



**Saskatchewan
Housing
Corporation**

An Agency of
Social Services

RFP #RD02-12

RENTAL

DEVELOPMENT

PROGRAM

Information and Request for Proposal Application Form

PUBLIC DISCLOSURE

The parties agree that all reports, other documentation and information that are required to be provided to Saskatchewan Housing Corporation (SHC) by the Proponent pursuant to this Agreement may be made public, except information SHC obtains pursuant to Schedule D that the Proponent has requested to be kept confidential. Any commitment SHC makes with respect to confidentiality would be subject to the operation of law.

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INTRODUCTION

Saskatchewan Housing Corporation's (SHC) Rental Development Program (Rental Development) is a program to increase the supply of affordable housing in Saskatchewan.

The program is funded by the provincial government through the SHC, an agency of Social Services, and by the federal government through Canada Mortgage and Housing Corporation (CMHC) under the new cost-sharing CMHC-Saskatchewan Agreement for Investment in Affordable Housing.

On August 8, 2011, the Government of Saskatchewan released "*A Strong Foundation – The Housing Strategy for Saskatchewan 2011-12*" along with a "*2011-12 Provincial Action Plan*" which outlines the government's key activities for the strategy's first year of implementation.

The Housing Strategy involved consultations with the entire housing sector and resulted in five broad strategic priorities:

1. Increase the housing supply;
2. Improve housing affordability;
3. Support individuals and families in greatest housing need;
4. Enhance strategic planning for housing; and
5. Collaborate, communicate and educate.

Across the province, housing experts stated that every member of the housing sector has a role in providing housing solutions. The strategy is intended to serve as a roadmap to work together. Under each priority of the strategy are objectives and examples of actions to reach those objectives. It is anticipated that the housing sector will see themselves within these objectives and be motivated to make the difference needed to build a strong housing environment in Saskatchewan.

OBJECTIVES

The key objectives of Rental Development are:

- To increase the supply of affordable rental housing for low- to moderate-income households that is available at or below the average market rent for comparable housing in that community or area.
- To foster greater independence of low- to moderate-income households.

SCOPE OF THIS REQUEST FOR PROPOSAL

The development of affordable rental units for low- to moderate-income families in prioritized communities within Saskatchewan.

These units may be new construction or conversion of existing non-residential buildings.

The number of units to be developed is outlined in the Request for Proposals (RFP).

All projects must meet SHC critical delivery deadlines. See Submission Form # 3.

PROCESS

1. Invitation

The RFP will be advertised in local newspapers in the prioritized communities of Estevan and Kindersley for a minimum of two Wednesdays, and on the SHC website at www.socialservices.gov.sk/housing

Non-profit corporations, co-operatives, Aboriginal organizations and the private sector are invited to submit a full submission.

2. Submission

Submissions must be received by SHC **before 3:00 p.m. on April 13, 2012.**

All RFP's should be submitted using the Rental Development forms found at the end of this application, including the attachment of relevant documents where requested/available.

No late/incomplete submissions will be accepted.

Please forward your Housing Proposal to:

Saskatchewan Housing Corporation
Attention: Affordable Housing Development
225 First Avenue North
SASKATOON SK S7K 1X2
Toll Free: 1-866-245-5758
Fax: 306-933-5374

NOTES:

1. Submissions become the property of SHC and will not be returned.
2. SHC will acknowledge receipt of full submissions.
3. Please send one copy of your full submission to SHC and keep one for your records.

3. Selection

Submissions will be reviewed by SHC. Those submissions receiving the highest ranking after evaluation will be prioritized for further development.

All proposals will be evaluated on the following criteria:

- Ability to meet critical dates
- Sponsor experience and capacity
- Project design and cost
- Financial contribution of the sponsor
- Affordability for SHC targeted clients
- Operating sustainability over the long term

SHC also has the ability to undertake direct-delivery of a project in the event that proposals received do not address program priorities.

GENERAL INFORMATION

Definitions and clarification of terms are found in the glossary (Appendix A).

1. Project Requirements

- Sponsors must develop a minimum of four units.
- All units must be off-reserve and either new construction or the conversion of existing non-residential buildings.
- Housing must be modest in floor area, design, and amenities, based on household needs and community norms.
- Housing must be priced at or below the average market housing rents for comparable housing in that community or area.
- Housing means basic residential accommodation and facilities, common areas, and services used directly with the residential accommodation. It does not include commercial space or public recreation space unless a client need is established.
- All projects must conform to applicable zoning, occupancy, and building code requirements, and conform to design and specification standards as established by SHC (Appendix B).
- Housing units must be developed in accordance with SHC specifications. SHC Inspectors will inspect the project during construction; however these inspections will not reduce the liability of the project developer, consultants or contractors.
- All housing units must foster independent living. Institutional licensed facilities where full time care is being provided, such as personal care homes, are not eligible.

2. Sponsor Eligibility

- Eligible sponsors are non-profit corporations, co-operative groups, municipalities, First Nations and Métis organizations and the private sector that are in good standing with SHC.
- Eligible sponsors will be required to demonstrate that they:
 - represent the community or specific client group they intend to serve;
 - have the capacity to deliver any proposed services or have the support/partnership from a recognized agency to ensure delivery of services;
 - practice good governance;
 - have the financial capacity to undertake projects of this scope.
- Eligible sponsors will be subject to Government of Saskatchewan Conflict of Interest Guidelines.

3. Tenant Eligibility

- All projects that receive funding must be targeted to households with an annual gross household income at or below the Maximum Income Limit (MIL) as determined by SHC from time to time. MILs are currently set at \$52,000 for households with dependents.
- Priority will be given to projects serving low-income family households with dependents, including single parents, First Nations and Métis households

4. Municipal Government Contributions

- There is no requirement for municipal contributions; however, municipalities are strongly encouraged to support projects in forms such as cash, land, tax abatements or other incentives to increase the viability of the project.

5. Funding Levels

- SHC will provide a one-time conditional, forgivable capital loan which shall be used solely for the purpose of undertaking the development of the project. The amount of the loan available shall be up to 70 per cent of the final eligible capital costs of the project. Any available owner equity and rebates shall be used to reduce the capital costs.
- Eligible sponsors will be expected to contribute a minimum of 30 per cent equity of the total eligible capital cost of the project, as determined by SHC, which can come from any source including sponsor equity, donations, land, or mortgage financing.
- The level of funding approved will be based on:
 - The level of funding required to achieve affordable housing rents; and
 - The ability of the sponsor to participate in the funding of the project.

- Sponsors bear the full risk of any potential losses they may incur by participating in the program.
- All operating surplus, profit or revenue derived from the operation of the project must be reinvested for the benefit of the project for the entirety of the forgiveness period.
- There will be no ongoing operating assistance available. Projects that require program funding from other government agencies or other sources must have this funding in place prior to the housing proposal being considered for a Rental Development commitment.

6. Capital Loan Conditions

- SHC's capital loan will be interest-free unless there is a breach of contract, such as compromise of affordability to tenants. If there is a breach of contract, interest will accrue at the five-year mortgage lending rate, which was applicable at the time of the loan, from the date the breach occurred until the property is sold and/or the forgivable loan is repaid.
- The capital loan will be forgiven as follows:
 - The minimum forgiveness period will be 10 years at \$5,000 per unit per year.
 - For loans of more than \$50,000 per unit, the first \$50,000 will be forgiven at a rate of \$5,000 per unit per year over the first 10 years, with the remaining forgiveness pro-rated on a monthly basis equivalent to \$10,000 per unit per year.
 - Forgiveness of the capital loan will commence at substantial completion of the project.
- SHC will register a mortgage against the title to the property in second position to the first mortgage. This mortgage will need to be registered prior to the advancement of any funds.
- Sponsors are required to sign a Conditional Letter of Approval and a Project Development and Operating Agreement prior to the advancement of any funds.
- Funds will be advanced either proportionally during the construction period, based on construction progresses, or by a single advance at the time of completion or occupancy, at the discretion of SHC.

7. Capital Loan Reporting Requirements

- At project completion the sponsor must provide an audited final capital cost and funding statement.
- On an annual basis throughout the forgiveness period, the sponsor shall provide to SHC:
 - Financial operating and reserve fund statements for the project;

- Reporting of gross income of incoming tenants for verification of MIL compliance;
 - Reporting of rent levels charged; and
 - Any other information which SHC may reasonably request from time to time.
- SHC has the right to audit the sponsor's records to ensure the obligations under the Project Development and Operating Agreement are being met.

FURTHER INFORMATION AND FEEDBACK

SHC is interested in receiving feedback on this RFP and wants potential proponents to identify any major impediments which in their opinion could prevent them from undertaking this project such as timeline, project size or any other condition listed in this document.

Please submit feedback or questions of clarification to:

Attention: Deana Grunerud/Deb Horseman
Saskatchewan Housing Corporation
225 First Avenue North
SASKATOON SK S7K 1X2
Toll Free: 1-866-245-5758

APPENDIX A GLOSSARY OF TERMS

Average Market Rent or Price

The average market rent or price is based on the average monthly rent or selling price for comparable housing in a community or within an area of a community.

Affordable Housing

Housing which is modest in terms of floor area and amenities, based on household needs and community norms, and is priced at or below average market housing rents or prices for comparable housing in a community or area.

Capital Cost

The costs to acquire, construct or renovate a fixed capital asset, that is, the capital cost of the project relates to the development costs of the project up to the time the units are ready for occupancy. This includes hard costs, such as land acquisition and servicing, construction, landscaping, and soft costs such as consulting and administration, interest during construction and other approved costs such as services, taxes and insurance during the rent-up period if applicable.

Maximum Income Limit (MIL)

The maximum annual income that a household may have at the time of occupancy of a unit funded under Rental Development. The MIL is calculated based on the total gross annual household income from all sources (taxable and not taxable.) The MIL for families with a dependent child is currently \$52,000. SHC will revise the levels from time to time.

Modest Housing

Housing must be modest in terms of size, design, amenities and price.

Operating Budget

The operating budget is the estimate of operating costs and revenues for the project. The operating budget commences upon occupancy of the project. The operating budget includes revenues received from rents, operating subsidies, or grants. It also includes operating costs such as utilities, taxes, mortgage repayment, building maintenance, reserves and related administration costs.

Sponsor

A person or group responsible for proposing, developing, acquiring and leasing/renting housing to eligible households.

APPENDIX B BUILDING REQUIREMENTS

All Rental Development Program projects must be developed in accordance with the zoning and building code requirements of the authority having jurisdiction. In addition all projects must conform to the following minimum requirements of the Saskatchewan Housing Corporation (SHC).

Inspections During Construction

SHC officials have the right to inspect the project during the construction period. None of the inspections performed by SHC shall reduce the responsibility of the project owner, contractors or consultants.

Mandatory SHC Inspections

- Prior to pouring all concrete to confirm that reinforcing steel has been properly installed; dependent on building form.
- Inspect to confirm foundation drainage is in place prior to backfill.
- Inspect rough framing.
- Inspect to confirm proper installation of insulation, vapour barrier and windows.
- Roofing Inspection.
- **Final inspection.**
- Additional random inspections will be carried out at all stages of construction to verify that health, safety and/or program requirements are being met.

Plans and Specification Requirements

Exteriors

- Maintenance free exterior finish is required.
- Pre-finished metal soffit, fascia, eavestrough and downspouts are recommended.
- Fibreglass or Pre-finished Aluminum Windows are required.
- Install 60 minute building paper under stucco finishes. Air Barrier required under exterior finish.
- Each unit must have a minimum 36" wide entry door.

Crawlspaces

Ground Cover

- Install a continuous ground cover (Permalon X-150 (white)) properly sealed and secured at laps and adjacent surfaces to provide a water-resistant and air tight seal.
- Install 900mm wide rubber service pathway and beneath that, a 3.0 metre band of Permalon X-150 lapped over and sealed to bottom layer of Permalon ground cover to all mechanical equipment in crawlspace.
- Gypsum wallboard is **not acceptable** in crawlspaces; cement board is recommended.
- Ensure crawlspace is provided with heat from main heating system and is mechanically ventilated to the exterior.
- Provide a 3 ft. deep sump pit complete with a submersible pump in all crawl spaces. As a guideline, for a multi-unit building provide one sump pit for every 5000 sq. ft. ensuring there is proper drainage to every sump pit.

Minimum Energy Efficiency Requirements for New Construction

General

- The building design team shall incorporate an integrated design process to ensure all energy using systems are designed to provide long term affordability and environmental stewardship.

Building Orientation

- Where the design allows for the selection of building orientation, the orientation shall be determined to optimize passive solar gain. The face with the largest glazing area shall face south. Sufficient overhangs shall be incorporated into the design to allow for solar shading during the summer season.

Landscaping

- Consideration shall be given to incorporate low-maintenance/low-water landscaping.

Building Envelope

- The following minimum insulation levels are required:

Exterior Walls (above grade)	RSI 3.5 (R20)
Exterior Walls (basement or crawlspace)	RSI 2.1 (R12)
Attic/Roof	RSI 8.75 (R50)
Exterior Doors	RSI 1.0 (R5.7)
Windows (minimum)	Dual glaze, low-e, argon fill
- Window frames shall have a thermal break.
- The vapour barrier shall be continuous. This includes the use of sealed poly-pans around electrical outlets, lights located in the building envelope.

Heating and Ventilation

- Ventilation systems must meet NBC requirements.
- Should stand alone gas appliances be used for the purpose of space heating, the primary space heating appliance shall be a natural-gas fired hi-efficient (minimum 92% efficiency) appliance with an induced draft fan.
- For central heating systems (e.g. multi-unit building), the primary space heating system shall be a modular boiler system (multiple boilers) with a minimum energy efficiency rating of 80%. The boilers shall be sized to include the ventilation system requirements and the outside ventilation air shall be heated via a hydronic heating coil piped off the main boiler system. The main ventilation system shall be designed to incorporate heat recovery.

Lighting

- Interior lighting shall be energy efficient in design. Fixtures shall be selected that use compact fluorescent lamps or T8 fluorescent lamps with electronic ballast.

Electrical Appliances

- It is recommended that electrical appliance be chosen that meet the following minimum Energuide ratings:

Electric Range (30")	800 kWh/yr. (subject to availability)
Electric Range (24")	720 kWh/yr. (subject to availability)
18 ft ³ Two Door Refrigerator	650 kWh/yr.
15 ft ³ Two Door Refrigerator	450 kWh/yr.
Heavy Duty Clothes Washer	810 kWh/yr.
Heavy Duty Clothes Dryer	900 kWh/yr.
Built-In Dishwasher	615 kWh/yr.
(for Communal Kitchens)	

Water Fixtures

- Minimum 6.0 liter/flush water closets are required.
- Low-flow faucet aerators are required for bathroom vanities and showers.

For New Construction under the Rental Development Program we hereby certify and declare that the requirements contained herein will be included within the project.

Signature

Date

Project Proponent

SUBMISSION FORMS

RENTAL DEVELOPMENT PROGRAM

**Saskatchewan Housing Corporation may request
clarification or additional information**

**All answers must be typed or legibly printed,
not necessarily on the attached forms.**