Affordable Housing Project & Funding Readiness Workshops

June 5 - 7, 2018
Columbia Basin Trust

Our Work

• We exist and act for the social, environmental and economic well being of the Basin
• Identified Affordable Housing as Strategic Priority
• Developed Housing Initiatives Strategic Framework to guide work
• Committed $15 million over three years to help create 150 new affordable housing units in the Basin
• Work with communities, collaborate to leverage funding
M’akola Development Services

Our Work

• Socially-conscious professional development services
• Helping clients navigate the system
  • Concept development
  • Funding options and applications
  • Strategic partnerships
  • Construction and operations
• 40+ clients
• 50 projects in 30+ communities
• 2000+ units being built
**AGENDA**

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<th>Details</th>
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<td>09:00 AM – 09:15 AM</td>
<td>Welcome</td>
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<tr>
<td>09:15 AM – 10:00 AM</td>
<td>Project Development 101</td>
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<tr>
<td>10:00 AM – 11:30 AM</td>
<td>Stage 1: Pre-Proposal</td>
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<td>11:30 AM – 01:00 PM</td>
<td>Lunch and Funders Forum</td>
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<td>01:00 PM – 01:45 PM</td>
<td>Stage 2: Proposal</td>
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<td>01:45 PM – 02:00 PM</td>
<td>Next Steps &amp; Closing Remarks</td>
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Housekeeping

- Bathroom location
- Please turn your cell phones to silent
- If you need to take a break, please do so
- If you need to make a call, please leave the room
- Before speaking, please introduce yourself and your organization
Project Development 101

Handout: Affordable Housing Development FAQs

- Terms and definitions
- Defining affordability
- Development process/stages/timeline
- Project management and support
- Current funding calls
Terms & Definitions

Important Terms

• **Core Housing Need** – a household is in core housing need if its housing does not meet one or more of the adequacy, suitability or affordability standards, and it would have to spend 30% or more of its before-tax income to access acceptable local housing.

• **National Occupancy Standard** – a guideline that can be used to determine what size housing unit a single person, couple or family qualifies for.

• **Rent-Geared-To-Income (RGI)** – rent-geared-to-income (RGI) housing is subsidized housing. The rent is based directly on the tenant's income, usually 30 per cent of the gross monthly household income.
Terms & Definitions

Defining Affordability

• Is often defined differently through different funding frameworks
  • i.e. Building BC and CMHC Co-Investment Fund

• Multiple accepted definitions of affordability
  • Low-to-moderate income (Income range: single vs. family)
  • CMHC Market Rental Report and HILs

• Covenants ensure the property remains affordable for a certain period of time
Development Process

Pre-Development
- PDF & Seed Funding
- Land and Site Due Diligence
- Conversations with Funder

Development
- Conceptual and Schematic Design
- Municipal Approvals
- Preliminary Approval
- Final Design/Tender
- Final Commitment

Construction
- Final Permits
- Construction
- Occupancy

Operations
- Tenant Selection & Income Testing
- One-year Warranty Inspection
- Reporting
Development Timeline

**BC HOUSING PROCESS**
- RFP: Request for Proposals
- PDF: Pre-Development Funding
- PPA: Provisional Project Approval
- FPC: Final Project Commitment
- IAD: Interest Adjustment & Mortgage

**MUNICIPAL PROCESS**
- Rezoning
- Development Permit
- Building Permit

**PROJECT DEVELOPMENT PHASES**
- Pre-Development: 6-8 months
- Development: 8-12 months
- Construction: 12-16 months

**OPERATIONS**
Project Management, Development Consultant and Owner’s Representative

Role & Responsibilities of PM

• PM = internal or external
• Procure full team
• Facilitate all municipal approval processes
  • Rezoning
  • Development Permit
  • Building Permit
Role & Responsibilities of PM

- Strengthening capacity to provide key info
- Full proforma
- Contract management
- Obtain all approvals

- Facilitate partnership agreements
- Prepare and submit funding applications
Stage 1: Pre-Proposal

Handout: Pre-Development Survey

• Small group work: discuss project challenges, successes and potential opportunities
• Full group work: summary discussion
Survey Results

QUESTIONS:

Q1. Project champion or in-house contact
Q2. Framework in place for project-related decision-making and authorizations
Q3. Vision for this project
Q4. Target population (TP) and #units for this project
Q5. TP aligned with services and/or org. mandate
Q6. Compelling and demonstrated need for this project
Q7. Community aware of and/or in support of this project
Q8. Project includes any service provision or other non-residential uses
Q9. If yes, identified potential service delivery partner(s)
Q10. Land or plans to obtain it
Q11. If yes, status of that land
Q12. Good standing with the appropriate oversight body
Q13. Project supported by every level of your organization
Q14. Experience with building and/or operating housing
Q15. If no, plans to obtain the needed training or experience
Q16. Adequate human and financial resources secured to manage the planning and development stages of the project
Q17. Confirmed equity contribution to the new project
Q18. Contributions from other sources
Small Group Work

Together in your small groups:

• Identify major project challenge and successes, such as:
  • Equity contributions
  • Land availability
  • Internal staffing capacity
• Identify possible opportunities

• NOTE: small group discussion limited to 30 minutes
• NOTE: identify one person as the note-taker and one person as the speaker
Full Group Discussion

After coming back together in a large group:

- Each group’s speaker tell the room their top challenge, top opportunity, and top success.
- No repeating! If a group before yours had the same topic, go to your next topic.
Lunch & Funders’ Forum

Funders’ Presentations:
• CMHC
• BC Housing
• Columbia Basin Trust
• Q & A
Stage 2: Proposal

Handout: Sample Proposal & Proposal Preparation Tool

- High-level overview of proposal preparation tool
- What a finalized proposal may look like
- Potential challenges at detailed stage
Current Funding Calls

Overview

- Historical context
- Purpose
- Anticipated funding calls
Proposal Preparation Tool

Overview
• Introduction to how we use the tool at MDS
• This is adapted for each funding call and specific project needs

Required Information
• Delegated authority
• Solidified project vision (i.e., tenant type, support services, commercial types, etc.)
• Operating actuals from current projects
• Detailed capital and operating budgets
• Staffing model and job descriptions
• Board of Directors, committees
• Updated data on current operations
• Constitution and bylaws updated?
• Letters of support
Finalized Proposals

Preparing Your Proposal

- Introduce the handout: TOC and appendix listing
- Key dates
  - Information meeting
  - Questions deadline
  - Addenda issue date
- Approval to use digital signatures
- Submission requirements (i.e., online vs. printed)
Potential Challenges

Things to Consider

• Partnerships approval processes
  • Who is making key decisions?
  • Who is signing off?
  • Who moves things forward?

• Design
  • Design guidelines and sustainability requirements (BC Housing, CMHC, municipal)
  • Municipal requirements and public support
  • Proponent’s project vision
Potential Challenges

Things to Consider

• Budget
  • Project feasibility (cost of construction)
  • Rental structure (providing affordability vs. available capital)

• Operations
  • Limited funding for operations/support services

• Logistics
  • Equity to begin the process
  • Staff time to prepare proposal
  • Responding to funding calls
  • Time for due diligence studies (firm availability)
Thank You