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Creating stronger communities through housing solutions

Development of Affordable Seniors Housing Request for Proposals

Questions and Answers

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Q: What is the purpose of this Request for Proposals (RFP)?

A: Manitoba Housing presently has funding assistance available to contribute toward the capital costs of affordable senior's housing projects. The purpose of the RFP is to solicit proposals for the development of such projects.

Q: Why is this RFP being released?

A: There is a recognized need for additional affordable housing in Manitoba. To help address this, the provincial government made a public commitment as part of the November 2009 Throne Speech to develop 1,500 new affordable housing units in Manitoba by March 31, 2014.

Seniors housing represents a key component of Manitoba Housing's overall 1,500 unit delivery strategy. To that end, Manitoba Housing is directing new housing investment to assist in meeting the continued need and demand for additional affordable housing for seniors in Manitoba.

By way of an RFP approach, a competitive project selection process is being used to ensure that the most appropriate, sound and cost-effective affordable seniors housing project proposals are chosen for commitment.

Q: What is meant by "affordable" seniors housing?

A: "Affordable" seniors housing projects must be developed with rents initially set at or below Median Market Rent (MMR) levels, with rents remaining affordable for a period of fifteen years or more.

MMRs are established by the federal/provincial governments and are calculated relative to various criteria to determine the maximum monthly rent a landlord can charge a tenant household while still considered affordable. The monthly rental charge must be inclusive of essential services (heat, hydro, and water).

By way of example, current MMRs for Winnipeg are \$625 and \$863 for one and two-bedroom units respectively. In rental market areas outside of Winnipeg, the MMRs are \$575 and \$713 for such units.

Q: What types of projects are eligible under this RFP?

A: Eligible projects include multiple unit rental or cooperative housing projects for low- to moderate-income seniors (aged 55 years or older). Projects may take the form of new construction, conversion from non-residential to residential use, or the rehabilitation of vacant, derelict residential buildings.

Projects need to be modest in terms of floor area and amenities, as well as meet respective MMR affordability provisions.

Projects not eligible under this RFP include nursing homes and other long-term care facilities, shelters and crisis care facilities, and ownership housing of any kind.

Q: What kind of financial assistance is available?

A: A one-time project capital contribution is available through a fully forgivable loan that does not have to be repaid if select terms and conditions are adhered to over the span of a fifteen year financial assistance agreement.

In addition, a limited amount of rent-geared-to-income (RGI) assistance will be available to help further decrease rents so that they are affordable to lower-income households.

Q: How much financial assistance is available?

A: The amount of potential financial assistance will be sufficient to help reduce proposed project rents to levels at or below those considered affordable by Manitoba Housing. Funding will, however, be limited to the lesser of the following:

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- 35 percent of total eligible project capital costs; or
- \$60,000 per residential unit (or \$70,000 per residential unit in northern communities).

RGI assistance shall be provided to a maximum of 50 percent of all eligible affordable housing units.

Q: Who is eligible to apply?

A: Eligible proponents include private and public/municipal non-profit housing corporations, non-profit housing cooperatives, municipalities, and private developers.

Q: Where can projects be located?

A: Proposed projects may be located anywhere in Manitoba, with the exception of in recognized or designated First Nation communities. Prospective proponents are however cautioned to carefully consider the existing and long-term need and demand for seniors housing in the proposed market location.

Q: Are there any restrictions on the project unit mix?

A: Proponents are strongly encouraged to develop proposals with a unit mix that is most desirable to serve the target population and which best address community need. Manitoba Housing is, however, only providing financial assistance to support the development of one and two-bedroom units, or a combination of the two.

Q: Do proposed projects need to adhere to any physical design requirements?

A: Proposed projects must provide modest, self contained accommodation of suitable space and size to meet household needs. Complete modesty assurance requirements are outlined in the RFP.

Projects must also be designed and built to comply, at minimum, with applicable Manitoba Hydro Power Smart guidelines. In addition, new construction projects must ensure that all units meet select minimum accessibility criteria.

Q: Are there any tenant eligibility restrictions?

A: Eligible households are low- to moderate-income renters and housing cooperative resident members aged 55 years or older. Tenants may not have a total household income higher than \$45,166.

Additional restrictions are in place for projects planned to be developed with life lease tenant equity contributions.

Q: Can proposed projects incorporate a mix of affordable housing and market units?

A: Yes. Projects may incorporate any combined mix of affordable housing and market rate units. This approach is encouraged provided appropriate need/demand exists.

However, units scheduled to be leased above applicable MMR levels (i.e., market units) will not be eligible for Manitoba Housing financial assistance.

Q: Does land for the proposed project need to be owned by the proponent at the time of proposal submission?

A: Proponents do not necessarily need to hold title of the proposed project site at the time of proposal submission. Manitoba Housing will however give preference in its scoring to proposals that satisfactorily demonstrate proponent control of the site and where required zoning for the project is already in place.

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Q: Is the RFP limited to independent senior's rental/co-op housing only?

A: No. Projects targeting the development of affordable seniors housing which include an assisted living or supportive housing component are eligible under this RFP.

In instances where proposed projects plan to include care or supportive care services, proponents are cautioned to ensure clear evidence and confirmation of concept approval and funding support for the care or supportive care services by the provincial department and any other government agency having jurisdiction is included in their proposal submission.

It should be noted that eligible projects under this RFP also include those that are based wholly, or in part, on a Life Lease model of development.

Q: What is the deadline to submit project proposals?

A: The submission deadline for this RFP is September 6, 2011, 4:30 p.m. Central Time.

Q: How will project proposals be reviewed and evaluated?

A: All submitted proposals will be initially screened to ensure basic mandatory requirements are met.

Proposals that screen in will be first evaluated and scored using a point ranking system to assess the business case of a project proposal.

Proposals that meet a minimum scoring threshold will be short-listed for further and final evaluation. Short-listed proposals will be assessed using additional criteria relating to the impact on existing local Manitoba Housing assets and alignment with Manitoba Housing strategic priorities. Evaluation at this stage will also include a detailed examination of project need and demand.

Proponents are encouraged to carefully review the RFP and all its evaluation criteria prior to submitting a project proposal.

Q: Can any further insight be provided on how project proposals will be scored?

A: In broad terms, scoring preference will be given to project proposals that are further advanced in the predevelopment process and are in position to proceed to construction sooner rather than later. Favoured proposals will also include those which demonstrate long term viability, higher project equity contributions, and the overall capacity and wherewithal to complete the project in a timely and successful manner.

Prospective proponents are additionally reminded to ensure their submission clearly demonstrates a need/demand for the project, and to ensure careful consideration of how their project will integrate with existing local seniors' housing projects.