

**The District of Thunder Bay Social Services
Administration Board (TBDSSAB)
Housing Development Tool Kit**



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TABLE OF CONTENTS

1 Introduction	4
2 Getting ready to develop a project - Stage 1.....	5
2.1 Who do you want to house?	5
2.2 Does your proposal relate to the DSSAB's housing strategy?.....	6
2.3 Do you want to provide more than shelter - supportive housing?.....	7
2.4 Does organization have the skills needed to get the project built and up and running?.....	7
2.5 Have you considered a partnership arrangement?	9
2.5.1 How do you find a potential partner?	9
2.6 How do you pay for getting ready - what are the sources of funding?..	10
2.6.1 Canada Mortgage and Housing Corporation (CMHC)	11
2.6.2 The Ontario Trillium Foundation (OTF).....	11
3 Developing a housing project - Stage 2	12
3.1 What do you need to to do to get ready to build a project?	12
3.1.2 Do you have a plan to deal with NIMBY - not in my backyard?	14
3.2 How do you fund the housing development?	14
3.2.1 Capital Contribution	14
3.2.2 Mortgage Insurance	15
3.2.3 Ontario Infrastructure Loan Program	15
3.2.4 Project Development Funding.....	16
3.2.5 Municipal incentives	16
3.3 What happens during the construction of the project?	17

4 How do you run the project once it is built? - Stage 3 17
4.1 Who is responsible for the day-to-day running of the project? 17
4.2 How do you set rents for the project? 18
 4.2.1 Rent supplement Assistance 19
4.3 How do you decide who gets to live there? 19

Attachments

1: A Sample Process for Conducting a Feasibility Study for Supportive
Housing..... 20
2: Duties and Obligations of Directors of Non-Profit Corporations..... 22
3: Business Plan Checklist..... 24

The District of Thunder Bay Social Services Administration Board (TBDSSAB)

Housing Development Tool Kit

1. Introduction

The District of Thunder Bay Social Services Administration Board (TBDSSAB) is the service manager for Social and Affordable Housing in the District of Thunder Bay. A service manager is a body designated by the Province of Ontario to fund and administer Ontario Works, Community Child Care and Social Housing. Most recently through the proclamation of the New Housing Service Act, the DSSAB has been given the added responsibility of overall stewardship for housing and homelessness.

From time to time the federal and provincial governments make funding available for new affordable housing to be built in the District of Thunder Bay. When a new program is announced, each service manager is allocated an amount of money to invest in new projects or to rehabilitate existing housing. The federal and provincial governments have recently announced new funding under the new *Investment in Affordable Housing for Ontario Program* (IAH).¹ While there are a number of experienced housing providers in the District, housing programs and funding mechanisms have fundamentally changed. At this time, the DSSAB has developed this guide or tool kit as a resource to assist individuals and organizations, both private and non-profit, who may wish to develop affordable housing.

A wealth of information already exists to guide potential sponsors of affordable housing and, with this in mind, the purpose of this tool kit is not to replicate the excellent information that is out there but to provide you with some “food for thought” and identify those key sources of information and how to access them.

The CMHC website at www.cmhc-schl.gc.ca (click on affordable housing centre then click on resources and tools) provides extensive information on how to develop an affordable housing project form.

As well, in support of Ontario's Long-term Affordable Housing Strategy and the recently announced IAH program, the Ministry of Municipal Affairs and Housing (MMAH) recently released the *Municipal Tools for Affordable Housing Handbook*. While this handbook is geared to Municipalities, it is a valuable resource for developers, consultants, housing and community groups, municipal councillors, decision-makers, planners, policy makers, not-

¹ Program requirements and Expression of Interest/Request for Proposals are available on TBDSSAB's website at <http://www.tbdssab.ca/>

for-profit organizations and many others. The Handbook identifies a range of land use planning and financial tools that municipalities can consider to support the development of a full range of housing types in their communities, including affordable housing. The Handbook can be accessed through the MAH website at: <http://www.mah.gov.on.ca/AssetFactory.aspx?did=9270>.

Other sites and sources of information will be referenced as appropriate throughout this document.

Developing a project requires the proponent (the person or group developing the project) to undertake a number of steps. These steps fall into three stages:

- I. Getting Ready to Develop a Project
- II. Developing the Project
- III. Running the Project

2. Getting Ready to Develop a Project – Stage 1

2.1 Who do you want to house?

Most organizations including landlords, builders/developers or individuals already have an idea of who they want to house before they get involved in the development process. Some of these client groups include the homeless, people with disabilities, victims of abuse, seniors and low income families. It is important to make this decision at the outset since it affects the type of building to be built and whether or not support services also have to be provided.

Once a decision is made about who you wish to house, the next important step is to try to estimate how many people are in this group in the area you want to serve. It is critical to substantiate the need for your proposed project. This is called conducting a needs analysis or need and demand study.

This is a normal requirement of government sponsored housing programs as capital funding is in limited supply and they wish to ensure the projects selected have the best combination of meeting the need for housing and the most value for the dollar. Since project funding is usually awarded through a Request for Proposals (RFP) or an Expression of Interest (EOI), it is up to the proponent to convince the decision makers at TBDSSAB that their project is the best available.

For further information on this subject:

- ✓ Attachment 1, provides a sample of the type of information that needs to be collected to complete the needs study,
- ✓ British Columbia Housing provides a template for conducting a detailed need and demand study at: [www.bchousing.org/resources/About BC Housing/Strengthening The Social Housing Sector/Need and Demand Template-0610.pdf](http://www.bchousing.org/resources/About%20BC%20Housing/Strengthening%20The%20Social%20Housing%20Sector/Need%20and%20Demand%20Template-0610.pdf)
- ✓ Contact TBDSSAB at gflank@thunderbay.ca or (807) 766-2104 for waiting list information,
- ✓ CMHC website for information on need and demand at: http://www.cmhc-schl.gc.ca/en/inpr/afhoce/tore/lere/lere_003.cfm

2.2 Does your proposal relate to TBDSSAB's Housing Strategy?

TBDSSAB has recently published its Strategic Plan for Housing "Under One Roof". This plan has been established to meet the requirements of the provincial government that each service manager have a 10 year plan on how it will provide housing and homelessness services. Based on lengthy discussions with community representatives, the following priorities were endorsed by the Board of TBDSSAB:

- 32 emergency shelter beds,
- 29 transitional beds,
- 70 permanent supportive housing units for the homeless,
- 8 respite care beds,
- 70 supportive housing units,
- 75 Aboriginal housing units,
- 135 seniors' supportive housing units, and
- 100 affordable rental market units

These categories should accommodate most of the different types of housing that may be needed in the Thunder Bay District, however, if a proponent makes a strong case supported by a need and demand study, the DSSAB may consider agreeing to the project.

For further information on this subject:

- ✓ The final version of the DSSAB's housing strategy is available on the internet at www.tbdssab.ca/Housing. The priorities are set out in detail in figure 14 on page 93.
- ✓ Contact TBDSSAB at gflank@thunderbay.ca or (807) 766-2104 for further information on housing priorities.

2.3 Do you want to provide more than shelter – supportive housing?

This is a key decision that needs to be made at the onset of the planning stage since it not only affects the type of building to be developed, it also creates the need establish a partnership with a community based support service provider.

When a proponent wants to provide housing to people who also need services such as homemaking, personal care or medical supports to live independently in the community, a funding commitment for the provision of support services must be in place at the time the application is submitted to TBDSSAB for consideration for approval. This means working with the support service provider and the appropriate ministry such as the Ministry of Health and Long Term Care through the NWLHIN, Ministry of Community and Social Services, Ministry of Corrections, etc., to obtain a long term funding commitment. Some support service providers may have capacity or flexibility within their existing funding envelop to service more clients.

It is up to the proponent to enter into an agreement with the service agency to provide services to the prospective residents to be housed in their project.

For further information on this subject:

- ✓ Most of the community based service agencies in the District can be identified through the 211 service operated by Lakehead Social Planning Council and its searchable website can be accessed at: www.lspc.ca.
- ✓ The Community Care Access Centre provides assessment services and funding to seniors and the website of the Northwest CCAC can be reached at: www.ccac-ont.ca .
- ✓ Ministry of Community and Social Services can be accessed at: www.mcass.gov.on.ca
- ✓ Ministry of Health and Long Term Care at: www.health.gov.on.ca
- ✓ NWLHIN at: www.northwesthin.on.ca
- ✓ Contact TBDSSAB at gflank@thunderbay.ca or (807) 766-2104 for further information if required.

2.4 Does your organization have the skills needed to get the project built and up and running?

Determining if you and/or your organization have the skills needed to develop and manage a housing project is a critical step. Neither the DSSAB nor the Ministry of Municipal Affairs and Housing (MMAH) are willing to invest in an organization that cannot demonstrate its capacity and capability to develop and administer an affordable

housing project. Most rental housing projects are now a multi-million dollar undertaking and to be successful in obtaining a funding commitment from the DSSAB or MMAH, project sponsors must have a complement of skills including legal, project management, financial, design, etc., that form the development team.

Some of the questions you or your organization should ask yourself about your ability to successfully undertake a project is:

- Is developing housing the right thing to do at this time, given our current capacity?
- Do we have the commitment of the organization to embark on this venture?
- How does this venture fit into our long term business plan as an organization?
- Are we prepared to be a landlord and deal with landlord/tenant issues and property management?
- What skills and expertise do we require in order to develop a housing project?
- Do we have the required skills and expertise to accomplish this?
- If not, what are the gaps and how do we acquire the necessary skills?
- How do we pay for some or all of those skills?
- Do we need to partner with another organization to accomplish this? If so, who would this partner be?

If an existing organization decides to become a project proponent, the organization has to decide if it will use the same board of directors or create a new board solely for the development and ongoing operation of the housing project. What are the key considerations that go into making this decision?

- Governance model
- Accountability framework
- Legal liability – MMAH and the DSSAB may require a separate legal corporate entity to limit their legal financial liability as may be identified in the IAH program guidelines

The Ontario Non-Profit Housing Association (ONPHA) has developed significant resources to assist community based organizations develop non-profit housing. An

example of this is their information on the Roles and Responsibilities of a Board of Directors. This is included as attachment 2.

For further information on this subject:

- ✓ ONPHA's website which has many additional resources which are available to the public free of charge at:
www.onpha.on.ca/AM/Template.cfm?Section=Resources
- ✓ Information on forming a housing cooperative can be obtained from the Co-operative Housing Federation (CHF) - Ontario Region at
www.chfcanada.coop/eng/pages2007/onhome.asp .

2.5 Have you considered a partnership arrangement?

Forming partnerships are an important way of getting at those skills and knowledge you may lack to achieve a common goal. There are many types of partnership arrangements that can be entered into that in some way involve the sharing of control, responsibility and risk both legal and financial.

When exploring the opportunity for partnerships consider what you would gain and potential risk with the partnership. You may need more than one partner.

- List what each partner brings in terms of experience and skills. Is it a builder/developer that has access to land and knows the development process? Is it a development consultant that can guide you through the process and help with decision making? Is it a support service agency that will provide programming to the intended tenant population? Is it an architect that not only can design the building but also knows the development process?
- Define your goals and vision. Do you share a common vision with the potential partners?
- Clearly define the role and responsibility of each partner. It is best to have a written agreement which clearly spells out the arrangement and who is responsible for what services, costs etc. Hire a lawyer to draft the agreements or contracts.

2.5.1 How to you find a potential partner?

This will depend on the type of partner you are looking for.

If a proponent is looking for land or a building site, local real estate firms can provide assistance. Also contact the local municipality as they may have some suggestions about potential locations that fit within the municipality's official plan. Keep in mind that in the City of Thunder Bay, the largest land owner is the City. Municipal planning

departments may also be useful in identifying builders/developers who are active and may be interested in partnering.

If you are interested in developing supportive housing, then you may already be aware of community agencies that provide support services to your intended client group and it may be a simple matter to meet and determine their interest in partnering with you. Otherwise the Lakehead Social Planning Council may be able to connect you to appropriate community agencies.

A tried and true way to identify and select partners particularly in the technical field is to issue an “Expression of Interest” (EOI) inviting firms and individuals to provide you with services. Firms are interviewed and the firm or individual that is the best fit in terms of services to be provided, compatibility and price is normally selected by the proponent.

For further information on this subject:

- ✓ The ONPHA web site at: www.onpha.on.ca (click on “About Non-Profit Housing” and “New Developments” then click on resources) has information of the following:
 - How to choose the right development team
 - Partnering with developers – options and what makes them work
 - Finding and developing land
 - List of development consultants
- ✓ City of Thunder Bay planning department on available land sites. Contact information is available at www.thunderbay.ca
- ✓ Lakehead Social Planning Council’s 211 data bank at: <http://www.lspc.ca/>
- ✓ Guide to affordable housing partnerships. [ftp://ftp.cmhc-schl.gc.ca/mah/en/312424 A guide to affordable housing partnerships.pdf](ftp://ftp.cmhc-schl.gc.ca/mah/en/312424_A_guide_to_affordable_housing_partnerships.pdf)

2.6 How do you pay for getting ready – what are the sources of funding?

The initial steps in a project can often be accomplished using volunteers from the individuals or groups seeking to sponsor a housing project and meeting space can often be donated by organizations such as churches, services clubs or the Canadian Legion.

However, once the decision is made to proceed there is usually a cost to developing a proposal. For example, conducting a need and demand study may require mail outs or putting together and administering a survey of potential residents.

There are a number of ways to fund the initial steps of becoming a sponsor of the development of a housing project. If the housing sponsor is an existing community

organization funding can be provided from its foundation or trust depending on how it is organized, either as a grant or a forgivable loan.

2.6.1 Canada Mortgage and Housing Corporation (CMHC)

CMHC provides “seed funding” to assist community organizations to carry out the initial steps of organizing and funding a project as long as the proposed project meets the affordability criteria established by the Corporation. CMHC provides up to \$10,000 as a grant to carry out the activities necessary to prepare a viable project. The Corporation may provide up to an additional \$10,000 as an interest free loan which must be repaid if the project proceeds. Eligible recipients of seed funding are:

- A not-for-profit organization
- A housing co-operative
- A First Nation
- A private entrepreneur
- A group of individuals who may or may not intend to incorporate.

For further information on this subject:

- ✓ Visit CMHC’s website at www.cmhc-schl.gc.ca (click on affordable housing centre then click on resources and tools)

2.6.2 The Ontario Trillium Foundation (OTF)

The OTF distributes its funding to charities and not-for-profits through three granting programs: Community and Province-Wide programs and the Future Fund. Within those programs, funding is allocated in four sectors: Arts and Culture, Environment, Sports and Recreation, and Human and Social Services.

The **Community Program** is most relevant for community organizations wishing to undertake activities that will be of benefit to the community and is for activities that take place in one catchment area and have a local impact in one or more communities within that catchment area. Community grants account for 80% of OTF funding.

Through the Community Program, the Foundation makes grants of up to \$375,000 over five years. This can include up to \$75,000 per year for operating or project expenses and up to \$150,000 over one or more years for capital initiatives such as building renovations and/or equipment purchases. The decision to fund all or part of a request depends on how well an application fits with OTF's granting priorities and assessment criteria as well as the overall demand and granting budget in the catchment area.

For further information on this subject:

- ✓ Refer to the Trillium Fund Grant programs at:
www.trilliumfoundation.org/en/applyForaGrant/helpful_resources.asp.

3. Developing a Housing Project – Stage 2

3.1 What do you need to get ready to build a project?

Developing a housing project requires a wide range of skills including project management, financial management, community planning, architectural, engineering, and construction skills. ONPHA has developed a “Business Plan Checklist” that allows a group to make sure all of the steps are in place to make the development feasible. This has been reproduced as attachment 3.

Projects can be developed using a number of approaches:

- New construction on green field land sites
- Demolition of existing building forms and building new
- Intensification of an existing property
- Renovation of an existing rental property (the renovation work would likely need to be substantial to qualify)
- Conversion of a non-residential property to residential

There are also different relationships that can be formed to acquire land and build a project:

- Full tender – the proponent identifies a site and enters into a purchase and sale agreement with the property owners, engages the services of an architect to design the project, obtains a permit, issues a tender for construction services and enters into a contract with the successful proponent. The same process would be followed where the proponent may already own the site and seeks to intensify or redevelop. Funds are disbursed according to the percentage of work completed or in accordance with IAH program guidelines.
- Full turnkey – the proponent negotiates with a builder develop to acquire land and building for a set fee. The builder produces the product and the proponent turns over the funds. (Very few if any social housing project have been developed in the province using this approach as the developer bears all the risk - financial, planning and legal)
- Modified turnkey – same approach as with the full turnkey except there are progress draws during construction based on percentage of work complete. Minimizes financial risk to the developer.

The advantages of full and modified turnkey approach are fairly self-evident:

- Minimal expertise required by the proponent or project sponsor
- Minimal up front financial resources required by the proponent
- Minimal time and human resources

- Limited risk and liability if any during the project planning and early development stages (borne by the turnkey developer). Liability can be mitigated through adequate insurance coverage during the development and ongoing project administration phases.

If the proponent or project sponsor decides to be their own project manager, the stages of development are usually:

- Identifying and securing an appropriate site that is either zoned or can easily be rezoned for the type of building proposed by the proponent **within the time frames of the IAH program**. Any offer to purchase should be conditional on the receipt of a funding commitment from the DSSAB and/or MMAH.

Note: Since most housing programs place a premium on “shovel ready” projects, those sites that are appropriately zoned or require minor variances would be the first choice of the DSSAB.

- Selecting an architect who designs the a building that meets the needs of the proponent to serve their specific clients
- Securing an allocation and commitment of funding from TBDSSAB under the IAH through a process to be determined by TBDSSAB
- Securing financing. While program funding may be generous, it will be insufficient to cover the full capital costs and other sources of funding such as first mortgage financing will need to be secured. (See below for details on financing)
- Preparing construction drawings based on the design
- Obtaining a building permit based on these drawings
- Entering into a construction contract with a developer
- Building the building

Often at the initial stage of the process, housing proponents hire the services of a development consultant to assist them. A development consultant is an individual or firm who has expertise in both working with community groups, development industry and has knowledge of government housing programs. A list of development consultants can be obtained from ONPHA, the Social Housing Services Corporation or CMHC. Alternatively the proponent can issue a Request for Proposals or Expression of Interest to select a development consultant.

The role of the development consultant is, under the direction of the proponent, to make all of the arrangements to get a building built that meets the needs of the proponent and

the clients the proponent wishes to serve. The development consultant also monitors the ongoing development of the project and may act as the project manager.

For further information on this subject:

- ✓ ONPHA's website as it has a range of information on the development of housing, including sample questions to ask the various professionals who will work on a project. This is available at:
www.onpha.on.ca/AM/Template.cfm?Section=Resources
- ✓ CMHC's website at www.cmhc-schl.gc.ca
- ✓ Social Housing Services Corporation's website at www.shscorp.ca or call the toll free number 1 877 733-7472

3.1.2 Do you have a plan to deal with NIMBY–Not in My Backyard?

All too often, proposals to house low income people and in particular proposals that are intended to serve people with mental illness get derailed by residents who are fearful of the impact to their communities. The Planning Act requires that neighbors be consulted on any planned development or redevelopment and this provides them with the opportunity to voice their concerns. Therefore, it is critical to have a plan in place that helps pave the way for your proposed affordable housing project.

The Home Coming Community Choice Coalition has available a tool kit designed for supportive housing but is applicable to all housing proposals which may be controversial. The tool kit can be downloaded from their web site.

For further information on this subject:

- ✓ Visit the Home Coming Coalition web site at: www.homecomingcoalition.com
- ✓ The NIMBY tool kit can also be downloaded from the ONPHA web site
www.onpha.on.ca

3.2 How do you fund the housing development?

3.2.1 Capital Contribution

Since the development of a housing project requires a considerable up front financial investment by the proponent of the project, most non-profit or private affordable rental projects that have been built are built through the assistance of a government program such as the new IAH program. The capital contribution to be made available while not presently known will as with predecessor housing programs be substantial. However, it will not be sufficient to cover the full capital costs of land and building. Once a

proponent has received a letter of commitment from the DSSAB or MMAH, the proponent can arrange for mortgage financing for the balance of the required capital funds.

3.2.2 Mortgage Insurance

Most recent housing programs have provided a referral to mortgage lenders with mortgage insurance provided by CHMC under the National Housing Act (NHA). CMHC's Mortgage Insurance Fund (MIF) will reimburse lenders in the event of a mortgage default. The housing projects developed with large financial contributions from the federal and provincial governments typically do not require the payment of insurance premiums into the MIF.

Mortgage lenders generally have requirements that the proponent has to meet before they will issue a mortgage commitment (gross debt service ratio and total debt ratio). Once the proponent has met these requirements, a mortgage commitment is in place, and once a building permit is issued, the proponent can "draw" against the mortgage to pay for the construction of the project. Developers/contractors are normally paid progress payments after satisfactory completion of certain stages of construction. These stages may be determined by the IAH program criteria.

For further information on this subject:

- ✓ CMHC's website provides information on mortgage lending and mortgage insurance through its Affordable Housing Centre at: www.cmhc-schl.gc.ca/en/inpr/afhoce/index.cfm .
- ✓ Links to other possible financing resources are available on the MMAH website <http://www.mah.gov.on.ca/Page147.aspx>

3.2.3 Ontario Infrastructure Loan Program

As an alternative to conventional mortgage financing, certain public sector organizations are eligible to apply for loans from the Province of Ontario. These certain of these organizations include:

- Housing providers
- Local Service Boards
- Municipal Corporations
- Municipalities
- Non-profit long term care homes

The benefits of this program include:

- Affordable interest rates
- Access to capital market financing without any fees or commissions
- Longer terms to match the life of the asset
- No need to refinance over the life of the loan

For further information on this subject:

- ✓ Visit the Ministry of Infrastructure's website at: www.moi.gov.on.ca

3.2.4 Project Development Funding

Prior to the issuance of a mortgage commitment, the proponent must raise funds to develop its proposal to the point where it can be approved by a mortgage lender.

CMHC provides up to \$100,000 in Project Development Fund (PDF) loans. These funds are available to help with the up-front expenses such as engineering studies, soil testing, project drawings and specifications and various development fees that are needed to bring the project to the stage where the proponent can apply for mortgage financing. If the project proceeds these loans are repayable otherwise the loans are forgivable. Those eligible for PDF include:

- a not-for-profit organization
- a housing co-operative
- a First Nation
- a private entrepreneur
- any other housing proponent who can demonstrate the ability to produce a viable affordable housing project which meets CMHC's criteria

Please note that not all government sponsored housing programs have had PDF funding.

For further information on this subject:

- ✓ CMHC PDF loans, including application forms are available at: www.cmhc-schl.gc.ca/en/inpr/afhoce/fias/fias_004.cfm

3.2.5 Municipal Incentives

Financial assistance in the form of an equalization of the property tax rates of multi-residential rental projects to single residential tax rates will be available. Municipal multi-residential property taxes will be set at the single residential rate for approved projects for the term of the program. This incentive will not reduce capital costs but will impact initial and ongoing operating costs. It is expected that this financial incentive will be reflected in the rents charged.

Contact your local municipality to determine what other incentives may be available.

For further information on this subject refer to:

- ✓ TBDSSAB's at gflank@thunderbay.ca or (807) 766-2104 for further information if required.

3.3 What happens during the construction of the project?

Most of the work during construction or renovation of the project consists of monitoring the construction of the building and making progress payments to the contractor. This function is normally performed by the proponent and their technical representative usually the architect. If the proponent has hired a development consultant they would act on the proponent's behalf along with the technical consultant.

From time to time, issues may be identified during the construction of the project that requires a change of plans. If the change results in an added cost, the project architect will bring this to the attention of the proponent and will request that a change order be approved so that the issue can be addressed. Sometimes when the project is under construction the proponent may wish to add or reconfigure space in the building and this will also initiate a change order. Since changing the structure as it is being built is generally more expensive than having everything preplanned, the proponent should ensure that the final design has been carefully considered.

When construction of the project is substantially complete, the lender and the proponent will establish the Interest Adjustment Date (IAD). At this point in time, all of the construction funding provided by the lender and the interest on this funding will be totaled and the amount will be written up as the mortgage.

4. How do you run the project once it is built? – Stage 3

4.1 Who is responsible for the day-to-day running of the project?

The proponent who now owns the property is responsible and accountable for the management of the property. The functions include:

- Leasing or renting the units
- Rent collection
- Maintenance and repairs
- Keeping financial records
- IAH program reporting

These duties of a landlord are normally contracted out either to a property management firm or an individual. Note that the property manager is generally not responsible for

delivering support services as these are usually delivered by a community agency which may or may not have a direct relationship with the proponent.

Proponents or landlords who are also non-profit housing corporations can get help from ONPHA and CHF-Ontario Region. These organizations offer a wide range of training programs to prepare directors for their responsibilities.

For further information on this subject:

- ✓ A guide to tendering for a non-profit property manager by the Social Housing Services Corporation at:
www.shscorp.ca/content/rc/templates/GuideToTendering.pdf
- ✓ The Co-operative Housing Federation has issued a similar guide:
www.chfcanada.coop/eng/pdf/ResourceDocs/ahp-resources/Tendering-Guide.pdf
- ✓ General information on hiring a property manager can be obtained at:
www.managemyproperty.com/articles/hiring-a-property-management-company-25
- ✓ Operations Manual for housing [ftp://ftp.cmhc-schl.gc.ca/mah/en/Operations manual for owners and managers multi-unit residential buildings.pdf](ftp://ftp.cmhc-schl.gc.ca/mah/en/Operations_manual_for_owners_and_managers_multi-unit_residential_buildings.pdf)

4.2 How do you set rents for the project?

The proponent has to raise sufficient revenue from rents and non-rental revenue such as parking charges and coin-op laundromats to cover the costs of paying the mortgage principal and interest and project operating costs.

If the project is being funded or partially funded through a grant program, the criteria for establishing the rent will be part of program requirements. For example, rents in projects created under the former Affordable Housing Program were required to reflect the financial capital contributions provided and the property tax benefit. As such, rents were to be 20% less than the average market rent in the area in which the project was built. Once a rent has been set it is then subject to the requirements of the Residential Tenancies Act (RTA) and any requirements that may be the IAH programs guidelines.

For further information on this subject:

- ✓ Refer to the program guidelines posted on the DSSAB's website at:
www.tbdssab.ca
- ✓ MMAH's website at: www.mah.gov.on.ca

4.2.1 Rent Supplement Assistance

Some of the prospective tenants the proponent may wish to house may not be able to afford the market rent, even one that has been reduced as a result of government programs. In this situation, the DSSAB may be able to provide a rent supplement to allow the tenant to pay a rent-geared-to-their income. The tenant pays a rent based on what they can afford normally calculated as a percentage of income and the DSSAB pays the difference between that rent and the market rent for a unit.

Regardless of whether or not there is a rent supplement program available to assist its clients, the proponent is still responsible for ensuring that the rents and non-rental revenues are sufficient to cover the cost of operating the project.

For further information on this subject:

- ✓ Contact TBDSSAB at gflank@thunderbay.ca or (807) 766-2104 for further information if required.

4.3 How do you decide who gets to live there?

In most situations, the proponent has created the building to serve a specific population such as seniors, people with disabilities or the homeless. The proponent can house people in these categories but is not allowed to discriminate who in these categories can be housed since the project is subject to the requirements of the Human Rights Act. The proponent should set up a tenant selection process that should be based on first come first served, but some specific modifiers to this policy may be allowed to ensure the proponent meets its mandate.

The tenant selection process will likely be different for supportive housing projects as the community agency providing the support service programming may be the body determining who gets housed. Further details will be available once program guidelines are made public by the MMAH.

Attachments

Attachment 1: A sample Process for Conducting a Feasibility Study for Supportive Housing

1 Overview

The proponent (or their consultant) will:

- Identify current supportive housing stock
- Determine the demand for supportive housing for seniors, the physically disabled and those with developmental challenges
- Determine the demand for respite care beds
- Identify the type and level of support services required
- Develop an inventory of support services currently available
- Identify gaps in support services relative to the need
- Identify challenges and opportunities for providing a multi-use supportive housing facility balancing facility utilization with operating efficiencies
- Recommend the number of supportive housing units to be developed
- Provide an estimate of capital costs to develop a supportive housing facility

The feasibility study is expected to provide quantitative and qualitative information on the demand for and supply of housing units and support services to enable effective and rational decision making with respect to developing a new supportive housing project.

2 Scope of Work

The proponent would prepare a written report that incorporates the following:

- An examination of published data to develop a needs assessment for supportive housing in _____:
 - A review of population and demographic trends with a five, ten and fifteen year outlook
 - Income levels
 - Housing supply inventory and characteristics such as affordability suitability, accessibility and adequacy
 - Support service inventory
 - Identification of gaps in both housing supply and support services
- A review of existing and future community demand for supportive housing. This will include determining an estimate of the expressed demand for supportive housing.

Expressed demand may be identified through the administration of a questionnaire to target residents. Sample questions should include:

Do you wish to remain in your own home?

- If so, what services or supports do you think you may need to continue to live independently? E.g., home care, personal care, meals, assistance with shopping and medical appointments, etc.
- When do you think you will require these services?

Do you intend to continue to stay in _____? If not, please indicate why?

Do you currently receive support services where you reside?

- If yes, what services do you receive how often and who is your service provider?
- Do you think there will come a time when you will require more services? If so, when and what type of services do you think you will need?

Are there services that you require that are not available to you? How do you manage?

Would you move in town into a rental facility to get the services that you need?

- If not, why not?
- If yes, when and under what circumstances would you consider moving?
- If yes, would you consider moving into a supportive housing project that provides housing to more than one type of client? E.g., seniors, physically disabled, developmentally challenged. If not, why not?

What income category do you fall in? (Income brackets are to be developed by the proponent)

What is your source of Income? E.g., employment, pension, ODSP, Ontario Works, investment income

Expressed demand is also to be informed through consultations or interviews with stakeholder groups including: potential consumers, North West LHIN, North West CCAC, local agencies serving the clients the proponent wishes to house Thunder Bay District Housing Corporation, etc.

The Proponent will prepare a report in support of its proposal.

Attachment 2: Duties and Obligations of Directors of Non-Profit Corporations

Non-profit corporations are corporations that do not issue shares and that have “members” as opposed to “shareholders”. A corporation is a separate legal entity and can enter into contracts for the purchase and mortgaging of land and for large construction projects, without the directors or members being personally responsible for any of the debt or liabilities, save for a few exceptions set out below. For non-profit corporations entering into large contracts, the fact that the directors are not personally responsible, in the event something goes wrong, is critical to attracting good directors.

Duties

The primary responsibility of the board of directors is the management of the business of the corporation. Like their counterparts in business corporations, the directors of a non-profit corporation are permitted to delegate (but not *abdicate*) the day-to-day management to others, most commonly its Executive Director. The directors of a non-profit corporation owe a duty of care in managing the corporation, even though the non-profit is not operating to earn money, the directors are volunteers, and may not have business experience.

It is the duty of the directors to appoint and monitor the performance of management and to provide direction and policy guidance to ensure that the directions of the board of directors are implemented. While day-to-day operations of the corporation may be left to management, directors retain ultimate responsibility and control. They must be sufficiently knowledgeable concerning the corporation’s business and affairs and sufficiently independent of management to perform their guidance and monitoring functions effectively. The responsibility extends to informing and educating themselves about whatever endeavours the corporation assumes. It is not an excuse for a director to say later that “I did not understand” or “No one told me”.

Directors are required to:

1. Act honestly and in good faith with a view to the best interests of the corporation.

Directors must avoid any situation involving a conflict between their personal interests and those of the corporation. In particular, directors are precluded from being compensated for their time or services, using corporate property for personal benefit – or from profiting in any other way from his or her position on the board of directors. This includes avoiding having an interest in contracts entered into by the corporation. If having an interest in a contract cannot be avoided, a director must make his conflict known to the other directors at the beginning of a meeting in which a contract is to be

considered, absent himself from any discussion about the contract and must refrain from voting on the matter.

2. Exercise the care, diligence and skill that a *reasonably prudent* person would exercise in comparable circumstances.

Directors should seek to inform themselves about the corporation's affairs and the issues facing the corporation, by attending board meetings regularly and participating in decisions concerning the non-profit's business. The concept of diligence connotes attentiveness, persistence and informed activities. Seeking expert and professional advice and relying on such advice in appropriate circumstances would be evidence of diligence on the part of directors and would likely protect them against allegations of lack of care.

Liabilities

Although not personally liable for most contractual arrangements entered into by the non-profit corporation, directors can be found to be accountable for a number of obligations and liabilities imposed by various statutes. For example, each director is personally liable for any unpaid wages of the corporation's employees and for any monies that the corporation is obligated to withhold, collect and remit, such as Employment Insurance, Canada Pension Plan contributions and income tax. Directors also face other employment-related duties and liabilities under federal and provincial employment standards and labour legislation, occupational health and safety legislation, pension benefits and medical health insurance acts.

There are other times a director can be found responsible for debts and liabilities of the corporation, but if a director conducts him or her self in the manner suggested above, the details of this potential liability will never become an issue.

Directors' and Officers' Liability Insurance

Most incorporating documents expressly state that the corporation will indemnify any directors found personally liable. These by-laws are only effective if there are assets of the corporation to cover the amount owing. Many corporations purchase directors' liability insurance to protect their directors in the event they are found liable in any matter.

Source: ONPHA

Attachment 3: Business Plan Checklist

ONPHA Business Plan Checklist

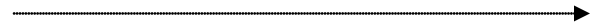
1. Development qualifications

We have:



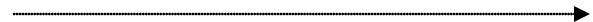
Stuck Started Progressing Done

Incorporated as a non-profit housing corporation

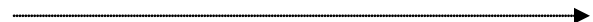


Board members who have experience in:

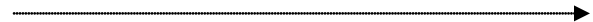
- Property development
- Housing management
- Raising government and private funds
- Working with homeless people
- Support services



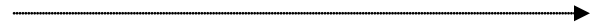
Equipped one member of our organization to lead the development



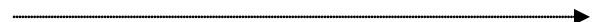
An experienced development consultant



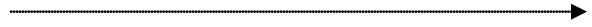
A lawyer with experience in non-profit housing development



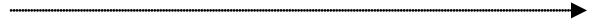
A team of professionals experienced in non-profit and/or supportive/transitional housing development, including an architect able to design housing within a tight budget



A clear understanding of the role of our Board and our development team, and the relationships among us.



Directors' and Officers' Liability Insurance



2. Targeting plan

We know:



Stuck Started Progressing Done

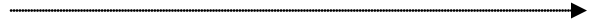
Who, specifically, we want to house (and the implications on location, unit sizes, services, common spaces, staffing space, and special features they will need)



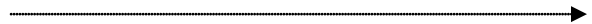
The income range of the people we want to house



How our future residents fit the definition of transitional or supportive housing



How residents will be chosen (use of waiting lists and referral agencies, outreach, tenant selection criteria and process)



3. Support service plan

We have:

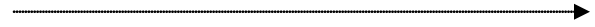


Stuck Started Progressing Done

A description of services needed to help residents keep their homes, and how those services will be provided



A staffing plan that allows this level of support to be provided



Written commitment from any agencies needed to provide support



Standards for the level of support required, agreed to by any support agencies



Funding commitment(s) for the support services needed



A plan to help residents move from transitional to permanent housing



4. Development



Stuck Started Progressing Done

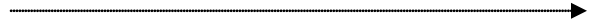
We have secured a site (i.e. we own the site, have an agreement to lease or purchase, or an option to purchase the site)



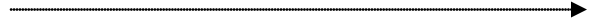
We know the current zoning of proposed site, and the planning approvals needed



We have a community outreach plan (if planning approvals are needed)



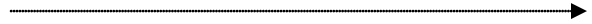
We know what environmental studies have been completed on the proposed property (i.e. ESA 1 and 2) as well as the cleanup and costs required (if any)



We have a preliminary design concept that meets the needs of our tenants and the community (including well designed units, common spaces, staff offices and any required special features)



We have considered energy and watersaving measures in our preliminary design



We have a development plan which outlines the various steps and time lines from feasibility study to occupancy.



5. Capital finances

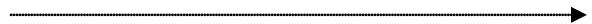


Stuck Started Progressing Done

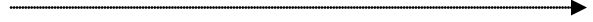
We have a detailed break-even capital budget (with contingency) based on our funder's development pro-forma



We have a lender's agreement and mortgage insurance for any borrowed funds



We have written commitments from any other government funders



We have a fundraising plan for any equity we will raise ourselves, including donated labour and/or in-kind donations

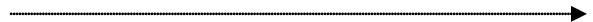


6. Operating finances

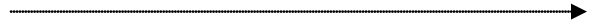


Stuck Started Progressing Done

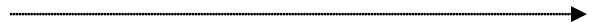
We have a detailed break-even 10-year operating budget (reflecting inflation, high maintenance standards, appropriate supports and affordable rents)



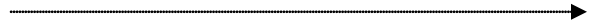
We have written agreements from any government funders of operating, program or support costs



We have written agreements from any agency providing support services or programs



We have a fundraising plan for any operating costs we will raise ourselves



7. Management

—————→
Stuck Started Progressing Done

We have a management plan that describes:

- Whether we will hire a management firm, on-site staff, or a combination
- Building management and maintenance
- Financial management
- Tenant services
- Tenant involvement
- Relationship between management and support services

—————→

Source: ONPHA