

Call for Proposals for innovative affordable housing projects

Affordable Housing Demonstration Projects Initiative

July 2021

OVERVIEW

As the provincial entity responsible for the administration and delivery of affordable housing solutions, Housing Nova Scotia (HNS) supports low-to-modest income Nova Scotians through the delivery of programs and services across the housing spectrum.

The Nova Scotia Affordable Housing Commission released its report on May 31, 2021, outlining 17 recommendations and 60 key actions for increasing the supply of, and access to affordable housing in Nova Scotia, including four Quick Start Investments to be implemented within 100 days. Specifically, the Commission called for government to “Invest immediately in multi-partner mixed-use, mixed-income demonstration projects that feature innovative construction techniques.”

In response to this recommendation, building upon the ongoing provincial commitment under the National Housing Strategy, and in an effort to generate innovative new affordable housing development in the province, HNS will advance \$10 million in funding to support a call for proposals of innovative construction and renovation projects that add new, affordable housing supply to the province quickly, particularly those with a mixed-model and multi-partnership approach.

The level of funding awarded to a project will depend on various criteria, including the speed to bring the affordable units to market and the level of affordability. Additional considerations include, but are not limited to, the level of socio-economic, environmental, and accessibility outcomes to be achieved. Proponents whose applications demonstrate a multi-partner, mixed-model project, commitment to exceed the minimum requirements for affordability, energy efficiency, and accessibility will be prioritized.

THE CALL

This Call for Proposals provides:

- A total of \$10 million for capital costs to support the construction of new, innovative affordable rental housing projects. Eligible projects can include new construction or conversion of non-residential building into self-contained affordable units or single room occupancy. Other types of projects may be considered.
- As part of the \$10 million, an early seed fund of \$1 million is available to rapidly advance projects from concept to shovel ready development within 60 days of award.
- Projects must demonstrate innovative operating models (e.g. mixed-use/mixed-income), construction methods, partnership structures, exceed minimum environmental and accessibility standards, and other innovative service delivery models to quickly achieve new affordable housing supply.
- Long term, affordable housing for a minimum of 20 years.

WHAT ARE WE FUNDING?

Housing Nova Scotia will provide capital funding for construction costs that results in affordable housing units and demonstrates innovative construction, partnership and operating models. We will consider funding capital aspects of project proposals that, based on eligibility criteria, make the best use of and maximize available provincial funds by bringing the most affordable units to market in the shortest amount of time while ensuring long term financial viability. We are looking for proposals which outline the structure of capital funding required to implement the project successfully.

ELIGIBILITY AND CRITERIA

Property Type and Size Requirements

- Single detached dwellings, standard multi-unit rental, single room occupancy and seniors' housing, (excludes delivery of health care)
- Single site or portfolio projects will both be considered
- Primary use is residential
- Permanent housing (long term tenancy, 12 months or more)

Eligibility Requirements

Proponent must be, or partner with, a Nova Scotia based organization to be eligible for this funding. All types of operating models will be considered for this program, including but not limited to:

- Indigenous governing bodies and organizations (*off reserve*)
- Co-operatives
- Non-profit organizations
- Private corporations
- Social Enterprises

- Municipalities
- Partnerships between any of the above are encouraged.

Proponents should demonstrate that one of the primary partners in the project has at least 5 years in property management experience of a housing project of similar size. Priority will be given to projects that leverage innovative partnerships and operating models, that include mixed-income / mixed-use, and involve multiple partners.

Mandatory Minimum Criteria

Financial Viability – Projects must demonstrate a means to be financially sustainable or describe how they will obtain subsidy to offset any projected operating losses. All funding sources must be disclosed and related funding details provided.

Affordability – Funded units must serve households in core housing need, with rents at or below 80% of average market rent (AMR). AMR can be found at the CMHC Housing portal:

<https://www03.cmhc-schl.gc.ca/hmip-pimh/en#Profile/12/2/Nova%20Scotia>

Environmental – National Building Code minimum standards

Accessibility – National Building Code minimum standards

Assessed Criteria

The following criteria will be used to prioritize, evaluate, and determine level and nature of contribution (if any) made to a proponent project.

Innovation – Does the project utilize innovative construction methods, partnerships, operating models or services?

Project Viability & Sustainability – Is the project feasible and viable, both through capital financial assembly and ongoing operating pro-forma, as well as the project environment (zoning, environmental, site constraints etc.)? Is the project aligned with the recommendations of the report of the Nova Scotia Affordable Housing Commission, the objectives of the National Housing Strategy, the Nova Scotia environmental and accessibility targets, or other government priorities?

Project Stage & Timeline – What stage is the project at (concept, design, planning approval, site prep, etc.)? How realistic is the proposed timeline? How rapidly does the proposed timeline bring new affordable housing to market?

Ability to Deliver – Can the main proponent and its partners deliver the project as per timeline? Overcome any unforeseen obstacles? Assemble proposed funding?

Vulnerable Clients – Does the project target any specific vulnerable population? Any cultural community of significance? Any location of importance? (for definition of vulnerable population: <https://www.cmhc-schl.gc.ca/en/nhs/guidepage-strategy/priority-areas-for-action>)

Scale – Is the project of a scale that it may have impact? Priority will be given to projects with a higher scale of units and affordable units.

FORM OF SUBMISSION

Proponents are free to present their submission in the form and format that best suits their style, but must provide the information described below, and be submitted in a single document to: housingdemonstration@novascotia.ca

Submissions should not exceed 10 type written pages (excluding appendices), and shall include the following sections:

1. Project Description - Should include, but not limited to:
 - a. Innovative approach – describe the project and explain why it is different?
 - b. Partnership(s)
 - c. Total number of project units, including rental rates
 - d. Meeting or exceeding affordability, environmental, accessibility, etc. standards
 - e. Link to Nova Scotia Affordable Housing Commission recommendations
 - f. Link to National Housing Strategy
 - g. Link to other provincial priorities (e.g. health, environment, economic growth, seniors)
 - h. If early seed funding is required, what will it be used for?
2. Proponent & Development Team – should highlight experience in real estate development and property management.
3. Proposed Site
4. Market Demand & Target Clients
5. Project Funding & Financing

Appendices should not exceed 20 type written pages and should include the following:

1. Municipal confirmation of zoning compliance for concept
2. Drawings and site plan
3. Proposed Project & Construction Schedule
4. Construction Cost Estimates (Class D or higher)
5. Confirmation of Project Financing and Funding – Sources of Capital
6. Operating Pro-Forma Statements

Deadline for Submissions is August 19, 2021, at 5pm (AST).

QUESTIONS?

Questions on the program should be directed to housingdemonstration@novascotia.ca in writing. Answers that may have material impact on submissions will be compiled and answered in the virtual Q&A session in late July.

EARLY REVIEW PERIOD

In order to assist with the quality and completeness of proposals, proponents will have the ability to submit an early summary draft of their project (4 pages max) by July 26, 2021. Feedback will be provided by HNS staff within 10 business days.

SCHEDULE OF PROGRAM

July 6 – Call for Proposals Issued

Mid July – Virtual Presentations

Late July – Virtual Q&A session

July 26 – Early review deadline

August 19 – Submission Deadline

Mid August – Submission Review

September – Awards to Successful Proponents Announced