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# RFP# 1070-1819/014

## New Rental Housing Units Under the Building BC: Indigenous Housing Fund

**Submission Date: 05 October 2018 @ 2:00 P.M. PST**

**ADDENDUM NO: 3 of 3**

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### Questions & Answers:

Q. We are currently working with a building owner to purchase a commercial property in a downtown site for conversion to affordable housing, and I'm wondering if you would consider a notarized offer to purchase subject to financing (i.e. successful Indigenous Housing Fund application) to demonstrate a mortgageable ownership interest?

A. Yes.

Q. I would like to clarify something if possible about the Indigenous Housing Fund. Often project funding is parsed out in phases such (i.e. feasibility, pre-design, design, construction), but in this case it seems that any planning related work would be part of a whole project which gets the applicant from pre-design to operation. Am I understanding correctly? If there were planning work to do (to figure out cost estimates for servicing for example, the size and type of project) this would be part of the whole project?

The proponent is responsible for any costs associated with creating and submitting their proposal. BC Housing does not provide funding to create the proposal. If a project is selected to move forward a BC Housing Development Manager will work with the Proponent to assess and refine aspects of their proposal, including finalizing the construction and take-out financing requests.

Q. Could you clarify what a “35-year forgivable mortgage” means when it comes to the Capital Grant of \$200,000/housing unit?

A. Capital grants are secured by a 35-year forgivable mortgage registered on title where the mortgage is forgiven over the 35-year term (typically 1/25<sup>th</sup> per year starting in the 11<sup>th</sup> year) so that by the end of the term the balance is zero. No repayments are required towards a forgivable mortgage unless the borrower defaults (e.g. fails to comply with Operating Agreement).

Q. Is the interim construction which covers up to 100% of construction costs a loan? If so, what time period would it be repayable in?

A. The interim construction financing is a demand loan that is repayable at completion of the project. However, BC Housing will arrange for the payout of this loan via a CMHC-insured take-out loan with a 35-year amortization.

Q. Is there a copy of the “BC Housing standard mortgage package” mentioned in the RFP that you would be able to provide to us?

A. This information is not typically provided within an RFP but can be provided upon request.

Q. Does the clause regarding “Section 219 Covenants and Option for Purchasing being registered against the title” apply to on reserve land?

A. Yes, however any specific concerns or issues will be reviewed in each case.

Q. Is Treaty Nations considered off-reserve, we still haven’t started the taxation process yet? But it will kick in before the 10-year period is over.

A. Treaty Nations are considered off-reserve

Q. What is we don’t have a subdivision to build on for this fiscal year?

A. Please apply in a future year when you have available land.

Q. If we stop the process this fiscal year, will that hurt our chances for next year? Can we use the application for next fiscal year with date changes?

A. Please submit a proposal only when you can meet all criteria listed within the RFP. Incomplete submissions will not be evaluated.

Q. For the calculations of RGI rents, we have read through the January 2018 “Rent Calculation Guide” and noticed that the calculations require that we know the household composition and their income to calculate the rents. How would we go about determining a “conservative estimate”, as noted in the RFP, if we do not know these factors?

A. You can use the estimates suggested in the RFP or base it on other housing projects you currently operate and the types of clients housed.

Q. For determining HILs for the area, with regards to on-reserve towns (which are not noted on the tables provided), would we use the “non-market housing” prices or estimate based on the closest area provided by the table?

A. Yes, the non-market area income limits will apply for eligibility purposes.

Q. Would you be able to clarify whether social equity components can receive separate funding? Is it only the residential portion that cannot receive funding other than the Indigenous Housing Fund?

A. Building BC Funding only applies to the housing units.

Q. In appendix B, an excel spreadsheet named “Capital Cost Framework” was specified. Is this spreadsheet also required to be submitted with the proposal?

A. Yes.

Q. Also, how does the portion that requires the use of “JEDI job codes” work? When any of these codes are typed in, it simply makes that code a dollar amount and, if that is how it is supposed to work, what do you do if you require the use of more than one code per cell?

A. Please ignore this portion of the spreadsheet, it is not required.

Q. Is there a possibility to ask more general questions regarding how to use the excel spreadsheets and organization of the proposal after the August 20<sup>th</sup> deadline?

A. Yes

**END OF ADDENDUM**