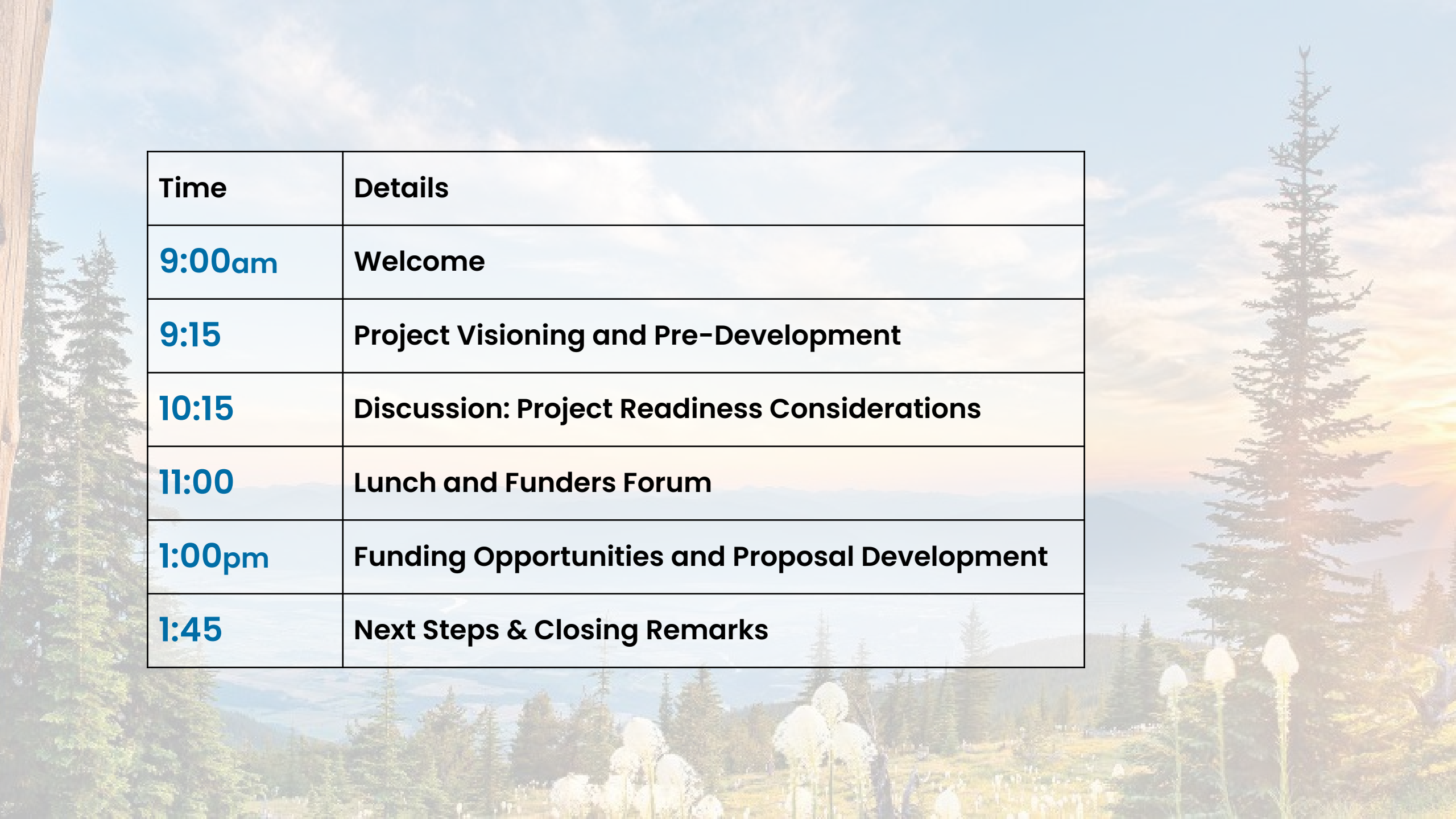


# Affordable Housing and Project Readiness Workshops

Revelstoke  
May 28 2024

Columbia  
Basin **trust**



<b>Time</b>	<b>Details</b>
<b>9:00am</b>	<b>Welcome</b>
<b>9:15</b>	<b>Project Visioning and Pre-Development</b>
<b>10:15</b>	<b>Discussion: Project Readiness Considerations</b>
<b>11:00</b>	<b>Lunch and Funders Forum</b>
<b>1:00pm</b>	<b>Funding Opportunities and Proposal Development</b>
<b>1:45</b>	<b>Next Steps &amp; Closing Remarks</b>

# Housekeeping

- Bathroom location
- Please turn your cell phones to silent
- Please take breaks as you need them
- If you need to make a call, please leave the room
- Before speaking, please introduce yourself and your organization

# Columbia Basin Trust

## Our Work

The Trust partners in efforts to create affordable housing.

## Since 2016 the Trust has:

- committed over **\$76.8 million** towards housing projects;
- helped create over **1,100** affordable rental homes;
- upgraded over **1,670** affordable rental homes; and
- created energy savings of approximately 7 million ekWh/year (**\$778,000** in annual utility cost savings for nonprofit housing societies).





**M'akola Development Services** is a professional consulting firm, including planners, development consultants, project managers, and non-profit housing experts.

- Over 30 years of experience in both the market and non-market housing sector
- Partnerships with all levels of government, non-profit organizations, Indigenous communities, and private industry
- Indigenous Board of Directors
- Focus on researching, developing and operating housing for Indigenous families and elders

We acknowledge with respect the peoples on whose traditional territory M'akola operates, including the **Lək'wəŋən, Xwsepsum, WSÁNEĆ peoples, K'ómoks First Nation, Lheidli T'enneh First Nation, xʷməθkʷəyəm, Sḵwxwú7mesh, and səliłwətał First Nations** whose historical relationships with the land continue to this day.

# M'akola Development Services



Community  
Planning

Land  
Development

Community  
Outreach and  
Engagement

Development  
Consulting

Operations  
and Asset  
Management

Indigenous  
Planning and  
Development

**We help navigate the complex system of planning and development; from concept to community.**

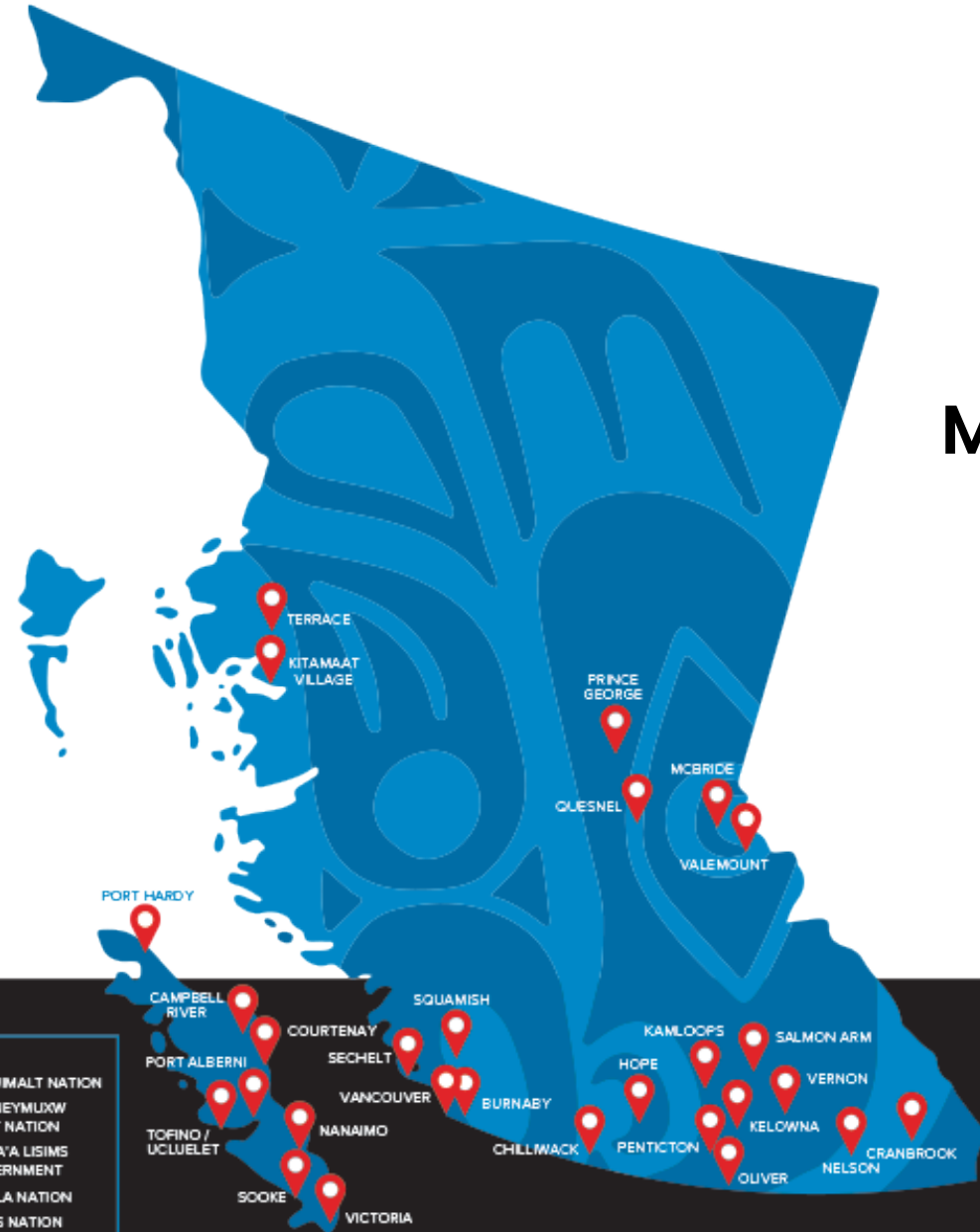


**50+ Active Projects  
over 30 Communities**

**Managing over \$1B  
in Project Costs**

**Building over 2800  
new homes**

**Representing more  
than 500 jobs**



**AFFORDABLE HOUSING:  
FROM CONCEPT TO COMMUNITY**

NON-PROFITS | GOVERNMENTS | FIRST NATIONS

# Objectives

## By the end of the day, you should:

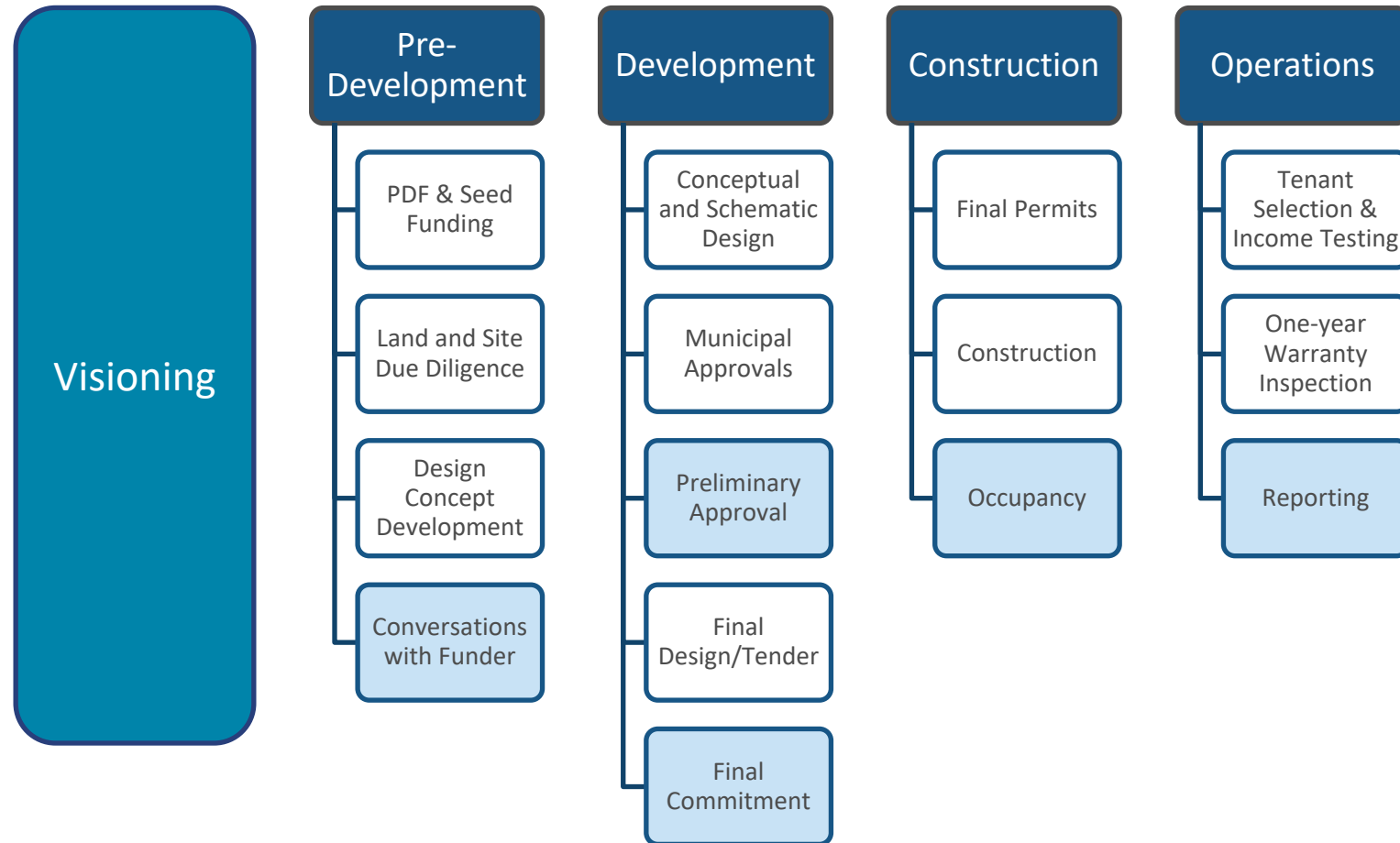
- Understand what makes a strong non-market housing project;
- Identify strengths and potential challenges for your project;
- Know the funding landscape and who to contact at various funding and financing programs;
- Understand the requirements for senior government funding applications; and
- **Be overwhelmed!**



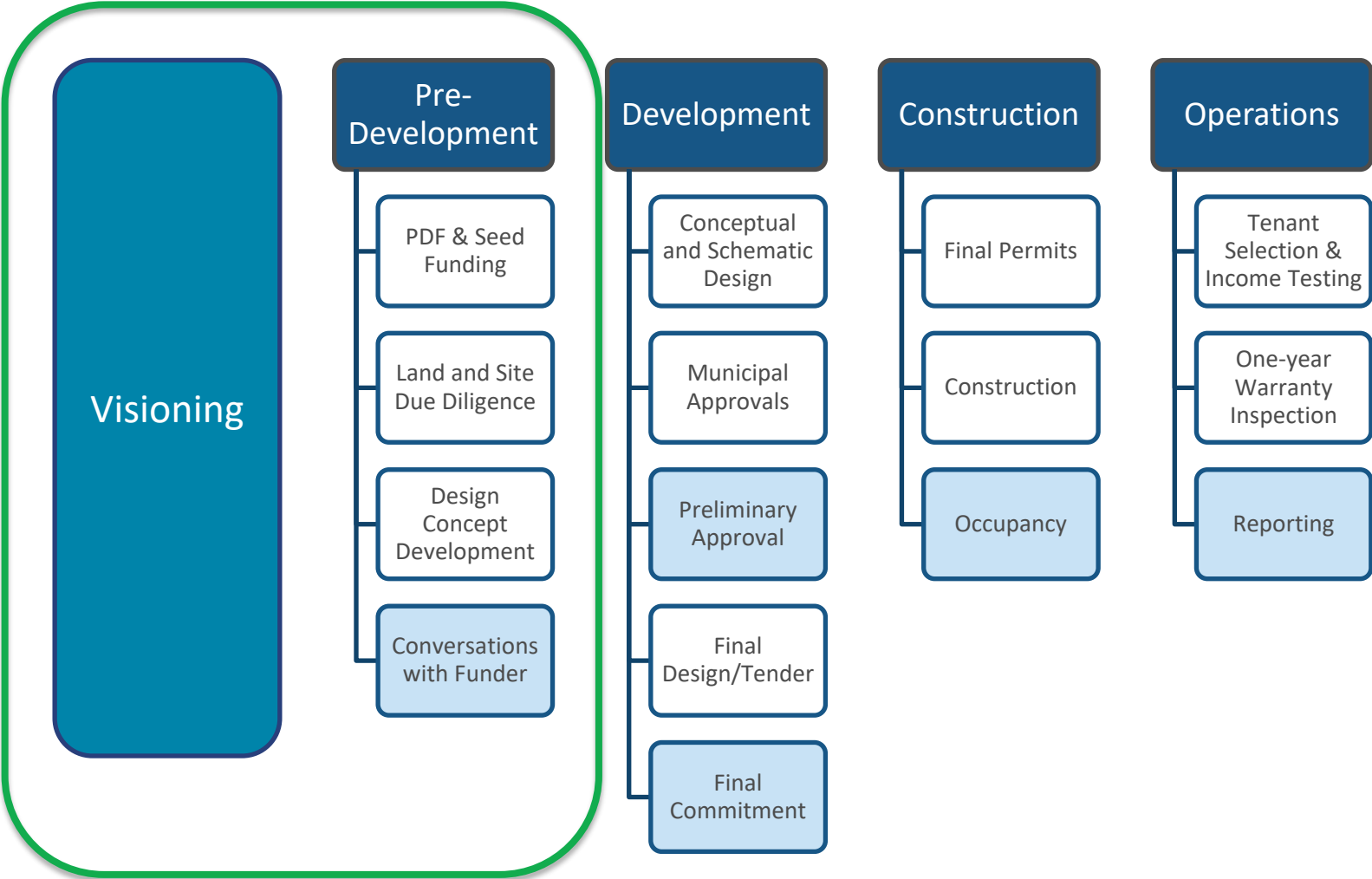
## **Project Vision and Pre-Development**

- **Elements of a Strong Project**
- **Developing a Project Vision**
- **Basics of Financial Feasibility**
- **Becoming “Shovel Ready”**

# The Development Process



# The Development Process



# Strong Projects

Every project is unique, but...

Good projects always have a few things in common.

**Clear Vision and Concept**

**Assets and Partnerships**

**Viabile Financial Model**

**Path to Construction**



## Strong Projects

**Clear Vision and Concept**

**Assets and Partnerships**

**Viabile Financial Model**

**Path to Construction**

## Strong Projects

Clear Vision and Concept  
Assets and Partnerships  
Viable Financial Model  
Path to Construction



## **Strong Projects**

**Clear Vision and Concept**

**Assets and Partnerships**

**Viabile Financial Model**

**Path to Construction**

# Importance of Vision

- **Likely already defined by broader organizational values**
  - Often built over time by successive boards or staff
  - Important for continuity. Remember: operations can be 50+ years!
- **Why are you doing the work? For whom?**
  - Important for external communication
  - Helps keep you going during frustrating periods
- **Lets you know when you can be flexible.**
  - Your project likely won't perfectly match any program offered by a funding partner.
  - Where can you be flexible (form, rent structure, etc.)
  - Where do you need to stay true (tenant population, location, etc.)



# From Vision to Concept

## Vision

Organizational goals and values. Can be housing specific, population specific, area-specific, etc.

**Often broad but drives everything you do.**

## Concept

- Translates your vision into a realistic housing project.
- Informed by organizational values and community need.
- Articulates:
  - Location and Form
  - Number of units, bedrooms, and accessibility
  - Target population and affordability
  - Community amenities, other spaces, etc.

# Housing Needs Reports



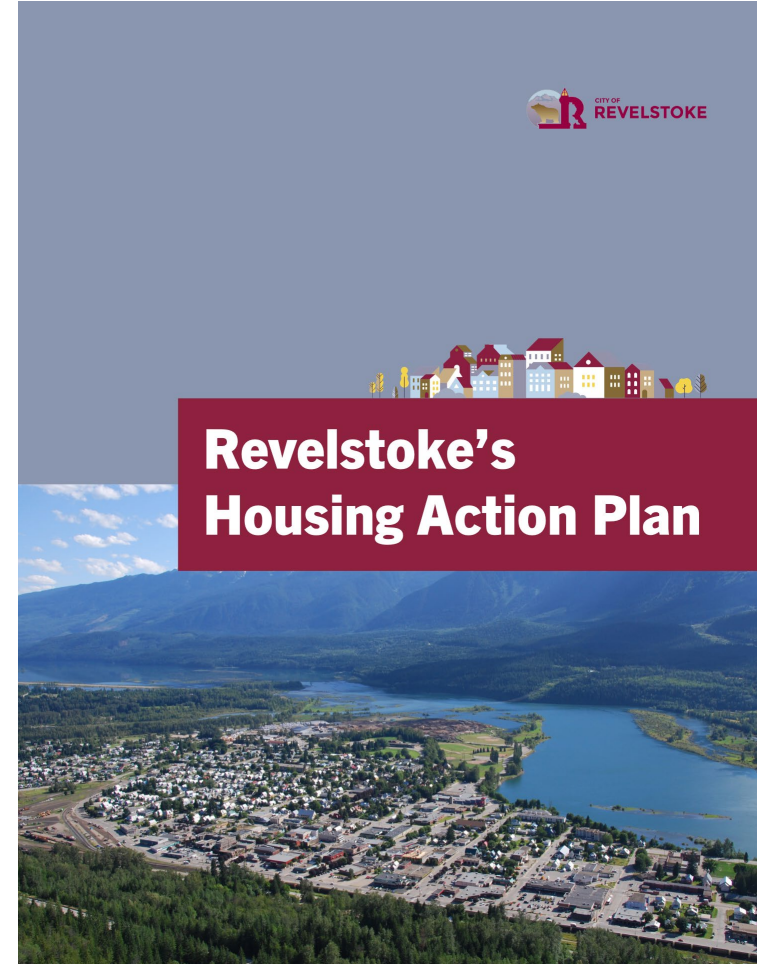
## REVELSTOKE'S HOUSING ACTION PLAN

Phase I: Baseline Report and Housing Projections

April 2022



urban  
matters



# Housing Needs Reports

## Common Elements

- Executive Summary
- Current and Projected Demographics
- Number of New Units Required
- Market Conditions
- Priority Populations
- Housing Gaps
- Other Areas of Need

# Common Findings

- **The population is growing. Demand for housing is increasing.**
- **Rental housing is more expensive and harder to find.**
  - ~35% of renters in core housing need. Rates of rentership increasing.
- **Owner-occupied housing is also more expensive.**
  - Need at least \$190,000/year income to afford a single-detached home.
- **Populations with existing challenges or single incomes are the most likely to face housing hardships.**
  - Single parents, singles, Indigenous households, seniors, households with mobility limitations, past or ongoing addictions or mental health challenges, etc.



# Housing Needs Reports

- **Who is struggling to meet their needs most in your community?**
  - Seniors, young families, Indigenous households, etc.?
  - Are these populations expected to grow?
- **Help Define Form and Location**
  - Number of units, bedrooms, and accessibility
  - Will you focus on person, price, supported, or just secured?
- **Articulate a Project-Specific Need Statement**
  - Your statement of need should lay out a specific need in your community, justified by data and lived experience.
  - Your concept should direct address that need.
  - Be as specific and realistic as possible!

## **Strong Projects**

**Clear Vision and Concept**

**Assets and Partnerships**

**Viabile Financial Model**

**Path to Construction**

# What Are Your Assets?

- Land (services, site features, proximity, zoning)
- Cash Equity
- Borrowing Ability
- Local Support
- Good Relationships with Funders
- Internal Staff Capacity
- Committed Board
- Operations Experience
- Development Experience

# What Are Your Assets?

- Land (services, site features, proximity, zoning)
- Cash Equity
- Borrowing Ability
- Local Support
- Good Relationships with Funders
- Internal Staff Capacity
- Committed Board
- Operations Experience
- Development Experience

**And many,  
many  
others!**



# Project Champion

- One of the most important assets to cultivate
- Internal champion your project
- Provide long-term continuity (projects take years!)
- Consistent energy and momentum

# Project Champion

**The best project champions are good communicators. Your society looks to you to articulate the value and importance of your project to partners!**

**But you can't do it all by yourself. Know when to lead and when to step back and trust your partners. It's a tricky balance!**

# Partnerships

In BC, non-market housing is delivered through partnerships:

\$

**Capital,  
Operating, and  
Other Funds**

 BC HOUSING

 Columbia Basin trust

 CMHC + SCHL



**Advocacy &  
Sector Support**

 BCNPHA  
BC Non-Profit Housing Association

 Aboriginal Housing  
Management Association  
*Celebrating 25 Years*



**Non-Profit  
Operators**

Non-profits who  
operate/manage  
affordable  
housing.

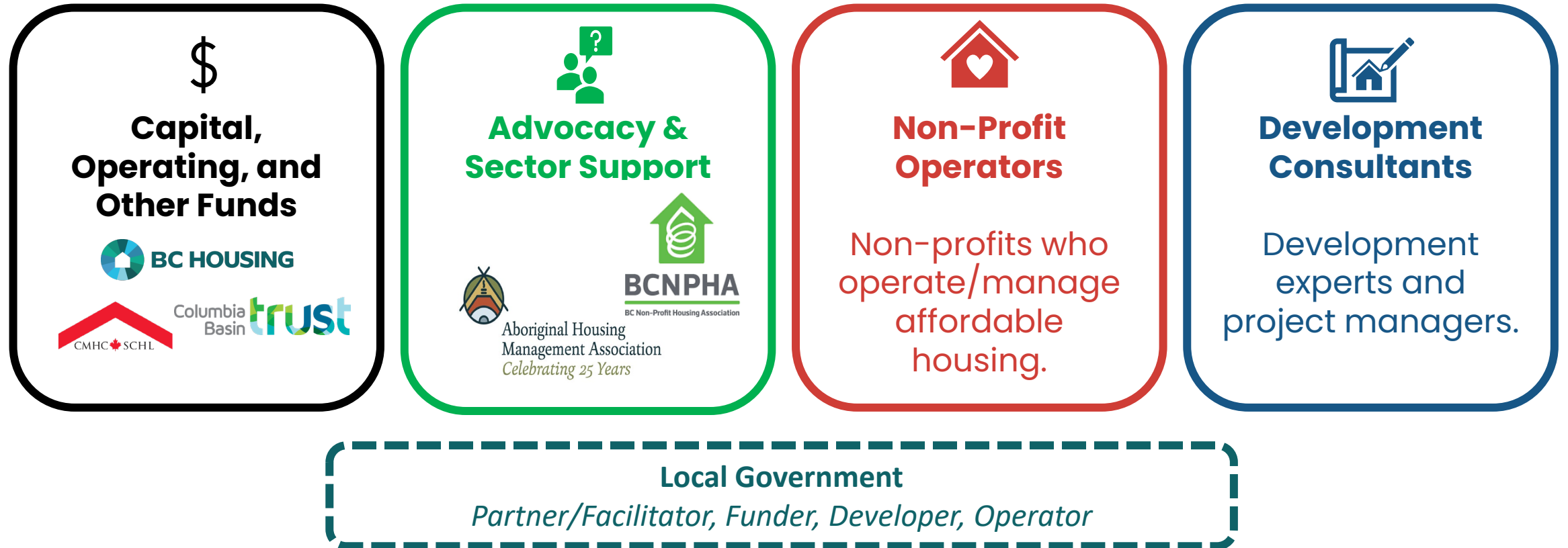


**Development  
Consultants**

Development  
experts and  
project managers.

# Partnerships

In BC, non-market housing is delivered through partnerships:



# Partnerships



## Robson Valley Community Services

- 72 childcare spaces
- 14 affordable housing units for women and children



# Partnerships

\$

**Capital and Operating Funds**

 **BC HOUSING**

 **BRITISH COLUMBIA** | Ministry of Education and Child Care

 **Columbia Basin trust**



**Non-Profit Operator**

 **ROBSON VALLEY COMMUNITY SERVICES**



**Development Consultant**

 **MAKOLA DEVELOPMENT SERVICES**

Land provided by municipality through long-term lease.

 **VILLAGE OF VALEMOUNT**

*Let the mountains move you*





# Partnerships

- Municipality or Local Government
- Service Providers
- Other Housing Operators
- Local Funders
- Provincial and Federal Funders
- Health Authorities
- Local Nations
- Community Members
- Potential Residents

**And many,  
many  
others!**

## Strong Projects

**Clear Vision and Concept**

**Assets and Partnerships**

**Viable Financial Model**

**Path to Construction**

# Financial Feasibility

In general

## REVENUES

- Capital Grants
- Rental income
- Other Income



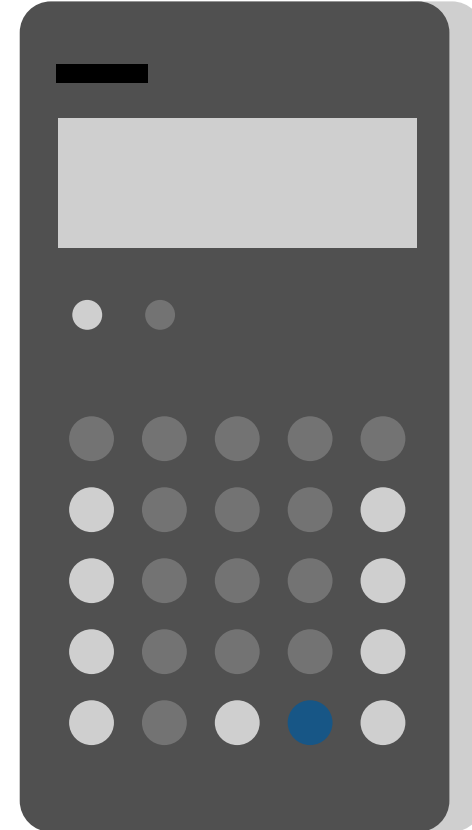
## COSTS

- Capital Costs
- Operating Costs
- Mortgage Payments

# Financial Feasibility

## Factors Affecting Feasibility:

- Equity
- Land & Construction Costs
- Development Schedule
- Financing & Mortgage Rates
- Marketability & Trends
- Operating Income & Costs
- And more!



# Financial Feasibility

## Factors Affecting Feasibility:

- Equity
- Land & Construction Costs
- Development Schedule
- Financing & Mortgage Rates
- Marketability & Trends
- Operating Income & Costs
- And more!

**All of these come together in a critical financial tool called a Pro Forma.**

# Pro Formas

**A pro forma is a financial model which estimates the cost of building and operating a project.**

- It is used to test a project's viability against the owner's vision and funder constraints
- A pro forma brings together all major elements that contribute to a new capital development or renovation
  - Overall capital cost
  - Revenues from tenant rents and/or other sources
  - Operating costs
  - Financing assumptions
  - Amount of capital costs to be mortgaged
  - Amount of equity required



# Pro Formas

## Getting Started:

- Clear Vision and Concept
- Functional program with sq.ft estimates and # of units
  - Sq.ft estimates often come from the funder design guide
- Target Rents or Affordability
- Estimated Operating budget





# INPUT: Capital Budget

**Capital Budget includes estimates of both hard and soft costs of building a project.**

## **Hard costs: physically constructing the building**

- Cost per square foot amount (e.g. \$450/sq ft)
- Early estimates on cost per square foot firm up as project progresses using:
  - Costings from Construction Manager providing pre-construction services
  - Comparable projects in the region
  - Quantity Surveyor Cost Estimates (Class A-D)

## **Soft costs: consultant and design fees, permits etc.**

- At early stages, soft costs are often estimated at 20-25% of hard costs
- Context matters – large ticket Soft Cost items include:
  - Development Cost Charges by Municipality
  - Approvals and Permitting costs (e.g. zoning and BP)
  - Contingency
  - Interest accrued on loan during construction



# INPUT: Operating Budget

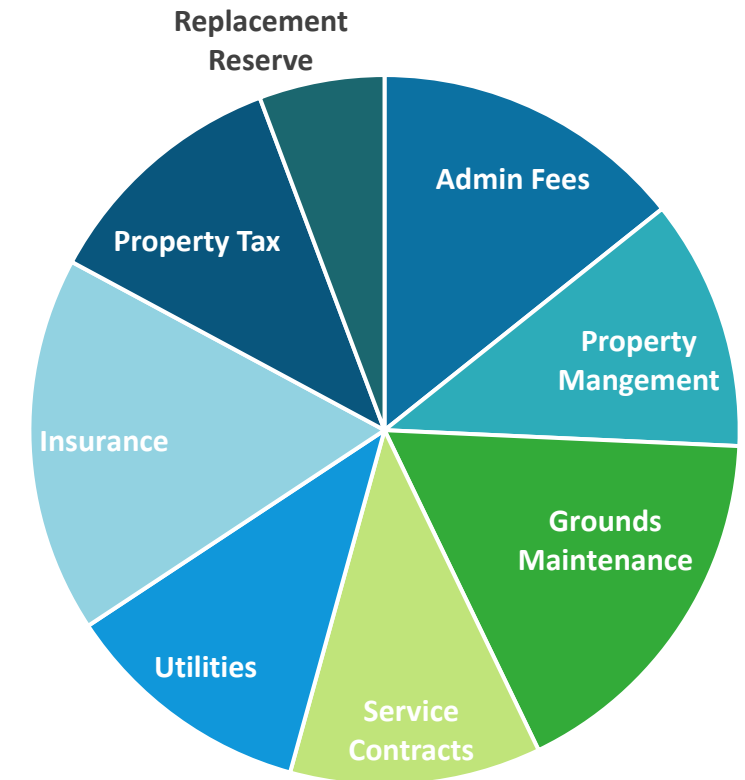
All incomes and expenses associated with operating and maintaining a project once complete.

## Includes:

- All incomes and expenses associated with operating and maintaining a project once complete
- Revenues from rents, funder subsidies etc.
- Operating expenses commonly called cost Per Unit Per Month (or PUPM)
- Watch Manageable vs Non-Manageable costs closely

## Rent Roll

- At it's most basic: # units X target monthly rent
- Rental rates must meet affordability definitions as well as partnership or funding requirements
- Clear vision for building essential, rents can experience push/pull from funding programs
- Need a good understanding of rental market data – Needs Report or CMHC!



# INPUT: Financial Levers

Key Financing assumptions can have major impact on mortgage a project can carry.

## Interest Rate

- Like other borrowing, rates vary with BoC policy

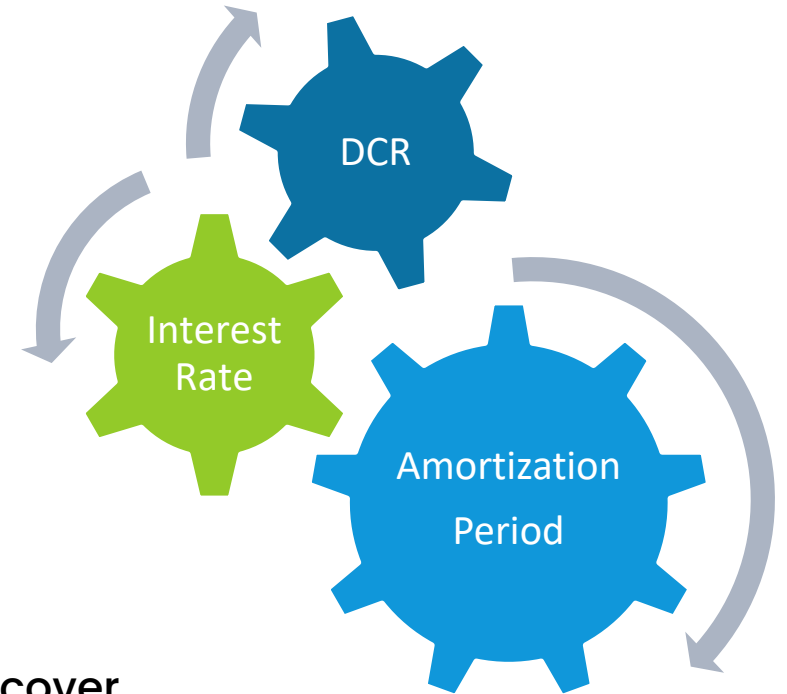


## Amortization Period

- The length of time it takes to pay off the mortgage
- BC Housing 35 years
- CMHC up to 50 years

## Debt Service Coverage Ratio (aka DSCR or DCR)

- Ratio of net operating income available to debt service
- Measures debt capacity of a project and confirms cash flow will cover mortgage payments
- 1.0 or 1.1 DCR for affordable housing, 1.4 DCR for commercial spaces



## Strong Projects

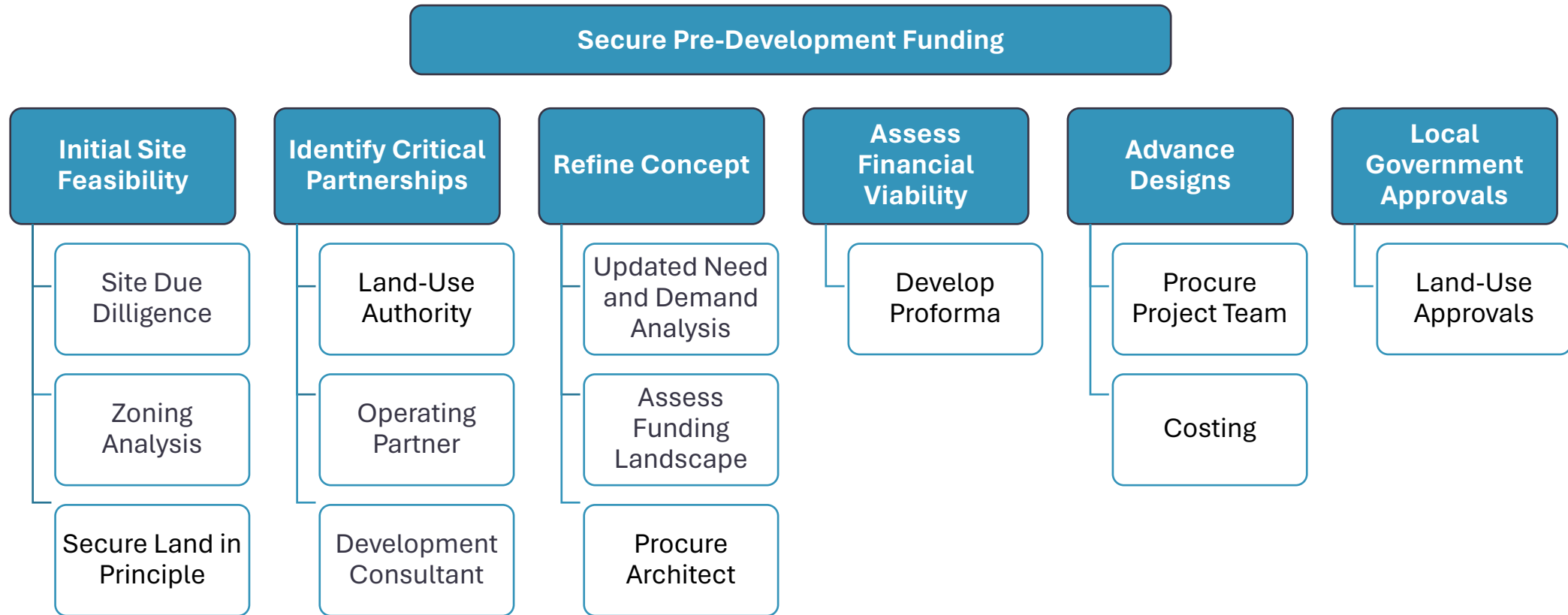
**Clear Vision and Concept**

**Assets and Partnerships**

**Viabile Financial Model**

**Path to Construction**

# Stages of Pre-Development



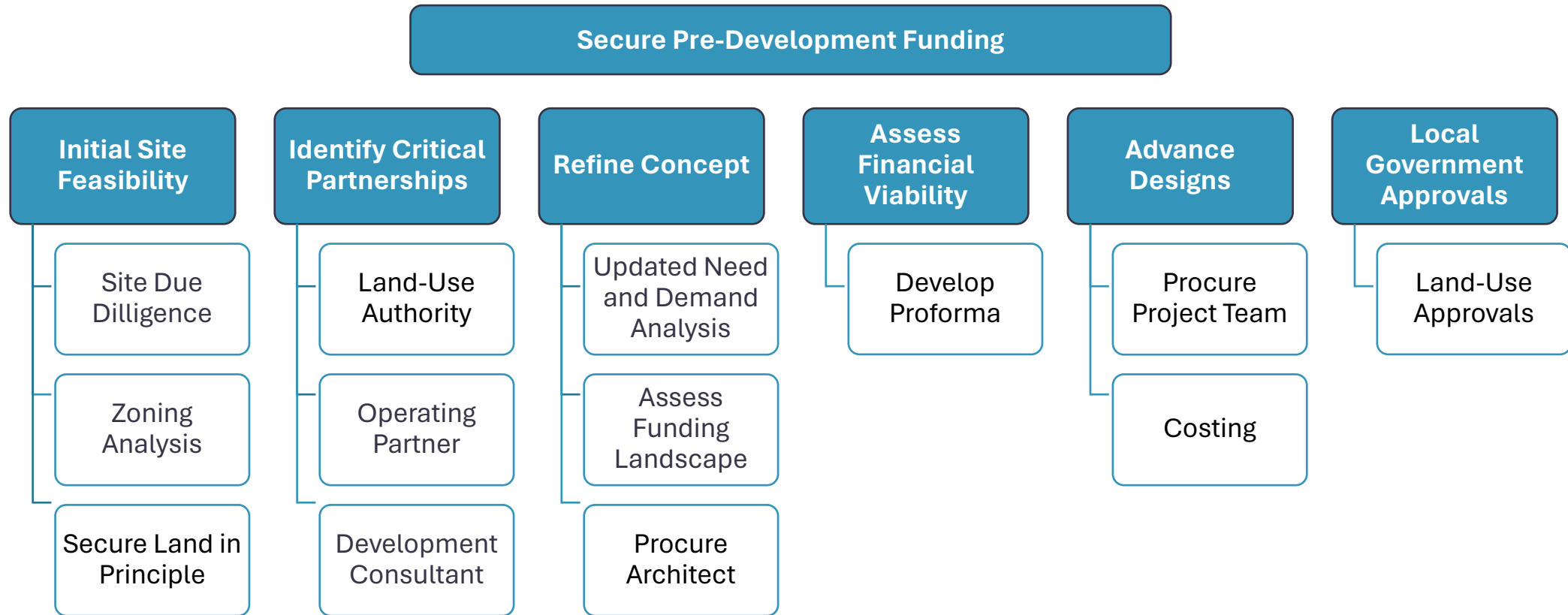
# Development Consultants

- Procure full team
- Facilitate all municipal approval processes
  - Rezoning
  - Development Permit
  - Building Permit
- Strengthening capacity
- Full proforma
- Contract management
- Obtain all approvals
- Facilitate partnership agreements
- Prepare and submit funding applications

**Development is more complicated than ever. Finding a trusted DC that understands funders and your organization is critical. CBT has resources that can help!**



# Stages of Pre-Development



# Project Readiness Discussion

## In Small Groups

- Identify Strengths
- Identify Challenges

## Full Group

- Discuss Challenges and potential solutions

# Small Group Discussion

**Together in your small groups:  
Think about what makes a strong project.**

Clear Vision and Concept

Assets and Partnerships

Viable Financial Model

Path to Construction

## Small Group Discussion

**Where are your strengths? How did you gain them?**

**What are your deficits? What challenges are you facing addressing them?**

**What are your opportunities? How can you turn a deficit into a strength?**

**30  
Minutes**

**Note Taker and  
Reporter**

# Full Group Discussion

**After coming back together in a large group:**

- Share your top strength or success, biggest challenge, and top opportunity.
- Try not to repeat!



# Lunch and Funder Forum

## Funders' Presentations:

- Canada Mortgage and Housing Corporation (CMHC)
- BC Housing
- Columbia Basin Trust
- Federation of Canadian Municipalities





# Funding Opportunities and Proposal Development

Current Funding Programs

Review of Proposal Templates

- BC Housing
- CMHC
- Society-Led Material

Questions and Discussion

Chief Agnes McCoy Centre

# Funding for Affordable Housing

## Funding Prior to 2017

Affordable rental housing	\$355,000,000	2000
Housing for people with mental health challenges	\$65,000,000	380
Affordable rental housing (IHI 2016)	\$500,000,000	2900
<b>Total</b>	<b>\$920,000,000</b>	<b>5280</b>

# Funding for Affordable Housing

## Currently Funded BC Housing Programs

Rapid Response to Homelessness (RRH)	\$291,000,000	2000
Community Housing Fund (CHF)	\$1,900,000,000	14350
Indigenous Housing Fund (IHF)	\$550,000,000	1750
Supportive Housing Fund (SHF)	\$1,200,000,000	2500
Women's Transition Housing Fund (WTHF)	\$734,000,000	1500
Affordable Rental Housing Program	\$208,000,000	1700
Regional Housing First Program	\$90,000,000	2000
Depending Affordability Fund	\$75,000,000	4900
BC Student Housing Loan Program	\$450,000,000	5000
<b>Total</b>	<b>\$5,498,000,000</b>	<b>35700</b>

# Funding for Affordable Housing

## And more...

Homes for BC and promised **\$6.2 billion (capital and operating funding) over 10 years.**

## And federally...

National Housing Strategy committed **\$72+ billion over 10 years.**

# Current Funding Opportunities

## Provincial

### Community Housing Fund (CHF)

- \$1.9 billion over 10 years to develop 14,350 rental units
- Three-tiered rent structure
- Anticipate another round

### Indigenous Housing Fund (IHF)

- Supports Indigenous-Led projects on and off reserve/treaty lands
- Recently closed.

# Current Funding Opportunities

## Provincial

### BC Builds

- \$4B in financing, \$950M in grants
- Targeted to middle-income rental households
- Recently announced, more details coming
- Potential affordable home ownership component

### Women's Transitional Housing & Support Programs (WTHSP)

- \$734M over 10 years.
- 1500 homes for women and their children who are at risk of or who have experienced violence
- Open Request for Pre-Qualification (due July 26<sup>th</sup>)
- Specific projects negotiated with pre-qualified societies on ongoing basis

# Current Funding Opportunities

## Provincial

### **BC Housing – Provincial Redevelopment Program (Downie Street Project)**

- Re-developing ten Provincial Rental Housing Corporation (PRHC)-owned housing sites
- Rent structure dependent on the characteristics of specific project, tenant population, and whether there is other layered funding.
- Construction financing, take-out financing, and grants available – no ongoing subsidies.



# Current Funding Opportunities

## Federal

### CMHC Co-Investment

- Grant and Loan
- Up to \$75K/door



### CMHC Affordable Housing Fund

- New details announced soon.
- Requires partner government support.

### CMHC Seed Funding

- Recently re-opened, but incredibly popular!
- Loan still available.
- Simplified application process
- Stages funding to match general pre-development phases

# Current Funding Opportunities

## Columbia Basin Trust

**Remarkable service/support available only to you!**

- Contact Ulli or Tessa to discuss your project.
- Variety of mechanisms to support non-market housing and societies.

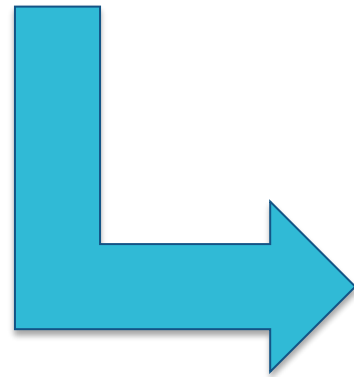
## Federation of Canadian Municipalities

**Grant and loan for high-performance construction and retrofits.**

# Current Funding Opportunities

## Financing

### CMHC Rental Construction Financing Initiative



### Apartment Construction Loan Program

- Low-cost loans encouraging the construction of sustainable rental apartment projects

# Funder Templates

## Canadian Mortgage and Housing Corporations SEED Viability Calculator

- Describes eligible SEED activities.
- Less complicated than the full capital funding proposals.
- Often the first funding you will apply for (that isn't the CBT!)

# Funder Templates

## Community Housing Fund

### Appendix 14, Part A

- An actual proforma with capital and operating budgets is VERY complicated. Specialized skillset.
- BC Housing released budget templates as part of the last CHF call and the ongoing IHF call.
- Review, but don't let this overcomplicate things for you.
- Focus on building out operations (Part B). Know enough to have informed conversations with trusted partners.

# Funder Templates

## Community Housing Fund

### Appendix 14, Part B

- Part B describes your operation history and capacity. A critical component of your proposal.
- Operations plans, asset management, compliance experience, commitment to EDIB/Reconciliation, relationships, communication, etc.



An aerial photograph of a town situated on the shore of a large lake. The town features a grid of streets, numerous houses with various roof colors, and several large open lots. The lake is calm, reflecting the sky and the surrounding green, forested mountains. In the distance, more mountain ranges are visible under a sky filled with soft, white clouds. The overall scene is peaceful and scenic.

**Questions?**



# Columbia Basin **trust**



**MAKOLA**  
DEVELOPMENT  
SERVICES



## Thank You!

**Ulli Mueller**

[umueller@ourtrust.org](mailto:umueller@ourtrust.org)

**Tessa Bendig**

[tbendig@ourtrust.org](mailto:tbendig@ourtrust.org)

**Kaela Schramm**

[kschramm@makoladev.com](mailto:kschramm@makoladev.com)

**Sandy Mackay**

[smackay@makoladev.com](mailto:smackay@makoladev.com)