



Affordable Housing Program Atlantic WoodWORKS! Wood Design Awards

November 8, 2016



Opening Possibilities.

Affordable Housing Program

- Provides up-front capital funding to assist developers in creation or preservation of modest housing stock in areas where the population is growing or there is a shortage of affordable rental units
 - New Rental
 - Rental Preservation
- Jointly funded by the Province of Nova Scotia and CMHC

AHP New Rental Program

- Construction of new affordable rental units
- Conversion of non-residential buildings into affordable rental units
- Project may include commercial space

AHP Rental Preservation Program

- Renovation of existing affordable rental units at risk of being lost to marketplace
 - Distressed Properties
 - Vacant Buildings
- Project may include commercial space

AHP Funding

- Provides **up to** \$50,000 per unit in up-front capital contribution forgiven over 15 years
- HNS mortgage registered on property for term of forgivable loan
- **May** provide **up to an additional** \$25,000 per unit in rent supplement funding over 10 years
 - Tenants drawn from public housing wait lists
 - Provision of rent supplements determined after affordable rents have been established
 - Paid directly to landlord but does not increase revenue
- Typically fund 50% of the units in a project to achieve a mixed demographic profile for the project

Proponent's Responsibilities

During Construction:

- Report on activity including financial management throughout the construction period
- Maintain the project building and grounds and ensure all health and safety standards are met
- Comply with all municipal, provincial, and federal building codes
- Comply with municipal zoning and/or Development Agreement and by-laws
- Secure building permits as required by municipality

Proponent's Responsibilities

Once Units are Occupied:

- Maintain rents at an affordable level for the duration of the forgivable loan for units funded through AHP capital contribution
- Lease rental units at a monthly rent specified in the Project Contribution Agreement to households at or under HILS
- Select tenants in accordance with the Project Contribution Agreement and comply with National Occupancy Standards;
- Operate in compliance with the *Residential Tenancies Act* and *Human Rights Act*
- Maintain records and report on activity to HNS including tenants' household composition and income, and protect the privacy of such information

Household Income Limits (HILs)

Nova Scotia – Household Income Limits (HILs)

Geographical Location	1-BR	2-BR	3+ -BR
Halifax CMA	\$33,000	\$40,500	\$51,500
Small Towns (CA's)			
- Sydney CA	\$25,000	\$33,500	\$48,000
- Other Small Towns (includes the Census Agglomerations of Kentville, Truro and New Glasgow)	\$33,500	\$31,500	\$35,500
Rest of Province (Rural Areas)	\$33,500	\$37,000	\$44,500

Who Can Submit a Proposal?

- Proponents must be a non-profit, co-operative organization or private company registered in NS
- Proposed projects must be located in NS and have a minimum of 4 self-contained residential units
- Proponents must provide minimum equity investment equal to 20% of the proposed project's total eligible capital development costs
 - Unencumbered Land
 - Cash

Average Market Rents

Location	Bachelor	1 Bedroom	2 Bedroom	3 Bedroom
Halifax CMA	731	833	1048	1295
Cape Breton CA	553	601	749	1074
Sydney	559	621	761	1103
Kentville	531	552	695	728
New Glasgow	489	555	692	831
Truro	498	633	805	855

* As of October 2015

How to Apply

- Contact Housing Nova Scotia to discuss your proposed development
 - Barbara.Kjarbo@novascotia.ca (902) 424-6610
- Review application package provided by HNS
- Prepare and submit proposal to HNS

Proposal Submission Checklist

- Proposal should include the following information:
 - Outline of project rationale and target market
 - Description of the housing to be developed including amenities, unit features, and proposed common areas
 - Identification of energy efficient and visitable/barrier-free design features
 - Identification of any commercial/retail, programming space within development
 - Total number of units (affordable and market), proposed rent, plan for utilities
 - Identification of services and distance from proposed site

Proposal Submission Checklist

- Market Study
- Preliminary Capital Budget
- Pro Forma Operating Budget for first 5 years of operations
- Proposed Development Schedule
- Preliminary financing details (e.g. proponent's equity, conventional lender, grants)
- Plan for property management
- Sketch and drawing of floor plan (unit layout)
- Site plan

Design Criteria

- Design and construction documents must be stamped and signed by an Architect or Engineer licensed in NS, as required by the Municipality
- Projects must have a minimum of 10% units in compliance with Barrier Free Design Requirements of NS Building Code Regulations
- All non barrier-free units which are serviced by an elevator or are grade-level accessible, must be “visitable”
- Units must be modest in terms of floor area and amenities

Visitability Standards

- Designed to reduce the basic physical barriers otherwise presented to visitors with mobility impairments
- Aids in the provision of the infrastructure required to convert the housing unit to a Barrier-Free (BF) unit in the future
- Incorporates many features of BF design, for little or no extra cost to the project.

Visitability Standards

- Grade-level or elevator access units
- Relief from these requirements may be sought for conversion projects
 - Wider hallways & doorways
 - Clearance space on one side of toilet
 - Higher light switches, thermostats, GFI plugs

AHP Modesty Standards

- Affordable units must be modest in terms of floor area and amenities.

Apartment Type	Sq. Meters	Sq. Feet
Bachelor (Studio)	41.8	450
1 Bedroom	60.4	650
2 Bedroom	79.2	853
3 Bedroom	92.9	1000

Market Study

Demand

- Proposal submissions should demonstrate and substantiate that there is an unmet need for the housing proposed in the community and how the proposed units will be effective in alleviating that need

Market Comparables

- Proponent is expected to provide current, community specific rental market information to support the proposed rents noted in the proposal

Project Objectives

To be approved, proposed projects must meet the following objectives:

- Meet a need for affordable rental housing in communities where a shortage of affordable housing has been demonstrated
- Develop affordable rental units for low-to-moderate income households that are modest in terms of floor area and amenities and are rented at or below average market rents in the community
- Provide well-managed developments that will be viewed as an asset in the community
- Create units that are accessible for individuals with mobility impairments

Evaluation Process

- HNS Staff review proposal and may contact you to arrange a site meeting and/or collect additional information regarding the proposed development
- Proposals will be evaluated based on the following criteria:
 1. Cost Effectiveness and Financial Viability
 2. Potential for Long-term Sustainability
 3. Capacity to meet an identified need for Affordable Housing
 4. Capacity of the Proponent
 5. Project Design
 6. Relevancy to the intended neighbourhood

Next Steps

- Once a decision has been made, HNS staff will notify proponent of conditional approval
 - Conditional Approval letter
 - Project Contribution Agreement
- HNS staff will work with the developer to satisfy the requirements for approval and advancement of funds
- Occupancy Permit, HNS Final Inspection & Disbursement - 10% Holdback

Additional Information

- <http://housing.novascotia.ca/programs/programs-developers-affordable-housing>
- <https://www.cmhc-schl.gc.ca/en/inpr/afhoce/afhoce/index.cfm>
- Barbara.Kjarbo@novascotia.ca (902) 424-6610

CMHC – Mortgage Loan Insurance

- Up to 95% Loan-to-Value or Loan-to-Cost
- Flexibility in Debt Coverage Ratio
- Reduced Premium Schedule
- Extension of Amortization Period
- Higher the level of affordability, the greater the flexibilities offered
- Majority of Units in Project must meet

CMHC Seed Funding

- Provides financial assistance to cover some of the soft costs incurred in the initial stages of an affordable housing project
- Non-repayable contribution of up to \$50,000
- Repayable interest free loans of up to \$200,000
- Minimum 5 units; not restricted to one location
- Expenses must be incurred after funding is approved

CMHC Seed Funding - Examples

- Incorporation
- Analysis of need and demand for the proposed project
- Preliminary Analysis of financial viability and exploration of funding sources
- Preliminary design of the housing project (e.g. drawings and specifications)
- Environmental Site Assessments
- Preparation of a business plan

CMHC Seed Funding – Proponents

- Private entrepreneur/builder/developer
- Private non-profit housing organization
- Non-profit co-operative
- Faith-based organization
- Municipality/city
- First Nation

CMHC Seed Funding - Projects

No restrictions on:

- Tenure Type – Rental or Homeownership
- Building Form
- Future Residents

CMHC Seed Funding - Projects

- New Construction
- Conversion from Non-Residential use to affordable housing or market residential to affordable residential
- Renovation of existing affordable units to prevent them from demolition or abandonment

CMHC Seed Funding - Affordability

- Rental Projects – Rents set at level considered affordable compared to private sector rents for similar accommodation
- Homeowner Projects – Units priced below average selling price for comparable units in market area and immediate neighbourhood

CMHC Seed Funding - Contacts

- Charlie Aucoin
Affordable Housing Consultant, CMHC
426-8430

- Jeremie LeBlanc
Affordable Housing Consultant, CMHC
902-426-4042

CMHC Affordable Rental Innovation Fund

- Encourage new funding models and innovative building techniques in the rental housing sector
- Funding available to eligible municipalities, private sector developers and builders and non-profit housing providers

CMHC Affordable Rental Innovation Fund - Information

- Phone: Call 1-800-668-2642 (Business hours (ET): 8 a.m. to 7 p.m.)
- Email: innovationfund@cmhc.ca