

# ADDENDUM #3

## July 21, 2020

### RFP 1070-2021/28

### BC Building: CHF

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## RFP Amendments

Herewith the Section 3.5.6 Sustainability (5%), Sub-section 1. Design and Construction of the RFP is amended to read as:

“Provide details on any innovative construction methods or design elements that would be **incorporated to lessen the project’s environmental impact**. Projects must be in compliance with BC Housing 2019 Design Guidelines and Construction Standards and subsequent Technical Bulletin No.1-2020 posted on BC Housing website at [http://www.bchousing.org/Partners/Standards\\_Procurement](http://www.bchousing.org/Partners/Standards_Procurement)”

## Questions and Answers

1. **DEVELOPMENT STRATEGIES:** Are single family dwellings or duplexes eligible building types for your funds?

*Answer: No, the program is designed for multi-unit developments.*

2. **DEVELOPMENT STRATEGIES:** In the RFP in the “Construction Ready” section (3.5.1.3), it states that “building permit could be submitted and/or ready for submission within 3 months”. Can you please clarify what the 3 months is from? Is the 3 months from the submission deadline, or when funding is approved?

Can you also please clarify how long the evaluation process is expected to take for both the September 4th process and the January 15th process. i.e. how long after the deadline will proponents hear if they are successful?

*Answer: Within 3 months of submission.*

*BC Housing will endeavor to complete the evaluation process as quickly as possible. For comparison, during the 2018 CHF proposal call submissions were due in September 2018 and award letters were issued in November 2018.*

3. **DEVELOPMENT STRATEGIES:** Kiwanis North Shore Housing Society [Our Society] is currently building a low-income seniors housing project in North Vancouver as part of the last CHF program in 2018. We are interested in submitting an application for a low-income family project for the current RFP, but our current project has used up most of our capital. Is it possible to submit a proposal that would include a BC Housing operating subsidy in order to increase the mortgage and thereby reduce the equity component? And if so, how can I determine the potential subsidy amount. Thank you for your assistance.?

*Answer: While it is strongly suggested, it is not a requirement for applicants to bring equity to their projects. In this example, it is at the Society's discretion to determine an appropriate equity injection for their project.*

4. **DEVELOPMENT STRATEGIES:** If we don't have our project shovel ready for the Sept submission deadline, will we be given priority on the January submission if we are shovel ready by then?

*Answer: All projects submitted for the January deadline will be given equal priority.*

5. **DEVELOPMENT STRATEGIES:** We have a question as to how detailed the Schematic Drawings need to be: i.e. do they need to include sub-consultant work such as the Mechanical and Electrical Engineers.

Any additional comments you may wish to offer in regard to Preliminary drawing requirements would be appreciated.

*Answer: there is no requirement as to how detailed drawings need to be. It is important to ensure that the consultants have provided sufficient detail in their drawings to convey the scope, scale and design objectives for the project.*

6. **DEVELOPMENT STRATEGIES:** We understand that the September deadline is for Construction Ready Projects. We notice that in the capital budget template, there are line items for pre-construction costs such as need/demand assessments and land acquisition. As a result, are January submission also required to be Construction Ready, or are projects that may be in earlier development stages also eligible for this funding?

If so, would a site assessment or land acquisition strategy also be items that this project could provide funding for, or are there other known funds that may be able to provide support for these activities?

*Answer: Projects submitted in January do not need to meet the “shovel ready” criteria. The capital budget template includes many line items, some of which may not be applicable for every project. It is at the applicant’s discretion to use the capital budget line items as needed. If an applicant has incurred project costs prior to submitting for the RFP, and they are successful in their application, a review of these costs would be completed as part of the project kick-off process and pdf funding may be provided to recoup these costs.*

7. **DEVELOPMENT STRATEGIES:** Will there be an equal amount of units allocated for phase 1 and phase 2 of the RFP?

*Answer: No, it will not be equal.*

8. **DEVELOPMENT STRATEGIES:** If the Society has a contract in place for Development consulting services, will they be required to use the one in the RFP or is this a suggested contract?

*Answer: In order to be eligible for CHF funding, the Society and Development Consultant will need to use the consulting services contract referenced in the RFP.*

9. **DEVELOPMENT STRATEGIES:** Do we have to use the development consultant contract template issued by BC Housing or can we use an existing template we already have in place?

*Answer: In order to be eligible for CHF funding, the Society and Development Consultant will need to use the consulting services contract referenced in the RFP.*

10. **DEVELOPMENT STRATEGIES:** Is there an estimated date for announcement of successful projects? We would like to include that information in the schedule we present.

*Answer: BC Housing will endeavor to complete the evaluation process as quickly as possible. For comparison, during the 2018 CHF proposal call submissions were due in September 2018 and award letters were issued in November 2018.*

11. **DEVELOPMENT STRATEGIES:** Does BC Housing have a recommended monthly rate of escalation for projects?

*Answer: We would suggest you seek guidance from BC Housing’s target cost framework and/or advise from your local Quantity Surveyor or Contractor.*

12. **DEVELOPMENT STRATEGIES:** To improve timing and keeping to schedules, can a small PDF be made available at the launch meeting so that Proponents can get going on their projects? Can you clarify how soon after the launch meeting PDF will be made available to Proponents?

*Answer: PDF funding will be made available to successful applicants. The PDF funding is subject to BC Housing Executive Committee's approval as outlined in page 4 of the RFP document.*

13. **DEVELOPMENT STRATEGIES:** Is there a BCH GL code for an Energy Model and Commissioning Consultant? Can it get added to the capital budget template?

*Answer: Yes, please use the appropriate budget line item in the capital budget template.*

14. **DEVELOPMENT STRATEGIES:** In the definition of construction ready projects, there is 20 months to occupancy clause. It is the case that many larger projects may be construction ready but have a longer construction duration than 20 months. Is this negotiable?

*Answer: No.*

15. **DEVELOPMENT STRATEGIES:** If a proposal is submitted in September but not considered by BC Housing to be Construction Ready, will it automatically be rolled over to the January 15 submission round or will the proposal need to be resubmitted?

And if a proposal is submitted in September but not considered until January can updates be made to the proposal? Should a supplement be provided, or should proponents consider a full resubmission?

*Answer: The applicant will have to resubmit. Applicants can revise their submission, but they will not receive feedback from BC Housing with respect to their September submission.*

16. **DEVELOPMENT STRATEGIES:** BC Housing has a recommended development consultant agreement included in this RFP, however, in a situation where a society and a development consultant have a pre-existing development contract in place (some of which may have been in place for years), should we provide the existing contract, which supersedes this creation of this new standard contract, with the submission?

*Answer: In order to be eligible for CHF funding, the Society and Development Consultant will need to use the consulting services contract referenced in the RFP.*

17. **DEVELOPMENT STRATEGIES:** How does BC Housing recommend approaching societies who are risk averse and do not want to sign the BC Housing recommended development consultant agreement for the full amount required without confirmation of project funding? Can we include an intent to sign a development consulting agreement pending confirmed funding?

*Answer: Yes, Societies and Development Consultants could sign service contracts on the condition of funding.*

18. **DEVELOPMENT STRATEGIES:** Have BC Housing and CMHC aligned their approvals processes? If projects continue to require negotiating specific solutions between these two major funders, timelines will be extended, and fees will be increased to deal with the additional energy required to align these two processes.

*Answer: BC Housing and CMHC work closely to support the development of affordable housing projects in British Columbia.*

19. **DEVELOPMENT STRATEGIES:** Will grant dollars flow at the start of construction or at the end (in order to calculate interest correctly)? Will there be interest charged on PDF?

*Answer: Please assume grant funding would be injected into the project before interest bearing financing is utilized.*

20. **DEVELOPMENT STRATEGIES:** Is student housing be eligible under CHF?

*Answer: The CHF program targets housing for families and seniors.*

21. **DEVELOPMENT STRATEGIES:** Would patient lodging be eligible under CHF?

*Answer: The CHF program targets housing for families and seniors.*

22. **DEVELOPMENT STRATEGIES:** With respect to Community Housing Fund RFP#1070-2021/28, I understand that for the September 4th, 2020 submission deadline, projects need to be Construction Ready. Would you be so kind to advise the level that All Other Projects, targeting the January 15th, 2021 deadline need to achieve, particularly with respect to local government approvals. Specifically, what level of assurance with respect to the Local Government development approval process do proponents need to meet, in order to successfully apply ahead of the January 15th, 2021 deadline?

*Answer: There is no specific level of local government approvals required to submit for the January 2021 deadline.*

23. **DEVELOPMENT STRATEGIES:** Indigenous Housing was rolled into the Community Housing Fund, why and what implications will there be? Is there less dollars available now for Indigenous housing?

*Answer: Indigenous Housing projects were eligible to apply for the 2018 CHF funding call and are eligible to apply for the 2020 CHF funding call. The program includes capital grant funding, financing and mortgage subsidies to address the costs of the projects based on the program framework.*

24. **DEVELOPMENT STRATEGIES:** If BC Housing still requires an applicant to work with an independent Housing Consultant, does BC Housing have a list of approved consultants?  
*Answer: There is not a specific list of pre-approved development consultants. Please note BCNPHA has a list of Development Consultants on their website.*
25. **DEVELOPMENT STRATEGIES:** Proposal Evaluation – Regionally reviewed...is there an amount allocated to each region in BC?  
*Answer: The CHF program is open to projects in every region of the Province. Projects are awarded based on the evaluation criteria noted in the RFP.*
26. **DEVELOPMENT STRATEGIES:** Site zoned for development – how does this work on reserve?  
*Answer: Please explain the land use approvals process for the respective Nation in your submission. Then please describe whether the site aligns with the currently approved land use or if a change of land use is required.*
27. **DEVELOPMENT STRATEGIES:** Is there a specific development type or typical size of project (i.e. # of units) that BC Housing considers more? Is there a minimum or maximum number of units for the project?  
*Answer: No.*
28. **DEVELOPMENT STRATEGIES:** Amenities or services offered i.e. daycare, gathering area etc. Does BC Housing provide funding for this?  
*Answer: Projects with integrated non-residential uses can apply for the CHF program. However please describe the sources of funding for these non-residential uses as the CHF funding can only be applied to the eligible residential units and the associated circulation and amenity spaces associated with the eligible residential units.*
29. **DEVELOPMENT STRATEGIES:** Did the capital grants decrease? I thought last year it was up to \$200,000 per unit but this year it caps at \$150,000?  
*Answer: No, however the capital grant allocations have been adjusted based on the type of unit.*
30. **DEVELOPMENT STRATEGIES:** How many years will this program be available? Is there a limit to how many times a Nation can apply?  
*Answer: The CHF program is part of the Building BC Initiative. It is a 10-year program.*
31. **DEVELOPMENT STRATEGIES:** Can we apply for the federal housing subsidy for this construction as well?

*Answer: Yes*

32. **DEVELOPMENT STRATEGIES:** What if lot is not serviced, does BC Housing cover any costs towards servicing the lot?

*Answer: For most developments it is assumed municipal services are in place up to the property line. Project costs including onsite servicing should be included in the capital budget. Development cost charges that apply to the neighborhood or community service connections should be included in the capital budget.*

33. **DEVELOPMENT STRATEGIES:** We offer some rent-to-own housing, could this be considered for that or is it strictly band rentals for the life of the units?

*Answer: ownership of the units will need to be maintained by the applicant.*

34. **DEVELOPMENT STRATEGIES:** We are working with a nonprofit housing provider in Kamloops and have a question arising regarding the Shovel ready requirements, specifically around tenure of the property: “Given the property is to be stratified upon completion of the buildings, can we meet this criteria with a disclosure statement to the purchasers.” We are looking at a turnkey project under a design build approach.

*Answer: yes, disclosure statements with respect to stratification would meet the shovel ready criteria.*

35. **DEVELOPMENT STRATEGIES / OPERATIONS:** We have a few questions, included below, regarding the application and were directed to submit to you as part of the proposal process.

**DEVELOPMENT STRATEGIES:** Regarding construction firms, is it more advantageous to have selected one firm in advance of our submission to this RFP to include as part of the application? Or is it preferable that we have a shortlist of a few (2-3) firms?

**DEVELOPMENT STRATEGIES / OPERATIONS:** Given the RFP statement under 2.4.1 Note that “Proposals...must be independently financially viable and not contingent on cross-subsidy from other sources”, would securing funding from a municipality be a benefit or detriment to an applicant? Also, what level of confirmation of potential other funding sources would be required or expected as part of the application process?

*Answer: Construction procurement strategies are at the discretion of the applicant. However, BC Housing recommends the use of the Non-Profit Procurement Guidelines found among information links in the RFP, on BC Housing website and other materials published by BCNPHA.*

*Funding from municipalities would be a benefit to the project. Confirmation of funding would be helpful but not required.*

*Not contingent on cross subsidy from other sources means: the operations of the proposed project need to be independently financially viable and must not rely on operating revenue/subsidy from other existing buildings/projects (“cross subsidy”)*

36. **DEVELOPMENT STRATEGIES / PROGRAM PLANNING:** What, if any, is the relationship between CMHC and the CHF? Is there a specific contact person(s) to work with at CMHC regarding design and stacking funding?

*Answer: BC Housing and CMHC work closely to support the development of affordable housing projects in British Columbia. However, **there isn't a specific contact who works solely on CMHC/CHF projects.***

*CHF is a wholly provincial program. Proponents should contact CMHC (email: [ahc\\_bc@cmhc.ca](mailto:ahc_bc@cmhc.ca)) regarding complementary CMHC opportunities, including seed funding.*

37. **PROGRAM PLANNING / DEVELOPMENT STRATEGIES:** I am preparing a submission for this above noted RFP. I have a question regarding 2.4 Funding:

It states BC Housing can provide capital grants for

One bedroom - \$100,000

Two bedroom \$125,000

but there is no mention of one bedroom "Wheelchair accessible units."

Can you let me know if the capital contribution is different for wheelchair accessible units? I would expect it would be closer to the two-bedroom contribution as these units are typically quite a bit larger than a one-bedroom unit.

*Answer: Contributions for 1-bedroom units is \$100,000.*

*The grant amount is calculated based on the number of bedrooms in the unit, on the understanding that persons with disabilities are a priority group under this program. Accessible units should be factored into the proforma and rationale for requested operating subsidy, as needed*

38. **PROGRAM PLANNING / DEVELOPMENT STRATEGIES:** I'm wondering if you could clarify for me the eligibility for applicants to the Indigenous Housing Fund or the Community Housing Fund. On the Indigenous Housing Fund page you indicate that Indigenous orgs and First Nations are eligible to apply under both programs. You further indicate the following:

“Who should submit a project proposal?

Indigenous non-profit housing providers

First Nations

Metis Nation BC

and non-profit and for-profit developers who want to partner with Indigenous organizations and First Nations interested in creating new affordable rental housing units for Indigenous persons”

We are currently working as a consultant to a First Nation which is considering setting up a new housing authority. Can you please confirm whether there is any impact on eligibility based on whether they run housing as part of the First Nation government, set up as a non-profit society, a co-op, or a housing authority/agency? It doesn't seem like it from your website information, but we felt like it would be important to verify this with you first.

*Answer: There is no impact on eligibility for the program. For successful applicants, BC Housing will work with them to determine the best ownership structure for the stakeholders and project.*

*There is no requirement for a First Nation to establish a non-profit society or other entity in order to apply under this program. Any plans to establish a housing authority or society should be outlined in the submission*

39. **PROGRAM PLANNING / DEVELOPMENT STRATEGIES:** Deep subsidy

From the RFP and Website, it states:

Project proposals must reflect the following mix of rents and incomes within a single building:

- 30% Affordable housing (moderate income)
- 50% Rent geared to income (housing income limit)
- 20% Deep subsidy

New projects can be combined with an existing mixed-use site or existing housing if the new project is a separate and independently operating rental housing development

The question is: can we apply for funding for a portion of units within a single building OR must all the units in a single building be included? We are proposing to construct a 22-unit Senior's Apartments in Elkford, all within one building, however had intended to apply to the CHF for a portion of the units?

*Answer: Yes, you can apply for a portion of units within a single building, however you need to create separate legal parcels with mortgageable interests. This could be achieved through air space parceling or stratification of the portions of the building.*

*Mixed-use sites may be considered, if the new project is a separate and independently operating rental housing project. CHF projects must be legally and financially independent from any other projects in the building*

40. **PROGRAM PLANNING / DEVELOPMENT STRATEGIES:** For on-reserve projects, will a 49-year lease be acceptable? If so, can the operating agreement length be changed to 49 years to align with the leasehold agreement. The advantage is foregoing the requirement for a community referendum for a 60-year lease. For some 49-year leases, there is a possibility of extension for 11 years?

*Answer: On Nation projects should outline these types of details in the proposal, together with clear rationales.*

41. **DEVELOPMENT STRATEGIES / PROGRAM PLANNING:** Can we provide unconfirmed equity sources in our proposal such as pending municipal contributions etc.?

*Answer: Yes. If you can provide letter of support it will assist in the evaluation process*

42. **DEVELOPMENT STRATEGIES / PROGRAM PLANNING:** For CMHC projects, can we provide a standard email from CMHC confirming ongoing conversations as evidence of progress towards a funding commitment? A prioritization letter may be difficult to come by within the timelines, especially for Tranche 1?

*Answer: Yes.*

43. **PROGRAM PLANNING / DEVELOPMENT STRATEGIES:** Can the affordable market rent units be sold in order to provide an internal subsidy to the RGI and deep subsidy units?

*Answer: No, all of the units funded by CHF need to remain under the ownership of the applicant. CHF projects are intended to be 100% rental and subsidy is available to support the long-term provision of affordable rental housing.*

44. **PROGRAM PLANNING / DEVELOPMENT STRATEGIES:** How is the CHF different from the IHF?

*Answer: The IHF program has different capital grant contributions and rent metrics.*

*The programs have several key differences. For example, IHF projects are 100% RGI whereas CHF projects are mixed-income. Both programs are equally available to indigenous housing providers and First Nations.*

45. **PROGRAM PLANNING / DEVELOPMENT STRATEGIES:** Does this mean First Nations are competing with the general population – like urban housing societies who have been working with BC Housing for years?

*Answer: All submissions will be evaluated based on the same scoring criteria. Working with BC Housing is not a requirement to be eligible for the program.*

*All projects are assessed on their own merits. Non-profits and First Nations without prior experience working with BC Housing are all encouraged to apply.*

46. **DEVELOPMENT STRATEGIES / PROGRAM PLANNING:** Land tenure – fee simple, strata or lease in place...since this is reserve, it is band land. Do we need to provide BC housing with a lease for the land?

*Answer: BC Housing is not seeking a lease from the Nation, but rather we are asking for the applicant to confirm their tenure of the property.*

*Proponents must demonstrate that they have a mortgageable interest (such as a long-term lease). This lease does not have to be with BC Housing and should be with the entity applying for the program (proponent).*

47. **PROGRAM PLANNING / DEVELOPMENT STRATEGIES:** If you receive Predevelopment Funding from BC Housing (through other programs) are you exempt from applying to CHF, even if the organization realizes it better meets their affordability goals for the project later on?

How do you combine CHF with the Co-Investment fund? Is one able to keep the capital grant from CHF if construction funding is sought through Co-Investment?

If a project later chooses to pursue Co-Investment, will the project need to adhere to the affordability mix as outlined in CHF or Co-Investment?

Is the project eligible for capital grants and the operating subsidy, if it also pursues Co-Investment for the construction and take-out loan?

*Answer: Organizations who have received PDF funding or funding through other programs are not excluded from applying for the CHF program.*

*CHF and Co-investment funds can be stacked on a project; however, this will require negotiations of priority on property title.*

*Projects applying for CHF funding need to meet CHF affordability mixes.*

*Projects would not be precluded from applying for CHF if they also pursue CMHC Co-investment fund. Successful applicants will need to work with BC Housing and CMHC to ensure respective funding program requirements are met.*

*Opportunities to combine CHF with Co-Investment will be considered on a case by case basis, provided the project is able to comply with the requirements of both programs.*

48. **DEVELOPMENT STRATEGIES:** On Appendix C – Deductions – how do we document other grants outside of BCH?

*Answer: Grants outside of BC Housing can be added them to the deduction section under “Society Equity” or “Land Equity”.*

49. **DEVELOPMENT STRATEGIES:** If a building is located within a comprehensive development (that is on the same parcel of land as another affordable rental unit project, but contained wholly within a separate building) is the single building still eligible for CHF funding? Or will a subdivision be required?

*Answer: Yes, a separate building would be eligible, however you would need to establish a separation of title by way of an air space parcel or stratification. Subdivision could achieve this as well but is not required.*

50. **DEVELOPMENT STRATEGIES:** Will projects not be considered for funding if they do not meet step code 3? Would a commitment to a 10% decrease in energy efficiency and GHG emissions relative to other buildings constructed within the region be acceptable? In one instance, energy modelling has not been undertaken to date and municipal approvals are in place.

*Answer: Please reference the BC Housing Construction Guidelines. These guidelines call for step code 4 with a potential relaxation to step 3 for concrete towers.*



51. **OPERATIONS:** For 3.5.5 1. Provide details on how operations at the project will be managed once construction is complete including: Need and Demand analysis – can you provide more detail on what you are looking for?

*Answer: The Need and Demand analysis shall outline how the target population aligns with the proposal; need and demand in the community/area can influence unit size and family composition as well as number of units for the building, and with that the expected revenue and operating costs. Data may include Point in Time Counts, housing waitlists etc.*

52. **OPERATIONS:** Can you provide further detail and clarity about the expected content of the requested business continuity plan within the RFP? Are there key elements that must be touched upon? For example, are you looking for information related to COVID? Are you looking for information related to expanded operations or operations during a development (or many) project(s)?

*Answer: A Business Continuity Plan (BCP) outlines the processes and procedures in place to create a “system” of prevention and recovery in preparation for substantial business interruption. The goal is to secure ongoing operations before and during any kind of disaster and active disaster recovery.*

53. **OPERATIONS:** Is there a target or rule of thumb for operating subsidy amounts per unit?

*Answer: Annual operating subsidy will be based on the individual project, subject to the unit mix and other parameters described in the RFP. Higher priority will be given to projects/proposals that require low monthly subsidies*

54. **OPERATIONS:** Need to demonstrate community support...what kind of support? Do we need to show we spoke to our community and they support this type of project?

*Answer: Yes, higher priority will be given to proposals that can provide written proof of support for the proposal from various stakeholders, e.g. Municipality, City, Community, etc.*

55. **OPS / PROGRAM PLANNING:** Since it is a 60 year operating agreement, does BC Housing review the operating budget each year and adjust subsidy if needed?

*Answer: Yes correct; the budget will be reviewed/negotiated with your Non-Profit Portfolio Manager on an annual basis; final budget approval will be at the sole discretion of BC Housing. The approved budget will then establish the required subsidy level.*

*PROGRAM PLANNING: Operating Budgets are reviewed annually, as outlined in the sample Operating Agreement, Schedule B.*

56. **DEVELOPMENT STRATEGIES / OPERATIONS:** We have a few questions, included below, regarding the application and were directed to submit to you as part of the proposal process.

**OPERATIONS:** In section 3.5.1, within the chart labelled Rated Criteria Category, there is a line that says "Operations Planning, Capability, Capacity and Commitment to CAA, Financial Viability." What is CAA short for and what does a Commitment to CAA refer to?

*Answer: CAA stands for Coordinated Access and Assessment.*

*The proponents' commitment to participate in the CAA program to identify eligible tenants, based on their housing and support needs. This may include opportunities to transition individuals from supportive housing who no longer need supports.*

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57. **PROGRAM PLANNING / Funding:** Are you able to provide general guidelines for the lending criteria for financing?

*Answer: Some of BCH lending guidelines includes:*

*-minimum debt coverage ratio of 1.0 for subsidized projects*

*-maximum amortization period of 35 years*

*-provide financing up to 100% of BCH approved construction cost*

*-require satisfactory market appraisal report, site survey and clean environmental report, etc.*

58. **PROGRAM PLANNING / Funding:** Capital grant – secured by 35-year forgivable mortgage – what does that mean?

*Answer: BCH will register a forgivable mortgage against the mortgageable interest of the borrower in the land for a period of 35 years.*

*To secure the capital grants provided by BC Housing to the housing provider, a forgivable mortgage will be registered against the housing provider's interest in the project (e.g., registered on the certificate of title). This mortgage will be forgiven over a 35-year term, subject to the mortgage terms and conditions.*

59. **PROGRAM PLANNING / Funding:** Interim Construction/take out financing – covers up to 100% construction cost. What does that mean?

*Answer: Please have DAS to respond to this question. They will be able to define what is included in the "100% construction cost".*

60. What's the capital grant for?

*Answer: Capital grant is approved funds from BCH to assist the borrower in developing the project. The capital grant will be secured by the forgivable mortgage against the land. The capital grant will reduce the borrower's repayable takeout loan amount.*

61. Is the interim financing a loan?

*Answer: Yes, the interim financing is a loan comprising of both a repayable interim and long term takeout mortgage and a forgivable mortgage amortized over 35 years.*

62. **PROGRAM PLANNING / Funding:** Proponents must demonstrate ability to provide a mortgageable interest...what does that mean?

*Answer: The proponent must have legal ownership interest and rights in the land to grant a repayable and forgivable mortgage to BC Housing.*

*A mortgageable interest means an interest in land, such as freehold ownership or long-term nominal lease, that permits a mortgage to be registered against it as security for a loan.*

63. **PROGRAM PLANNING:** Regarding Housing Proponent eligibility - it stated the proponent must be....."or municipal housing provider that is wholly government owned and controlled"

Would a municipality be able to apply for this and then work with a nonprofit during construction and contract the operating out to a nonprofit for on-going operation of the building?

So, the building would be owned by the municipality.... and not the nonprofit??

*Answer: The Operating Agreement and Loans must be with the same entity. So this type of structure may be considered, subject to an approved subcontracting arrangement between the partners and providing all other eligibility criteria is met.*

64. **PROGRAM PLANNING:** Under 2.4.4 Funding - Operating Subsidy

The RFP states that there is a monthly subsidy that BC Housing will contribute to offset the reduced rents in the RGI units. This is identified in Appendix H, but I do not see a "Revenue" line on the Appendix - D of the Operating budget for this subsidy. When estimating the BC Housing Operating subsidy; where is this amount to be entered on the Operating Budget?

Secondly, can you please clarify what the range of this subsidy?

*Answer: A small amount of subsidy is available, but proposals are required to demonstrate all efforts to avoid unnecessary subsidy dependence e.g., equity and land contributions, appropriate operating costs etc.*

65. **PROGRAM PLANNING:** Could the moderate-income limits be varied for projects which solely or primarily serve indigenous tenants. Indigenous individuals and households have income that is typically 30% lower than non-indigenous individuals and households. Given this reality, can we reduce the proposed low- and moderate-income limits by 30% to better reflect the actual income profile of prospective tenants?

*Answer: BC Housing encourages financially viable proposals that are affordable to households with incomes below the income limits. These are intended as upper maximums only, and many projects are expected to be affordable to households with incomes below these limits. When estimating rents for your proposal, please follow the guidelines in the RFP.*

66. **PROGRAM PLANNING:** The proposal call states that the Owner must have a mortgageable interest in the property (Clause 2.4.3). Can you clarify whether a second mortgage is an acceptable interest?

*Answer: A mortgageable interest means an interest in land such as freehold ownership or long-term nominal lease that permits a leasehold mortgage. BC Housing's standard lending criteria and security package applies to this program. If there are existing mortgages or charges on title, these should be outlined in your submission.*

67. **PROGRAM PLANNING:** Does BC Housing have any recent direction on the costs of operational insurance that should be carried for this proposal call?

*Answer: The sample agreement outlines typical insurance requirements. Please use best estimates for insurance costs in preparing your budget.*

68. **PROGRAM PLANNING:** Will the CHF provide Capital grants for larger units such as Four- or Five-bedroom units beyond the \$150,000 provided for 3-bedroom units?

*Answer: No, the maximum capital grant is \$150,000 for 3-bed+.*

69. **PROGRAM PLANNING:** Is it possible to arrange financing for commercial space through the CHF? We're considering including ground floor retail in our application. If it is possible, are

there guidelines for the lending criteria, particularly the debt service ratio and interest rate? Is it the same rates as the residential?

*Answer: Up to 30% of the residential loan can be added to the financing for non-residential spaces, such as commercial units, daycares etc. This additional financing is subject to a review of that components business case. The interest rate assumptions are the same as that noted in the RFP and you should use a 1.2 Debt Coverage Ratio for that portion of the loan.*

70. **PROGRAM PLANNING:** Can you confirm an expected range of acceptable mortgage subsidy on projects (knowing that projects in different regions or circumstances may be eligible for more subsidy than others)?

*Answer: We don't have this range available but can reiterate that affordability will need to be created through all available levers (mixed income model, capital grants, low cost financing, equity and land contributions etc.) rather than undue reliance on operating subsidy.*

71. **PROGRAM PLANNING:** Will projects with vulnerable populations be allowed to have higher subsidy? For example, without IHF, a number of Indigenous projects will be left with significantly lower funding opportunities, could we negotiate with BC Housing to ensure these populations can access the housing they need to be stably housed?

*Answer: This program is not replacing IHF - this is the second CHF proposal call and the operating models are quite different. Each project will be assessed on its own merits and clear rationales should be provided to support the proposal, including the level of subsidy required.*

72. **PROGRAM PLANNING:** Will BC Housing grants and financing be able to be used for:
- Land purchase?
  - Mortgage buyouts?
  - Site servicing?

*Answer: Yes – BC Housing financing and the project grants can be used for the purchase of land, some site servicing and reasonable mortgage payouts. The purchase of land has to be substantiated by an appraisal and demonstrate value.*

73. **PROGRAM PLANNING:** 60-year operating agreement with BC housing...why so long?

*Answer: A sixty-year agreement is provided because the Province is committed to ensuring long-term affordable housing at these sites, including the commitment of subsidy beyond the amortization of the mortgage for those projects that require it.*

74. **PROGRAM PLANNING:** RGI – rent estimates seems quite high for the size of the homes.

*Answer: Actual rents will be based on the actual incomes of tenants. Estimates are provided to assist with developing a proforma only and are based on the assumption that the average income of these tenants will fall at 70% of the applicable Housing Income Limit. Proponents must*

*be confident that these estimates are achievable for their project and community, and may use lower estimates as needed, with a supporting rationale.*

75. **PROGRAM PLANNING / OPERATIONS:** It states residents for RGI (20% of the units), will be selected from BC Housing’s Housing Registry, does this mean our housing has to open up to outside of our Nation? Do our members need to be on the BC Housing Registry? That does not seem fair, our Nation has a large waitlist for housing already.

*Answer: No – we do not require on Nation housing to be made available to households outside of the Nation. Eligible households can be added to the Housing Registry and Nations should discuss with BC Housing how the Housing Registry can support on Nation housing for members.*

76. **INDIGENOUS:** Are there any conflicts between the RGI / Mixed-Income concept and the 2016 National Shelter Directive for Universal Rental Regimes?

*Answer: There are none.*

77. **SUBMISSION:** Can you please provide some clarification on the below items noted in the British Columbia Housing Management Commission Supplementary General Conditions for RAIC Doc 6. Our Client has requested that we amend our existing contract to include these conditions.

2. Article 10: Clarification required.

Are there new Schedules that BCHMC would like to include here, or do the schedules of the existing contract apply??

*Answer: Only existing Schedules apply.*

12.1: Clarification required.

Our understanding of this condition is that the Architect is fully responsible and liable for acts of errors or omissions of each consultant engaged by it and will not be held responsible and liable for acts of errors or omissions for consultants engaged by the client. Is this reading of the document correct?

*Answer: Yes, the Architect is not responsible for errors or omissions for consultants engaged by BC Housing.*

13.1: Clarification required.

Are there additional Schedules that BCHMC would like to include here, or do the schedules of the existing contract apply?

*Answer: Please see above the answer to Article 10: Clarification required.*

26: Clarification required.

Are there additional Schedules that BCHMC would like to include here, or do the schedules of the existing contract apply?

*Answer: Please see above the answer to Article 10: Clarification required*

General Question.

There are conditions in this document that legal counsel has advised are problematic including, and not limited to, proposed changes to GC8 Indemnification and the addition of GC16 Records and Audit section. Are any of the conditions noted in this document open for negotiation, or must the document be agreed to unaltered in its entirety to be eligible for RFP #1070-2021/28?

*Answer: BC Housing does not intend to fundamentally alter any of its terms and conditions.*

78. **SUBMISSION:** What is the email attachment size limit for proposals submitted to [buildingbc@bchousing.org](mailto:buildingbc@bchousing.org)?

*Answer: The [buildingbc@bchousing.org](mailto:buildingbc@bchousing.org) email inbox size is 30MB.*

79. **SUBMISSION:** Is there an opportunity for BC Housing to review the proposal prior to the September deadline, to see if we are on the right track or missing any information?

*Answer: No. All submissions will be reviewed and evaluated after the submission deadline. BC Housing Supply Chain Management may request additional information/clarification if deemed necessary.*

80. **SUBMISSION:** “Proponents are advised to make submission well before deadline. Making submissions near deadline do at own risk”...is this a first come first served basis? When should submissions be made to have a chance?

*Answer: All submissions will be collected after the deadline. BC Housing recommends sending submissions well before deadline to avoid any technical issues that may happen last minute and prevent a Respondent submit their response in time as required in this RFP. No submissions will be accepted if, at the moment of receipt, the email clock indicates later date and/or time than submission deadline is set out in the RFP.*

81. **SUBMISSION:** Will proposals submitted that are not “shovel ready” be considered in advance of a January submission deadline? (i.e.) should a proposal be submitted in October, would that proposal be evaluated in October upon receipt and therefore be eligible for funds in advance of the closing date.

*Answer: All submissions that are sent as “Construction-ready projects” will be evaluated after September 4, 2020; all submissions received for all other projects will be reviewed and evaluated after January 15, 2021.*

82. **SUBMISSION:** Is there a rectification period? One was not outlined in table 3.3.1. Or is there further opportunity for input on the submission in advance of the deadline?

*Answer: Rectification period will be set out for those submissions that, at the sole discretion of BC Housing, will require further clarifications.*

END OF ADDENDUM #3