



BC Housing

PROVINCIAL HOMELESSNESS INITIATIVE

**Province-wide
Call for Expressions of Interest**

October 2006

BC HOUSING

Expressions of Interest PHI-EOI-#04

October 3, 2006

Closing Date and Time:

Proposals must be received by **2:00 p.m.** Pacific Savings Time on
Tuesday, November 7, 2006

Closing Location:

BC Housing
Attention: Manager, Program Development
EOI for *Provincial Homelessness Initiative* PHI-EOI-#04
Suite 601 - 4555 Kingsway
Burnaby BC V5H 4V8

Contact:

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I. INTRODUCTION

Housing Matters BC, British Columbia's comprehensive housing strategy announced October 3, 2006, includes a supportive housing component to address the problem of homelessness across the province.

Referred to as the *Provincial Homelessness Initiative* ("PHI"), this component of *Housing Matters BC* is an outcome of the Premier's Task Force on Homelessness, Mental Health and Addictions (the "Task Force"). The Task Force, formed in September 2004, engaged the mayors of seven large municipalities in a concerted effort to identify ways to attack the roots of homelessness.

1. Objectives

The objectives identified by the Task Force which are incorporated into PHI are:

- as the prime objective, to break the cycle of homelessness and ultimately connect people with appropriate, stable long-term housing;
- to use identified "best practices" in meeting the prime objective;
- to employ social inclusion and individual case management in identifying the support services which need to accompany housing for homeless persons;
- to seek cross-government integration and innovation in service delivery;
- to engage communities and respond to local community needs.

As a result of the Task Force's work, the following projects to alleviate homelessness were supported in 2004 and 2005:

City of Vancouver	200 units	housing for homeless individuals and families in the Woodward's redevelopment
City of Vancouver	92 units	supportive housing for persons with mental illnesses and addictions
Surrey	64 units	supportive housing for those recovering from alcohol and drug addictions
New Westminster	36 units	housing persons at risk of homelessness
Victoria	45 units	supportive housing in conjunction with emergency shelter
Nanaimo	45 units	supportive housing in conjunction with emergency shelter
Kelowna	30 units	supportive housing for persons with mental illnesses and addictions
Kelowna	162 units	replacement of an emergency shelter with some supportive housing planned
Prince George	30 units	supportive housing for persons with mental illnesses and addictions
Prince George	20 units	supportive housing for youth at risk
Fort St. John	20 units	emergency shelter
Terrace	18 units	supportive housing for women and children fleeing abuse

2. Call for Expressions Of Interest

With the *Provincial Homelessness Initiative* funding announced in *Housing Matters BC*, 450 new units will be developed across the province. Priority will be given for projects in communities not served in the initial PHI funding.

The purpose of this document is to invite non-profit societies to submit an Expression Of Interest (the “EOI submission”) to develop supportive housing (the “Project”). The information below is provided to help societies and their community partners understand the opportunities presented by the new funding and to help them make an EOI submission that meets PHI requirements.

EOI submissions must be received by 2:00 p.m. Pacific Standard Time, Tuesday, November 7, 2006 to the following:

BC Housing
Attention: Manager, Program Development
EOI for *Provincial Homelessness Initiative*
Ste. 600 - 4555 Kingsway
Burnaby, BC V5H 4V8

Four copies of each submission must be submitted, three bound and one in unbound form to facilitate easy reproduction. All four copies should be submitted in one package clearly addressed. See **Section VI. Mandatory EOI Requirements** below.

II. PROVINCIAL HOMELESSNESS INITIATIVE DESCRIPTION

The *Provincial Homelessness Initiative* strategy is to break the cycle of homelessness through the provision and integration of longer stay housing with on-site or off-site support services.

Longer stay supportive housing, sometimes called transitional or second stage housing, is focused on helping tenants move towards independence and self-sufficiency. The provision of appropriate support services in conjunction with the housing helps tenants address issues which have contributed to their homelessness.

Supportive housing contrasts with emergency shelter accommodation which addresses an immediate symptom but does not confront causes or offer solutions.

1. Tenant profile

The tenant profile for PHI projects is as broad as that for those who are homeless or chronically at risk of homelessness. Target tenants may have addictions, mental illnesses or concurrent disorders. They may be women and children or youth fleeing abuse or dealing with its aftermath.

The tenants whom a society wants to house and support should be a recognized priority in the host community.

2. Eligible projects

Non-profit societies should propose Projects for PHI funding which incorporate:

- self-contained rental housing;
- a target population which is homeless or at-risk of homelessness; and
- clear plan for appropriate support services provided on or off site.

Support services can be made available to tenants by facilitating access to existing community resources or through operating or financial partnerships which create new support resources.

Projects may involve the following:

- new construction;
- renovation of existing housing, or
- conversion of existing non-residential buildings to housing.

While the emphasis of PHI is longer stay housing, a limited number of emergency shelter beds in conjunction with housing units may be considered in special circumstances, particularly in smaller communities. Similarly, shared accommodation (group homes) may be considered when the target population is very small and self-contained housing is impractical.

3. Proposals in development

Since the public announcements in 2004 and 2005 of projects funded as a result of the Task Force, a number of societies have been working on proposals to address the needs in their communities in anticipation of more PHI funding. Many of them have identified their efforts to BC Housing and some of them will now be eligible for PHI funding.

Communities where BC Housing is aware of such initiatives include:

Fraser Region: Abbotsford, Burnaby, Hope, Langley, Maple Ridge, New Westminster, Surrey

Vancouver Coastal Region: North Vancouver, Richmond, Vancouver

Interior Region: Cranbrook, Kamloops, Kelowna, Penticton, Salmon Arm, Vernon

Vancouver Island Region: Duncan, Nanaimo, Salt Spring Island, Victoria

Northern Region: Fort Nelson, Smithers, Terrace

These potential submissions do not preclude other Projects being considered from those areas. BC Housing is interested in learning about all potential Projects with a view to supporting as many as possible now and identifying good opportunities for the future.

4. Evaluation and selection

EOI submissions will be evaluated by a BC Housing team, based on the information in the EOI submission corroborated as required and, potentially, through an interview with Society representatives.

Those societies demonstrating in their EOI Submissions the best potential for success will be given Provisional Project Approval (“PPA”) and asked to fully develop their proposals within a fixed timeframe. In the interest of achieving a reasonable distribution across the province, BC Housing reserves the right to limit the number of Projects which receive a PPA in any region.

The selection criteria are outlined in **Appendix F: Evaluation Criteria**.

Societies with submissions that are not selected yet show significant promise may be encouraged and assisted to continue work on their Projects for future consideration.

5. Assistance available

Typically, PHI Tenants will pay as monthly rent the shelter component of income assistance from the Ministry of Employment and Income Assistance which is \$325 for singles. The Society’s housing expenses, on the other hand, will comprise mortgage payments and operating costs for property management, building maintenance, insurance, taxes, and utilities.

BC Housing will bridge the gap between what the tenants pay and what the societies need to breakeven through assistance with capital costs and on-going operating funding.

As a National Housing Act lender, BC Housing can provide the following financing assistance:

- interim financing during construction at a preferential interest rate;
- mortgage insurance at a nominal cost through an agreement with Canada Mortgage and Housing Corporation;
- placement of the takeout mortgage upon construction completion with a private lender at rates which reflect the scale of BC Housing’s regular activity in the lending market; and
- amortization of loans over a 35 year period for new construction Projects.

BC Housing will execute with each successful society an operating agreement (the “Operating Agreement”) at final project approval (“Project Commitment”) which will establish the terms and conditions under which the society will receive a monthly subsidy to make up the difference between the Project’s recognized expenses and the rent revenue from tenants.

Major support services staffing costs should be funded from other sources; however, BC Housing will consider proposals where some “housing jobs” provide an enhanced site presence to allow professional support service staff to concentrate on specific tenant needs. See **Appendix B: Operating Budget Guidelines**.

6. Security for PHI Assistance

In return for its assistance, BC Housing will typically require the following security registered on title:

- a first mortgage securing the net capital cost;
- if BC Housing chooses to assist in the capital cost with a “forgivable loan” (a non-interest bearing capital contribution which is forgiven progressively over the life of the Project), a second mortgage may be required;
- a Section 219 restrictive covenant and Option To Purchase giving BC Housing the right to buy the Project if the Society changes the use without the agreement of BC Housing.

Because of BC Housing’s security requirements, the Society must have a mortgageable interest free and clear of any encumbrances or title defects which would prevent or invalidate any of the above.

7. Community Equity

The Society and its community partners are expected to contribute to the Project’s capital budget and identify economies in the Project’s operating costs.

This Society/community equity may take various forms including:

- land provided at no cost to the Project, contributed by the Society directly or from a third party, such as a municipality or foundation;
- relief from municipal development levies or off-site services charges;
- cash equity raised by the Society through direct fund-raising or conditional grants from private donors or foundations; and
- the net value of the base building in a renovation/conversion Project.

Operating economies or contributions toward cost reductions could include:

- exemption from property taxes; and
- direct fund-raising annually from private donors.

8. Services Delivery Partnerships

One of the objectives of PHI is to encourage cross-government integration and innovation in service delivery.

This aim stems from the widespread concern that many of the homeless are unaware of existing programs intended to assist them and many programs would be more effective if they were co-ordinated with the delivery of housing to the homeless.

Partnerships / service delivery innovations which would benefit PHI Projects include:

- new housing to complement services already being delivered by the proponent Society to an at-risk or homeless target group;
- new housing whose tenants will have access to appropriate existing support services (either on- or off-site) facilitated through a formal arrangement between the proponent Society and one or more other service delivery agencies;
- new housing resulting from PHI funding complemented with a new commitment of funding from a confirmed source for services specifically for the tenants of the Project.

An EOI submission must outline the services and the delivery strategy (including funding) which the Society believes necessary for its intended tenants. The onus is on the Society to develop a realistic and stable service delivery plan and confirmation of the necessary funding will be an evaluation criterion.

To facilitate funding and operating partnerships, BC Housing has invited the regional health authorities to make known their interest in partnerships with potential PHI supportive housing operators. Societies are encouraged to refer to **Appendix G: Health Authority Interest in PHI Partnerships**.

III. FUNDING ALLOCATION PROCESS

The allocation process has three formal stages:

- **EOI Stage.** In response to the Call for Expressions Of Interest, interested societies develop their EOI submissions in accordance with the requirements outlined in this document.

BC Housing will evaluate the EOI Submissions received. Societies with the most promising submissions will be given Provisional Project Approval (“PPA”) and asked to develop their proposals fully. The terms of the PPA will be set out in an agreement specifying what the Society must do to achieve final approval.

- **Proposal Development Stage.** The societies which have been given PPA must achieve the PPA conditions within a set timeline. Typically, this will involve securing all municipal approvals, completing building plans (new construction or renovation), confirming capital costs, agreeing to an operating budget, and completing a service delivery plan.
- **Project Commitment Stage.** BC Housing will work with the Society throughout the proposal development stage as it works through its PPA conditions. The goal is to confirm that the potential in the EOI submissions has been realized with respect to the quality and cost of both the housing and support service delivery plan. If the Society has a service delivery funding partner, that party will also have to reconfirm its support at this time.

When all PPA conditions have been met, BC Housing makes the formal decision to commit funding to complete the Project and enters into the necessary agreements with the society. Upon that decision and the execution of the necessary agreements, the Project can begin construction.

1. Expression of Interest Submissions

The objective of the EOI is to elicit basic information about each Society and its Project to provide a sufficient basis for determining probable success.

The information sought for evaluation purposes falls into the following categories.

- the Society's capacity (governance and experience);
- the supportive services and operating plan in relation to the target population; and
- the housing plan.

The EOI Submission format below is intended to elicit from societies information which demonstrates their preparedness and highlights factors which tend to indicate the success of their Projects. EOI Submissions must follow the order specified in the Submission Format.

2. Proposal Development Stage

Once a Society has been given a PPA, BC Housing will make available sufficient Proposal Development Funding ("PDF") to help societies pay their direct expenses to fully develop their submission. Typical expenses include the following:

- project management fees up to construction or renovation start;
- design fees when the consultants are retained directly by the Society;
- Society legal fees;
- environmental and geo-technical reports when the Society controls the site; and
- such other costs as are agreed to and approved by BC Housing.

3. Design Considerations

Ideally, units should be self-contained compact apartments. Where the tenant profile includes families (e.g. women and their children fleeing abuse or otherwise at risk), larger units would be required.

Societies should consider the following in their design considerations:

- The prime objective is to prepare people to live independently which usually means in an apartment, not group living.
- Every Project must begin occupancy at a reasonable physical standard. Significant unanticipated capital improvements cannot be funded from annual maintenance budgets.
- Needs change within communities over the years. Any Project of significant size should be easily adapted to other housing uses (for example, from supportive housing to regular rental housing.)
- Because assistance flows over the life of the Operating Agreement, attention should be paid to longer term operating costs as well as initial capital costs.
- Conversion of older buildings may be more expensive than anticipated, particularly if the removal of hazardous materials (asbestos) or building code upgrades become necessary.

Those societies which want to include within their Project special features beyond what is essential to serve the tenants will be expected to assume the extra costs – capital and operating - to the Project.

IV. MANDATORY EOI REQUIREMENTS

All EOI submissions must meet the following requirements:

1. The proponent must be a non-profit society (individually or working in partnership).
2. The proposal must be to develop and operate supportive housing for those who are homeless or at risk of homelessness.
3. The submission package must be received by the deadline at the address below:

2:00 p.m. Pacific Standard Time, Tuesday, November 7, 2006
BC Housing
Attention: Manager, Program Development
EOI for *Provincial Homelessness Initiative* PHI-EOI-#04
600 – 4555 Kingsway
Burnaby BC V5H 4V8

4. The submission package must include four copies of the submission – three bound and one in a loose form for easy copying.
5. Two sets of drawings must be submitted (if drawings are part of the submission).
6. The submission must follow the order outlined in the EOI Submission Format. When using a format contained in an appendix, insert it where it should be in the text, not as an appendix.
7. The submission must contain a Letter of Committal in the form provided and executed by a person able to commit the Society.

Note: BC Housing reserves the right at its sole discretion to cancel this EOI and not to award a contract to any of the Societies which respond. Societies are solely responsible for their own costs and expenses in preparing and presenting their submissions and for subsequent negotiations with BC Housing, if any. BC Housing is not liable to pay such costs and expenses nor to reimburse or compensate a Society under any circumstances.

V. QUESTIONS AND ADDITIONAL INFORMATION

Questions of clarification should be submitted in writing and directed to Ashley Chester, Manager, Program Development, by e-mail to achester@bchousing.org or by facsimile to 604-439-4726. Questions and answers will be posted weekly to the *Provincial Homelessness Initiative* web page at

www.bchousing.org/programs/proposals/bc_wide

Provincial Homelessness Initiative Design Guidelines and Construction Standards are available on BC Housing's website at

www.bchousing.org/programs/homelessness/guidelines

BC Housing's standard Section 219 Covenant and Option To Purchase can also be viewed at

www.bchousing.org/programs/homelessness/guidelines