupancy. Average rent is calculated using actual rents paid by tenants and any rent supplements provided by the Service Manager.

Projects may include both IAH (2014 Extension), but only units with rents that meet affordability requirements will receive IAH (2014 Extension). Multi-structured buildings are acceptable.

If rent supplements are used for IAH (2014 Extension) to provide deeper affordability for tenants, the Service Manager shall ensure that total rent received by a Proponent, including rent from the tenant and any rental supplements from the Service Manager or other party shall not exceed 100% of CMHC Average Market Rent. In addition, the total of the rent paid by the tenant and any federal and/or provincially funded rent supplements paid to the proponent must be used to calculate the weighted average rent in a project.

Rent increases after initial occupancy must be made in accordance with rules established in the *Residential Tenancies Act* (RTA). New rental buildings (built after 1991) are technically exempt from RTA rent increase guidelines, but are subject to terms and conditions in the Administration Agreement. The Administration Agreement states that rent increases follow the RTA rent increase guidelines, but must still remain at 80% of CMHC AMR.

Proponents are required to acquire a reduction to municipal property taxes for Rental Projects at a rate equivalent to, or lower than, the single residential rate for the area.

Preferences

While all Responses to the EOI will be considered, the CDSSAB-HS is most interested in Responses which are construction ready:

- Building site is acquired
- Zoning is in place
- Financial viability has been proven
- Project targets a priority group (as identified in Appendix A)

The CDSSAB-HS will also give priority to responses which:

- Have rent levels lower than those listed in EOI
- Include all utilities in rent
- Request significantly less than the \$150,000.00 per unit in capital funding
- Have proponent contributions greater than the minimum 25%
- Feature energy efficiency measures
- Offer positive design features
- Offer accessibility features for persons with disabilities including access to floors in access of one
- Are located in close proximity to existing services
- Offer affordability for longer than 20 years

Submission Details

What to Include in Responding to the Expression of Interest

In the response to the EOI respondents should include:

- The name of the respondent and the key contact information (phone number, fax number, mailing and e-mail addresses)
- The respondents experience in residential development, construction, property/tenant management and sales
- The location/address of the proposed site if known
- Zoning of the site (including any information as to the need for rezoning, minor variances, etc.)
- The environmental status of the land (include a copy of a Phase 1 Environmental Assessment, if completed)
- The number, type and size of the units offered for this program
- The proposed rents (and whether utilities are likely to be included)
- A preliminary capital budget and, if applicable, an operating budget
- Mortgage financing details (if known)
- Any relevant partnerships (other agencies, other program funding)
- Three professional references that may be contacted. Include name, position, organization, and telephone number.

In order to be considered three copies of your Expression of Interest sealed in an envelope, clearly identified with: the Cochrane Social Services Administration Board EOI 2018 -001 Development of Affordable Housing shall be received no later than **4:30pm on Tuesday, April 10, 2018** at the following location:

Cochrane Social Services Administration Board-Housing Services
500 Algonquin Blvd E.
Timmins ON.
P4N 1B7
Fax: (705) 268-8302
Email: CummingL@cdssab.on.ca

Submissions received after the closing date shall not be accepted and shall be returned unopened.

It is the sole responsibility of the proponent to ensure their submission is received by the CDSSAB-HS no later than the closing date and time and at the location specified. The CDSSAB-HS will not be responsible for submissions delivered by courier and/or mail.

All questions/inquiries related to this EOI shall be directed in writing via electronic mail or fax to:

Lindsay Cumming
Programs Manager
Cochrane Social Services Administration Board
500 Algonquin Blvd E.
Timmins ON.
P4N 1B7
Fax: (705) 268-8302
Email: CummingL@cdssab.on.ca

Any information provided by anyone other than the above mentioned will not be considered binding, nor will it change the requirements of this EOI.

The CDSSAB-HS is not liable for any costs incurred by respondents in the preparation of a response to this EOI. The CDSSAB-HS shall not be responsible for any liabilities, cost, expenses, loss or damage occurred sustained or suffered by any respondent, prior to, or subsequent to, or by reason of any delay in the acceptance of the response to the EOI.

The CDSSAB-HS reserves the right to request respondents to clarify any information related to the EOI.

The information submitted in response to this EOI will be treated in accordance with the relevant provisions of the Municipal Freedom of Information and Protection of Privacy Act.