



Invitation to submit a Letter of Intent (LOI) CHA Rental Housing Capital Contribution Fund

Invitation to Proponents

Cowichan Housing Association is seeking Letters of Intent (LOI) for the Rental Housing Capital Contribution Fund.

This invitation is to eligible non-profits organizations (including charities and cooperatives) and for profit business entities Intended in developing and operating new rental housing that is affordable to low to moderate income individuals and households residing in the Cowichan Valley Regional District.

Proponents must contact Cowichan Housing Association (CHA) to discuss their proposed project prior to submitting their Letter of Intent. For inquiries on this program and the CHA Rental Housing Capital Contribution Fund and the LOI process, the CHA contact will be:

John Horn, Executive Director
john.horn@cowichanhousing.com

[250-597-1938](tel:250-597-1938)

CHA's Housing Project Development Assistance service – a service provided by CHA – may be able to assist in research relating to housing needs that can be used in the development of the submission.

About the Rental Housing Capital Contribution Fund

In spring of 2018, Cowichan Housing Association put forward a proposal to the Cowichan Valley Regional District (CVRD) to provide funding for a *Regional Housing Service*. In October, 2018, a public referendum was held and the assent of the voters was received to establish the Cowichan Housing Association Annual Financial Contribution Service.

On April 11, 2018, Bylaw 4201 was adopted by the CVRD enabling an *Annual Financial Contribution Service* to Cowichan Housing Association to assist with providing programs and services related to affordable housing and homelessness prevention in the Cowichan Valley Regional District.

The resultant *Regional Housing Service* (RHS) has two primary goals:

- 1) to increase capacity (knowledge, expertise, and ability) for local communities to develop affordable housing projects; and
- 2) to increase local funds for affordable housing in order to leverage funding from other sources.

The Housing Trust Fund (HTF) is one component of the RHS. The overarching purpose of the HTF programs is to provide funding support to local organizations for affordable housing projects, from the concept stage to construction or renovation. A key aim of the programs is to leverage resources from other funders.

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The goal of the Rental Housing Capital Contribution Fund (RHCCF) is to address the significant shortfall in affordable rental housing stock within the Cowichan Region. This fund is to be used for equity contributions to leverage additional capital funds related to construction, demolition, renovation and repair projects in the Cowichan Region that create affordable residential dwelling units. The Rental Housing Capital Contribution Fund (RHCCF) comprises 85% of the Housing Trust Fund

The purposes of the CHA Rental Housing Capital Contribution Fund (RHCCF) are:

- a) To support development of new affordable rental housing stock as well as shelters and second stage housing
- b) To enhance community contributions and partnerships in order to leverage funding resources and in-kind services from other funders and service providers.

Criteria for Affordable Rental Housing

Affordable Housing

Proponents can use any one of the following definitions of affordable in accordance with the type of housing proposed:

- a. Rents charged will be on average 20% or lower than the median or average rent for a similar unit based on municipal or electoral boundaries
- b. Rents will be based on 30% of gross household income or shelter allowance 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 RHCCF funding, but applicants must provide a rationale as to why the project should be considered as affordable housing.

Maximum Funded

The amount funded may be up to 10% of the overall capital budget of the project.

The amount funded will be dependent upon funds available in the current year.

Ineligible Projects

Due to current demand, priority in 2019 will be given to projects that address construction of new affordable rental housing.

Activities that have received funding from the CHA Project Development Fund will not be eligible for funding under the Rental Housing Capital Contribution Fund in the same calendar year.

Eligibility

The Rental Housing Capital Contribution funding is available to not-for-profit organizations (including charities and housing cooperatives) as well as for profit business entities that intend to develop affordable housing. An application to the fund must demonstrate that:

- The organisation is in good standing and/or has a strong track record in addressing community needs
- The organisation must have the demonstrated functional capacity to deliver the project for which funding is sought
- The proposed project fits with the overall Cowichan Attainable Housing Strategy and RHCCF criteria
- There is community support for the type and nature of affordable housing under consideration
- There are firm commitments from other funders for most of the outstanding capital costs
- The proposed project is more than 3 units

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- The development aligns with local government plans and applicable bylaws
- For profit firms must demonstrate partnerships with not-for-profit organizations
- The proponents have an ownership Intent or beneficial ownership in the proposed site, either in the form of freehold title or a long-term lease at nominal value. Developments will remain wholly owned by the non-profit housing provider.

Format for LOI's

Your LOI should be submitted electronically (in Word or PDF format) to the email address below and be no more than three pages long (no attachments). While brief, you should address the following questions in your submission:

1. Background on your organization and its mandate.
2. Who will manage the proposed project and what is their expertise?
3. Describe the proposed affordable housing project concept.
4. Who is the affordable housing project intended to serve? How has the need for this housing been demonstrated to date?
5. What are the proposed activities of the project? When will these activities take place?
6. What is the proposed budget for the project? What amount is being requested from CHA?
7. Who will you partner with and how will these partners be involved in the project?
8. How will those most impacted by the issue being addressed be engaged in the project?
9. What resources do you need to support your project?

All proposals must be submitted electronically to admin@cowichanhousing.com .

Letters of Intent may be mailed in hard copy to;
#207 – 225 Canada Avenue. Duncan BC V9L 1T6

Proponents will receive a notification of receipt.

Application Process for CHA RHCCF

1. The proponent provides a Letter of Intent (LOI) to the Cowichan Housing Association.
2. The CHA Executive Director presents the LOI to the Housing Trust Fund Allocations Committee for review and recommendation to proceed, or not, to full proposal.
3. Successful proponents will be invited to submit a full RHCCF proposal to the Cowichan Housing Association for review.

NB* Projects that receive support from the CVRD Housing Trust Fund via the Rental Housing Capital Contribution Fund may be required to enter into a Housing Agreement or other form of covenant to ensure units are retained as affordable for a mutually agreed time frame.

Application Assessment

The Community Advisory Committee will evaluate all eligible applications to assess them according to the criteria and weighting, (Appendix A) including urgency of the need, number and size of dwelling units created or preserved, contributions from other sources and potential impact of the project to address regional and local housing needs.

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

APPENDIX A: 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 Intent?
- 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 B: LETTER OF INTENT CHECKLIST

1. Have you contacted CHA to discuss your project idea?

2. Does your Letter of Intent include the following?
 - a. Background on your organization and its mandate.
 - b. Who will manage the proposed project and what is their expertise?
 - c. Description of the proposed affordable housing project concept.
 - d. Who is the affordable housing project intended to serve? How has the need for this housing been demonstrated to date?
 - e. What are the proposed activities of the project? When will these activities take place?
 - f. What is the proposed budget for the project? What amount is being requested from CHA?
 - g. Who will you partner with and how will these partners be involved in the project?
 - h. How will those most impacted by the issue being addressed be engaged in the project?
 - i. What resources do you need to support your project?

3. Ensure the letter is signed by duly authorized signatories of your organization.