



Partnership Opportunity Notice

AFFORDABLE HOUSING DEVELOPMENT
Halifax Regional Municipality

Karen Drive





Overview

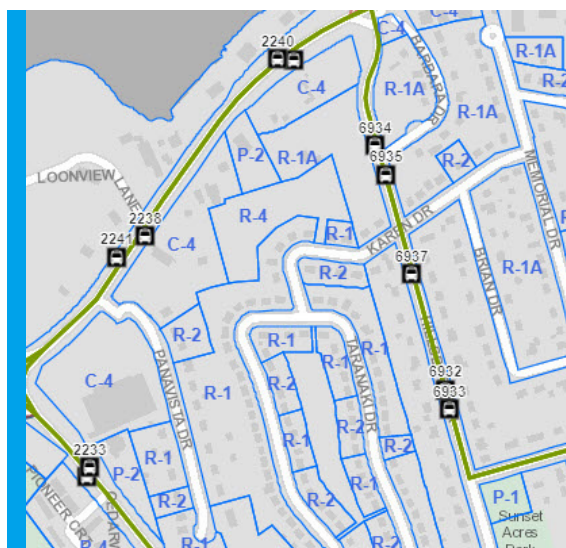
As the provincial entity responsible for the administration and delivery of affordable housing solutions, the Department of Municipal Affairs and Housing (DMAH) supports low-to-modest income Nova Scotians every day through the delivery of programs and services across the housing spectrum. DMAH is requesting responses to this Partnership Opportunity Notice (PON) to have more affordable housing built in communities.

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. Specifically, the Commission called for government to ‘create a program to use vacant or under-utilized public land suitable for residential use, or buildings for affordable housing and incentivize their development.’

In response to this recommendation, DMAH is making Provincially owned land available to an eligible applicant(s) committed to creating new affordable rental housing in the province. To assist in offsetting some development costs, a long-term land lease for a nominal rent or a sale for a nominal amount will be considered in exchange for a commitment to create and maintain affordable units permanently or over an identified time horizon.

This land contribution will be awarded based on an evaluation of various criteria including the applicant’s organizational capacity and depth of affordability proposed. Additional considerations include, but are not limited to, the level of socio-economic, environmental, and accessibility outcomes to be achieved.

Applicants who demonstrate a commitment to exceed the minimum requirements for affordability, energy efficiency, and accessibility while ensuring the long-term financial viability of their project will be prioritized.



Parcel Identification: PID 40204133

Registered Owner: The Province of Nova Scotia

Civic Address: Karen Drive, Westphal, NS

Lot Area: 3.1 acres

Lot Frontage: Karen Drive

Site Servicing: Municipal Water & Sewer

PON RELEASE DATE: September 9, 2022

SUBMISSION DEADLINE: December 9, 2022

Image 1: Zoning Map. Source: Explore HRM.

Property Details

| | |
|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Designation | Urban Residential (UR) in the Cole Harbour/Westphal Municipal Planning Strategy (MPS). |
| Zoning | Current zoning is Multiple Unit Dwelling (R-4) in the Cole Harbour/Westphal Land Use By-law (LUB). |
| Proposed Development | The R-4 zone permits multiple unit dwellings containing up to six dwelling units. Higher density developments would require a Development Agreement. |
| Current Use | The site is currently undeveloped. A portion of the site is encumbered by a wetland. |
| Surrounding Uses | Karen Drive and single family homes to the south, privately owned undeveloped land and single family homes to the east, commercial development and Main Street (Highway No 7) to the north and the west. |

Eligible Property Type

Eligible affordable housing projects include, but are not limited to:

- Mixed-income;
- Mixed-use;
- Mixed-tenure;
- Permanent housing (long-term tenancy, 12 months or more);
- Primary use as residential; and
- Single detached dwellings, standard multi-unit residential, single room occupancy and seniors' independent living housing (i.e., excluding the delivery of health care).

| Unit Type | Average Market Rents | Affordable Rents |
|----------------|----------------------|------------------|
| Bachelor Unit | \$ n/a | \$ n/a |
| 1-Bedroom Unit | \$ 889 | \$ 711 |
| 2-Bedroom Unit | \$ 1,175 | \$ 940 |
| 3-Bedroom Unit | \$ 1,227 | \$ 982 |

Figure 1. Oct. 2021 private apartment average market rents for Halifax Zone 7 (Dartmouth East) and example of affordable rents (80% of average market rent). Data Source: [CMHC](#). Proposals must reflect current market conditions with rental rates that are representative of the property location.

Eligible Applicants

Applicant must be, or partner with, a private company, non-profit society, charity, or housing cooperative registered and in good standing with Joint Stocks in any Canadian province or territory authorized to do business in Nova Scotia.

All types of operating models will be considered, including but not limited to:

- Indigenous governing bodies and organizations (off reserve)
- Community housing organizations
- Non-profit organizations (including co-ops)
- Private corporations

Cross-sectoral partnerships are encouraged.

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 potential funding sources must be disclosed, together with details of the intended funding strategy and any supporting documentation.

Affordability: Designated affordable units must serve households in core housing need with rental rates established 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 Considerations: National Building Code minimum standards required. Priority will be given to projects incorporating Net-Zero energy performance targets by either:

1. Building to Net-Zero from the onset and including all the necessary energy modelling before and after construction to demonstrate that Net-Zero has been achieved. Or,
2. Building to Passive House Standards with the requirement of having the building Net-Zero ready, i.e. have the infrastructure for PVs to be added at a later date so that the energy consumed by the building is equal to the energy generated.

Accessibility Considerations: National Building Code minimum standards required. However, applicants are highly encouraged to integrate Barrier Free (BF) design requirements and Housing Nova Scotia Visitability Standards within a minimum number of units in their project, found here: https://housing.novascotia.ca/sites/default/files/HNS_Visitability_Requirements.pdf

Property Management: Applicants must have a minimum of five (5) years' property management experience. In lieu of property management experience, applicants may hire or partner with a professional third-party property management firm approved by DMAH. Experience in affordable housing property management is an asset.

Real Estate Development Experience: Applicants must have successfully completed a similar project on time and within budget. Alternatively, applicants may hire or partner with a third-party developer, approved by DMAH, who has experience building similar projects.

Equity Contribution: Applicants with sufficient assets to contribute a reasonable equity component to support the proposed development and who have a demonstrated ability to accommodate unexpected increases in construction costs will be given priority. A reasonable minimum equity contribution is typically equivalent to twenty percent (20%) of the proposed project's eligible capital development costs, including land. A five (5%) equity contribution may be considered for community housing and non-profits. Where the land for this project is being contributed by DMAH, flexibility will be considered when assessing the applicant's equity contribution.



This PON is available to projects that meet and/or exceed the minimum requirements. Verification of project details and evaluation will determine whether a project is selected. Simply meeting the minimum requirements will not guarantee that a proposal will be selected. Applicants are responsible to provide sufficient documentation that will verify compliance with the eligibility requirements.

Proposals received during the submission period will be ranked in comparison to other concurrent proposals based on the project's overall suitability. More specifically, the following criteria will be used to evaluate, rank, and determine a proposals overall strength and level of project suitability:



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 (MPS policies, environmental, site constraints etc.)? Is the project aligned with the recommendations of the Affordable Housing Commission, the objectives of the National Housing Strategy, the Nova Scotia environmental and accessibility targets, or other government priorities?



Scale

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



Project Stage & Timeline

How rapidly does the proposed timeline bring new affordable housing to market? How realistic is the proposed timeline?



Ability to Deliver

Can the main applicant and its partners deliver the project as per timeline? Overcome any unforeseen obstacles? Assemble proposed funding?



People Served

Does the project serve people who are part of specific vulnerable population? Any cultural community of significance? Any location of importance?

[Visit CMHC](#) for a definition of vulnerable populations.

DMAH will work in partnership with the successful applicant to complete any outstanding due diligence, which may include environmental site assessments, traffic impact studies and planning reviews. The successful applicant will be notified to discuss terms and conditions and any other requirements to move the project forward.

Note that DMAH will consider all proposals but is under no obligation to approve any application and move forward with the PON if, in DMAH's opinion, no suitable submissions are received.

Proposal Submission Requirements

Applicants can present their submission in the form and format of their choice. Proposals must be submitted in PDF to HousingLandPartnership@novascotia.ca on or before **December 9, 2022** at 5pm (AST). Submissions must be clear, concise and include the following sections:

1. Project Description:

Should include, but not limited to:

- a. Proposed approach – describe the project and explain what makes it different.
- b. Any partnership(s), including the names of key individuals and organizations.
- c. Total number of project units, including rental rates.
- d. Meeting or exceeding affordability, environmental, accessibility, etc. standards.
- e. Aligning with Nova Scotia Affordable Housing Commission recommendations, National Housing Strategy, or other provincial priorities (e.g. health, environment, economic growth, seniors).
- f. If early seed funding is required, what will it be used for? Have you also applied to CMHC or Housing Nova Scotia for other funding opportunities?

2. Applicant & Development Team:

Should highlight experience in real estate development and property management, with experience in managing affordable housing developments as an asset.

3. DMAH Contributed Site:

Describe how the proposed development concept is suitable for the land being contributed and identify the land ownership interest being requested for this project (leasehold, fee simple, or other) and provide all supporting rationale. Note that a lease arrangement is the preferred option.

4. Market Demand & People Served

5. Project Funding & Financing

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

- Drawings and site concept plan
- Proposed Project & Construction Schedule
- Construction Cost Estimates (Class D or higher)
- Details of Project Financing and Funding Strategy, together with potential Sources of Capital
- Operating Pro-Forma Statements

Letters of Reference can also be submitted to demonstrate your experience in delivery of similar projects.

INQUIRIES

Please direct questions about the opportunity up to 5 business days of deadline to:

housinglandpartnership@novascotia.ca

Answers that may have material impact on submissions will be compiled and answered online at the Housing Nova Scotia website. housing.novascotia.ca

Property Details



DISCLAIMER

The PON is a non-binding document. DMAH does not make any representation or provide any undertaking to prospective respondents other than to invite them to submit a proposal. This PON does not oblige DMAH to negotiate or execute an agreement with any prospective respondents, not to grant rights of any sort to any prospective respondents and, DMAH shall incur no liability to any prospective respondent as a result of responding this PON.

DMAH will not be liable for, nor will it reimburse any prospective respondent for costs incurred in the preparation, submission or presentation of any proposal, for interview or any other activity that may be requested as part of the PON process.