

APPENDIX A**LETTER OF COMMITTAL**

All Expressions Of Interest must include a letter of committal in the form below and a copy of a resolution by the Society's Board of Directors or Executive Committee authorizing approval of the submission.

Date: _____

BC Housing
601 – 4555 Kingsway
Burnaby BC V5H 4V8

Sample

Attention: Assistant Manager, Program Analysis

Re: Call for Expressions Of Interest

I, (name) am the (position) of (Society's full legal name), the proponent of the attached Submission. By a resolution passed by the Society's Board of Directors on (date), a copy of which is attached, I have the authority to make this Submission and bind and make representations for the Society. Through this Submission, we agree to all the terms and conditions of the call for Expressions Of Interest (the "EOI") and we agree to be bound by statements and representations made in this Submission.

We understand that our Submission is subject to the *Freedom of Information and Protection of Privacy Act* under which applicants can request that provincially-funded bodies such as BC Housing release information on the allocation of provincial funds. Records can be withheld if their disclosure would be harmful to the business interests of the provincial body or the party with which it is doing business; however, in the case of a dispute, the final decision is made by the Information and Privacy Commissioner.

We certify that neither the officers nor directors have any actual or potential conflict of interest between our interests and the interests of BC Housing under this EOI process. We acknowledge that if a conflict exists, BC Housing may, at its discretion, withhold consideration of our Submission. Further, we understand that the president of the Society will be required to execute a statutory declaration with respect to conflict of interest if our Society is asked to make a detailed proposal.

We authorize and consent to BC Housing receiving and exchanging with others, including credit bureaus, any references provided in the Submission, and with other persons with whom we have had dealings, credit and other information about us. We understand that such information may be a factor in the decision of BC Housing to enter into agreements for this EOI.

Society's legal name: _____

Authorized Officer: _____ Date: _____

APPENDIX B

OPERATING BUDGET GUIDELINES

Operating Budget Principals

BC Housing will use the following principals in reviewing operating budgets:

Property management base budget: BC Housing will use its existing budget norms for assessing traditional property management positions (qualifications / remuneration) and standard costs (service contracts, maintenance) unless the Society makes a case for exceptions based on particular Project needs (see below).

Administrative costs: Management fees for administration which are based on a formula (e.g. a percentage based on the Project's gross budget and the Society's total budget) are not acceptable if they exceed typical property management costs for comparable housing projects.

Enhanced property management: A Society can propose property management functions / costs above BC Housing's norms for specific reasons. For example, a project may require more cleaning because of heavy traffic in amenity areas or more suite cleaning and painting because of higher turnover.

Enhanced site presence: A Society can propose an enhanced site presence because of the needs of the tenant population. This should be planned in relationship to the presence of other staff on site (administrative, maintenance or support service staff).

Multi-tasking and efficiency: When a staff presence is essential on site after normal working hours, job descriptions should include multitasking if possible. If a staff person needs to be on-call only, a resident janitor may be adequate and more cost-effective than a midnight shift worker. If "awake staff" is required, that person may perform cleaning or other tasks which do not require frequent interaction with other staff or tenants.

Non-professional staff: Professionals providing support services to the tenants should be funded by other agencies or may be staff directly employed by a partner (for example, a health authority). Non-professional roles which involve working with tenants will be considered in jobs funded through the BC Housing-supported operating budget, however, performing such roles should not constitute the primary tenant support service and should not require a professional credential.

Non-staff costs: Materials used in on-site activities with the tenants may be included in the BC Housing-supported operating budget but should not encourage tenant dependency. For example, therapeutic food preparation workshops should help tenants learn how to shop, to prepare food, and to work together but should not become a daily food service. Nor should the housing budget provide materials that professional staff routinely requires in the performance of their roles.

Operating Budget Guidelines

For the purposes of evaluating all proposals on a consistent basis, it is suggested that standard operating budget costs be used.

The operating budget should show all annual revenue and expenses.

Column A should be used to show all revenue related to housing (tenant rents and other operating subsidies) and all expenses.

Column B should show under “Revenue, Other funding” the funding the Society has for managing operating shortfalls, or the delivery of the support services. Similarly, column B should show that portion expenses which will be off-set by any additional funding.

The Housing and Administration categories are fairly standard categories. BC Housing has cost guidelines used to review budgets in the Manageable (discretionary) budget categories which are listed below. If the proposal is for a supportive housing project, Column B should show Administrative costs for any support services.

Operating Budget Cost Guidelines

1. Manageable costs include administration and maintenance costs. The standard is \$213 per unit per month.
2. Non-discretionary costs include things like utilities and taxes which are largely beyond the control of the Society. Please estimate non-discretionary expenses based on the best information available (costs in comparable buildings, if possible.) Reasonable amounts will be jointly agreed to when determining BC Housing’s initial subsidy and adjusted when actual costs become known in the first year of operations.

Interest Rate Assumptions

For projects which will complete before March 31, 2008, assume an interest rate of 6.8% amortized over 35 years for new construction and 25 years for renovation or conversion projects.

These rates are for the purpose of comparing submissions and should not be altered.

Support Services Categories

The expense categories for **Support Services: Staff** and **Support Services: Non-Staff** will be specific to each Project and must be clearly defined and consistent with **Description of Target Population and Operating Plan** in terms of job titles and staffing schedule.

APPENDIX C

CAPITAL BUDGET COMPLETION GUIDELINES

Project Name

Provide if Project name selected.

Society

Fill in Society's full name as shown on its Certificate of Incorporation.

Project Address

Fill in the proposed site and civic address if established.

Registered Charitable Status

Please provide the Society's registered charity number if it is a registered charity under the *Income Tax Act*. Check the "not applicable" box if the Society is not a registered charity.

GST Registration

Please provide the Society's GST registration number.

Budget Notes

The following notes indicate what to include in each of the 13 major budget categories. Societies are encouraged to provide a breakdown for each category, if that is available, and to give the basis for estimates.

1. Appraisals / Studies

Include all appraisals and related disbursements – both pre-purchase appraisals and feasibility studies.

2. Acquisition & Servicing Costs**• Freehold Land Value to be entered**

- If the proposed site is now owned outright by the Society, enter the freehold market value of the site. The value of the write-down or donation of the land should be entered under Deductions.
- If the proposed site is to be purchased by the Society, enter the total freehold value of the property. If the purchase price is less than the appraised freehold value, enter the difference between the price and the value under Deductions.
- If the proposed site is to be owned by another public body or a non-profit organization and leased to the Society, enter the freehold land value and under "Land Equity" enter the difference between the site's freehold value and any prepaid lease rent.

• Off-Site Service Fees

- Costs for the extension of municipal services (storm sewer, sanitary sewer, water) to the property line of the site.

• Demolition costs

3. Municipal services

Building and development permits, development cost charges (DCCs) including regional district charges, any OCP, subdivision or rezoning application fees, municipal connection fees (on-site service fees).

4. Utility fees

All non-municipal utility connection fees – hydro electric, gas, cable television, telephone.

5. Design consultants

All design consultant fees and disbursements usually provided through the prime design consultant.

6. Consultants

The project manager / development consultant fee and disbursements plus other consultant expenses contracted directly by the Society, for example, for geo-technical and environment reports, site surveys including topographical, cost consultants, arborists, fire safety plans, maintenance and renewal plans. Allow \$15,000 for BC Housing's inspector. On-site managers should be counted under **Item 9. Construction**.

7. Miscellaneous soft costs

Property Transfer Tax, course of construction insurance, security during construction, utilities pre-Interest Adjustment Date, society organization expenses, GST (self supply or non-self supply), society and BC Housing's legal fees, title fees.

PTT for the transfer of title is calculated at the rate of 1% of the first \$200,000 of the market value of the property plus 2% of the balance. Societies registered as charitable organizations under the federal *Income Tax Act* are exempt from PTT. The charitable status *must* be in place at the time of registration.

8. Borrowing costs

Interim financing during construction (interest pre-Interest Adjustment Date), loan administration fee (1% of BC Housing capital contribution either through mortgage subsidy and / or a forgivable loan), loan commitment fee of \$2000, and mortgage insurance fee of \$75 per unit up to a maximum of \$5000. For interim construction financing in 2007, use an Interest Rate of 4.25%. For the interim construction financing in 2008, use an Interest Rate of 5.1%.

9. Construction

All construction, appliances, equipment, common area furnishings, landscaping, and building warranty costs. If a construction manager or on-site project manager is used, that cost should be included here.

10. Building start-up

Any start-up costs which are going to be capitalized.

11. Contingencies

Allow a contingency of 1% for a design-build, 3% for a design-tender and a minimum of 5% for construction management.

12. Total Capital Budget

Total items I to 11.

13. Deductions

Itemize all equity provided by the society and its community partners, including free or discounted land, relief from municipal or regional development levies, grants from other levels or agencies of government, foundations, etc.

Net Capital Budget

The "total capital budget" minus all deductions.

APPENDIX D**RENOVATION OR CONVERSION PROJECT DESCRIPTION**

Projects that do not require the alteration of units or additions to the building footprint are asked to submit as-built drawings of the existing building, if available. Similarly, please submit a "building conditions report" if one has been done by qualified professionals.

Renovation and conversion projects must also provide the following summary information.

1. Current use of the building: _____

2. If the building is now occupied as housing, please submit a strategy for achieving vacant possession.

3. If the building was funded through a past government program for social housing, health, or other purposes, please specify the program, whether an operating subsidy is being received and whether there is still an operating agreement in place:

4. If there is an outstanding mortgage on the existing project, please provide the following information:

Balance owing: _____

Lender: _____

Interest rate: _____

Monthly payment: _____

Expiry of the present term: _____

5. Year building constructed: _____

6. Construction Type:

- Wood Frame Concrete Block Concrete
 Structural Steel Steel Studs

7. Number of existing dwelling units _____

8. No. of storeys: _____ Basement: Yes No
9. Gross floor area (GFA) of building: _____sq. ft.
10. No. of elevators: _____
11. No. of underground parking stalls: _____ No. of surface stalls: _____
12. Describe heating and ventilation systems: _____
13. Fire suppression sprinkler system: Yes No
14. List indoor/outdoor on-site amenities: _____

15. Please indicate below which building components will require upgrading.

Building Component	Year of Last Upgrade	Upgrade Required (y/n)	Comments
Roof			
Windows			
External wall finishes			
Seismic/structural			
Boiler (heating)			
Heat distribution piping			
Radiators			
Domestic hot water tank			
Domestic water piping			
Plumbing fixtures			
Electrical distribution			
Electrical fixtures			
Floor finishes			
Cabinetry			
Appliances			
Other			

APPENDIX E

EVALUATION CRITERIA

EOI Submissions must pass in each of the three general categories to be considered for a Provisional Project Approval. The pass score is 15% in each of the Society and Operating Plan categories and 20% in the Housing Plan category.

An EOI Submission may fail, regardless of its overall score, under the following circumstances:

- if in the judgement of BC Housing, the proposed Site does not present a “mortgageable interest,” exhibits signs of serious environmental or geo-technical problems, or in other ways seriously compromises the probability of successful completion and/or operation.
- if in the judgement of BC Housing, the Operating budget cannot be sustained within the constraints of the overall AHJ budget.

Category	Value (category)
Society:	30%
• Director/senior staff experience	
• Corporate experience	
• Financial management experience	
• Development team	
Pass / Fail	
Operating Plan:	30%
• Tenant need indicators	
• Support services	
• Staff plan	
• Operating budget	
• Operating partnerships	
Pass / Fail	
Housing Plan:	40%
• Site	
• Housing concept	
• Capital budget	
• Equity support	
• Schedule	
Pass / Fail	