

**ALBERTA HOUSING AND URBAN AFFAIRS
AFFORDABLE HOUSING CAPITAL GRANT
2009/2010 REQUEST FOR PROPOSALS (RFP)**

Affordable Housing continues to be a top priority of the Government of Alberta. The government has committed to contributing to the development of over 11,000 affordable housing units by 2012.

The Affordable Housing Program – 2009/2010 RFP is seeking submissions from organizations to increase the accessibility to affordable housing options for low- to moderate-income families, individuals, seniors (independent living), and persons with special needs in communities throughout Alberta. Total funding available through the Affordable Housing Program - 2009/2010 RFP is \$90.31 million, of which \$35.4 million is Federal funding.

Included in this RFP are the application form, the Modesty Assurance Guidelines and the Conditional Grant Funding Agreement.

Eligible Organizations:

- Any municipality
- Any duly incorporated not-for-profit organization registered under the *Alberta Societies Act* or corporation under the *Business Corporations Act* (Part 9)
- Private sector developers/contractors

Request for Proposals Timelines:

- Issuance of the Request for Proposals – June 26, 2009
- “Closing Date” – 4:30 p.m. Mountain Daylight Time, Friday, September 25, 2009
- Proposal Evaluation - Completed November 6, 2009
- Approval notification to successful organizations – December 2009
- Announcement of successful applicants – Individual announcements will follow approval notification
- Conditional Grant Funding Agreements in place - on or before Wednesday, March 31, 2010

To be considered for funding the proposal must:

- Be submitted on or before the “Closing Date”
- Conform to the project and funding requirements of the RFP
- Be made on the application form provided
- Ensure information requested on the application is complete
- The application is duly signed by the applicant’s signing authorities

Submission of Request for Proposals:

- Eligible organizations must submit an original and one copy of the proposal on or before 4:30 p.m. on Friday, September 25, 2009 to:

Delivery Address:

Housing and Urban Affairs
Housing Development and Operations
3rd Floor, 44 Capital Boulevard
10044-108 Street
Edmonton, Alberta T5J 5E6
Attention: Mr. Walter Tauber

Mailing Address:

Housing and Urban Affairs
Housing Development and Operations
PO Box 927
Edmonton, Alberta T5J 2L8
Attention: Mr. Walter Tauber

All envelopes are to be clearly marked "Affordable Housing Program – 2009/2010 Request for Proposals."

- All proposals will be stamped with the date and time received. Proposals received after the "Closing Date" will not be accepted and will be returned unopened to the applicant.
- Responses to the RFP must be completed on the 2009/2010 RFP application form provided. The application form must include all required information and must be signed by authorized officers of the organization.
- The Ministry reserves the right, in its sole and unfettered discretion, to reject any or all proposals or to cancel this RFP.
- The Ministry makes no representation or warranties, expressed or implied, as to the accuracy and/or completeness of the information provided in this RFP.

RFP Inquiries:

- Any inquiries respecting the RFP may be directed through the toll-free Government line by dialling 780-310-0000 then one of the following:

North:

Mr. Walter Tauber	Phone: 780-422-8137	walter.tauber@gov.ab.ca
Ms. Dora Fitz	Phone: 780-427-0093	dora.fitz@gov.ab.ca
Mr. Paul Kuzel	Phone: 780-422-8229	paul.kuzel@gov.ab.ca

South:

Ms. Diane Cox	Phone: 403-297-5734	diane.cox@gov.ab.ca
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- No inquiry will be responded to after 4:30 p.m. Mountain Daylight Time, September 25, 2009.

PROGRAM PRINCIPLES

Purpose:

To assist eligible organizations with one-time grant funding to address the housing affordability issues for low- to moderate-income families, individuals, seniors (independent living) and persons with special needs.

- Affordable housing will be modest in terms of floor area and amenities will meet household needs and will have monthly rents or payments at 10 percent or more below market rent in the community or area in which the unit is located (see Modesty Assurance Guidelines).
- Affordable rents or payments must be maintained for a minimum of 20 years.
- Selected projects will meet community needs, address growth pressures and improve the quality of life for low- to moderate-income Albertans.
- Organizations are encouraged to incorporate green technologies to contribute to the long-term viability and sustainability of affordable housing.
- Organizations are encouraged to incorporate neighbourhood revitalization/renewal elements.

Procurement:

- If the organization receiving the grant funds is subject to the Trade, Investment and Labour Mobility Agreement (TILMA), or if it distributes grant funds to an entity that is subject to TILMA, the subsequent procurement of goods and services must be in accordance with the requirements of TILMA.

Affordable Housing Clients:

- Clients must be low- to moderate-income households who cannot find or afford suitable accommodation in the community they live in.

Project Requirements:

- Projects can include the construction of new rental units, the purchase and renovation of existing rental accommodation, the conversion of non-residential space to residential units, mixed market housing, or home ownership. All home ownership projects must involve a non-profit partner.
 - Rent or monthly payments in affordable housing units will be 10 percent or more below market rent.
 - A mixed market housing project includes both affordable and market housing units. (Note: Only affordable housing units are eligible for funding.)
- Households with a combined total annual income that fall within Core Need Income Thresholds (CNITs) will be given priority for affordable housing units. (CNITs will be provided annually by the Ministry for the area in which the units are located.)
- Units must provide modest, self-contained accommodation of suitable space and size to meet household needs.
- If a residential project is funded in whole or in part by the Government of Alberta, dwelling units, which could adapted to meet barrier-free design principles, shall be provided as follows:
 - 2 or more in a project of 10 to 25 dwelling units
 - 5 or more in a project of 26 to 50 dwelling units
 - 10 or more in a project of 51 to 100 dwelling units
 - 15 or more in a project of 101 to 200 dwelling units
 - 20 or more in a project exceeding 200 dwelling units
- Where possible and practical, projects should utilize green technologies that promote the conservation of non-renewable resources, minimize environmental impact, or include building components that contribute to the economic efficiency of the facility over the long term.
- Some examples are:
 - Site Development: minimize storm water run-off, encourage car pooling and bicycling, increase urban density and green space
 - Water Efficiency: eliminate site irrigation, reduce water consumption, minimize or treat wastewater

- Energy Efficiency: reduce building energy consumption, use renewable energy, eliminate ozone-depleting chemicals, commission building systems
 - ❖ For new construction of low-rise housing, projects will be designed to meet or exceed the energy efficiency provisions of the Model National Energy Code of Canada for Houses 1997 (MNECH). For new construction of larger multi-unit residential buildings, project will be designed to meet to exceed the energy efficiency provisions of the Model National Energy Code of Canada for Buildings 1997 (MNECB). EnergyStar rated products must be used instead of conventional products where available and practical.
 - ❖ For the renovation of existing low-rise housing where specific building systems or components are to be renovated, retrofitted or replaced, the replacement systems or components will meet or exceed the energy efficiency provisions of the MNECH. For the renovation of existing high-rise buildings where specific building systems or components are to be renovated, retrofitted or replaced, the replacement systems or components will meet or exceed the energy efficiency provisions of the MNECB. EnergyStar rated products must be used instead of conventional products where available and practical.
- Material Selection: minimize construction waste, re-use existing building façade, use recycled and salvaged materials, use renewable construction materials and design and build more durable buildings
- Indoor Environmental Quality: incorporate daylighting, use low off-emitting materials, provide operable windows and occupant control of work space, improve delivery of ventilation air
- Innovation in Design: incorporate innovative environmental features not covered in other areas
- Where possible and practical, proponents are encouraged to incorporate neighbourhood revitalization elements that enhance existing neighbourhood resources, support economic development, provide public services and improve the quality of life for residents.
- Some examples are:
 - Amenities: outdoor play spaces, multi-purpose resident/ public meeting rooms, daycare facilities, dedicated space for after school programs or training, fitness rooms, community/residence gardens, and common areas

- Housing for Life/Flex housing: features that allow changes to be made to the unit that meet evolving needs of its residents as they age or become disabled. Examples: wide hallways, slip resistance flooring, no-step/slip entrance ways. For ideas visit: <http://www.cmhc.ca/en/co/buho/flho/index.cfm>
 - Smart Growth: designs enhance the physical/mental health, reduce crime or fear of crime, protect the environment, increases neighbourhood desirability, etc. Example: green spaces, gardens, pathways, enhanced vegetation. For ideas visit: <http://www.smartgrowth.org>; Crime Prevention, Through Environmental Design. <http://www.rcmp-grc.gc.ca/ccaps-spcca/safecomm-seccollect-eng.htm>
 - Mixed-use: blending of housing and commercial spaces
 - Mixed-income developments: development serves residents at varying income levels
 - Community involvement: the community's ideas and goals are incorporated into the project. Demonstrated through meeting minutes, letters of support (community associations, local support agencies, planning departments, business development associations)
- Projects should demonstrate effective partnerships that reduce the cost of financing and required debt service costs, thereby increasing the affordability of units to low- and moderate-income households in the form of reduced rents. Partnerships should also promote the use of community-based resources, including work-force training programs in the development of affordable housing.
 - Construction must start no later than 90 days of receiving Notification of Approval.

Funding:

- Housing and Urban Affairs will provide a one-time capital grant, payable in instalments in accordance with the terms of the Conditional Grant Funding Agreement (attached).
- Approved Grant Recipients will be required to provide banking information to enable the electronic funds transfer of payments.
- Total grant funding is the lesser of 65 percent of the total capital costs or to a maximum of \$150,000 per unit. The total funding from all provincial government sources or government funded agencies cannot exceed the 65 percent.
- Costs associated with providing support services cannot be funded under the affordable housing funding, i.e. special needs. These costs must be funded through other sources.

- The proponent of each selected project will be required to enter into a Conditional Grant Funding Agreement with the Queen in Right of the Province of Alberta as represented by the Minister of Housing and Urban Affairs.
- Housing and Urban Affairs will monitor selected projects and ensure compliance over the term of the Conditional Grant Funding Agreement, including verification that each approved project has been completed and remains affordable as specified in the Agreement.

Submission Requirements:

Housing and Urban Affairs reserves the right to reject any proposals that do not meet the criteria. All costs incurred by the organizations in developing and preparing their proposals are at the sole cost of the organizations. Proposal requirements include:

- Proposal applications must be completely filled out, dated and signed, and all the supporting documentation included.
- Proposals must include the name and address of the organization that is submitting the proposal and the names, addresses and telephone numbers of the contact individuals.
- Mortgage requirements if any, must be supported by a letter from a recognized financial institution expressing an interest in providing the required financing.
Note: Proposals selected for funding will be required to provide a letter of commitment from a recognized financial institution in an amount that is sufficient to cover the difference between the total estimated capital costs of the project and the grant approved.
- Applicants will be required to have the land title in their name, an approved development permit, a letter of commitment from a recognized financial institution, a copy of the executed construction/renovations contract, and an environmental assessment (if applicable) before the first instalment is issued.
- An organization, other than a management body under the *Alberta Housing Act* and municipalities, is required to provide the following information:
 - Certificate and Articles of Incorporation and if applicable, charitable status
 - History of the organization including a current list of board members/directors
 - A description of the organization's involvement with the project and similar initiatives undertaken over the past three years
 - Current, unqualified Audited Financial Statement for the organization making the application.

- Proposals must include an itemized breakdown of the projected total capital costs and all funding sources to pay for these costs. If the project includes affordable housing units and market units, a breakdown of the entire project costs and a separate breakdown of the total capital costs associated specifically with the affordable housing units are required. Costs for green technologies and/or revitalization elements should be identified separately.
- Proposals must include a five-year projection of the annual revenues and the operating costs.
- Approved projects must proceed to construction within 3 months (90 days) of the Notification of Approval and be completed within 2 years of the Effective date. If construction has not started within 90 days, ***the funding commitment will be cancelled and reallocated to another project.***
- Where possible, proposals should include background information on the contractors or builders that will be involved in the development of the project and the individuals or companies that will administer the project.

Evaluation Process:

- An evaluation team of Housing and Urban Affairs representatives, together with other entities as may be deemed appropriate, will undertake the review and assessment of project proposals.
- Proposals selected for funding will be determined by using the program guidelines and project evaluation criteria such as greatest demonstrated need, financial viability and sustainability.

Evaluation Criteria:

- Proposals will be rated by using the following key factors:
 1. Financial:
 - The amount of total provincial grant funding that is requested towards the development of the project
 - Confirmation of all funding making up the difference between the total capital cost of the project and the grant requested

2. Need:

- Demonstrated need and priority for the proposed project in the community:
 - Vacancy rates
 - Population growth
 - Target client(s)
 - Average market rental rates

3. Project:

- Proposal conforms to Modesty Assurance Guidelines
- Per unit cost of construction or purchase/renovation
- Adaptable units provided in accordance with the Alberta Building Code
- Green technology is utilized
- Revitalization elements are included
- Pre-construction requirements (for example: title, zoning, development permits and drawings)
- Previous development experience

4. Sustainability of the project includes:




- Five-year pro-forma generates a positive cash flow
- Rental revenues offset operating expenses
- Property management expertise
- Pro-forma provides an allowance for replacement reserve
- Debt service costs included

5. Affordability

- Monthly rents/payments are 10 percent or more below market

Request for Proposals:

A detailed application template (below) and Modesty Assurance Guidelines have been developed for organizations to use for the proposal submission.

-  Detailed Project Proposal Application Form
-  Modesty Assurance Guidelines
-  Sample Grant Funding Agreement