

**The Manitoba Housing and
Renewal Corporation**

**Proposal Development Funding (PDF):
Application and Program Guidelines**



THE MANITOBA HOUSING AND RENEWAL CORPORATION PROPOSAL DEVELOPMENT FUNDING (PDF): APPLICATION AND PROGRAM GUIDELINES

INTRODUCTION

The Manitoba Housing and Renewal Corporation (MHRC) invites private non-profit corporations and non-profit co-operative housing associations to apply for Proposal Development Funding (PDF). The PDF program provides interest-free loans to help non-profit groups prepare detailed proposals to develop affordable housing for low to moderate-income households, persons with disabilities and/or seniors.

PDF loans can help private non-profit corporations and non-profit co-operative housing associations hire the professional and private sector services that may be needed to bring affordable housing proposals to the point where a mortgage financing commitment by an approved private lender can be made. Both new construction and redevelopment projects are eligible for PDF loans.

Loans up to \$60,000 are available. The actual amount of the loan depends on the size and complexity of the project and availability of funds. PDF loans are interest-free and must be repaid from the proceeds of the mortgage loan when provided by an approved lender. The MHRC encourages the development of projects that provide affordable housing through partnerships.

PDF loans are not intended to cover all costs associated with developing a project to the commitment stage. Organizations are also expected to contribute to the development costs.

PDF applications are accepted, reviewed and approved on an on-going basis.

QUALIFYING CRITERIA

PDF loans are available to groups who are or who agree to become incorporated as a private non-profit organization. Non-profit co-operative housing associations incorporated under the *Co-operatives Act of Manitoba* are also eligible for PDF support, as are non-profit organizations working with private developers or municipal governments. Non-profit organizations providing care or support services to tenants may also be eligible for PDF loans.

Consultants, developers, municipal governments and other public agencies are not eligible for PDF loans.

PDF submissions must target the development of affordable housing for low to moderate-income households, persons with disabilities and/or seniors. Eligible projects must have multiple units (two attached units or greater) owned and/or operated by a non-profit group or non-profit housing co-operative.

Proposed housing projects must lease at full recovery rental rates and be financially self-sufficient. In addition, proposed projects must not depend on ongoing operating assistance or public operating subsidies.

PDF loans may be granted to help reduce costs associated with the following proposal development activities:

- land surveys, soil tests, environmental site assessments and zoning analyses
- architectural services
- project development consulting
- marketing
- legal services
- business planning
- land (but not towards the actual purchase price)
- Goods and Services Tax (G.S.T.)
- other specified proposal development expenses

A number of activities are not eligible for PDF loans, such as all activities performed before PDF loan approval as well as initial project need assessments and related activities.

Applicants who receive a PDF loan from the Canada Mortgage and Housing Corporation (CMHC) are not eligible to receive a MHRC PDF loan to develop the same project.

SUBMISSION REQUIREMENTS

All applications for PDF loans must include:

- 1) a completed PDF Application Form (Appendix 1)
- 2) a preliminary project proposal
- 3) a detailed proposal development cost estimate breakdown

1) Completed PDF Application Form

The application form attached as Appendix 1 must be completed in as much detail as possible. Applicants are invited to attach additional information to the application form, if further space is required.

2) Preliminary Project Proposal

The preliminary project proposal must provide a detailed overview of the proposed affordable housing project. This report must include, but not be limited to:

Group Information

The name of the applicant group and its current directors; group background, including a brief history and mission statement; and a short description of the group's experience in housing, management and finance.

A copy of the applicant's Articles of Incorporation should also be included if presently available. PDF monies over \$10,000 will not be advanced until the group provides evidence of incorporation as a non-profit organization and that it operates without share capital.

Project Concept Description

A detailed description of the project; proposed number, type and size of units; planned tenure; as well as any planned amenities, special design features and non-residential project components.

Consultant Information

Principal consultants who are helping develop the project, including any architectural firms or project development consultants, must be identified.

Market Analysis and Identification of Housing Demand

A preliminary market analysis of the project's target market area must be provided. This should include a review of existing rental and non-profit housing in the market area; vacancy rates in the target market area; identification of the target client group, including demographic, income and current housing information; a demographic analysis of the community; and identification of services and supports needed by the intended client group.

Submissions must demonstrate that a need or demand exists for the proposed housing project.

Site Selection Information

A description of the proposed project site along with status of ownership; suitability of the site in relation to community planning principles/zoning considerations; and the market value of the site including municipal assessment, if available.

PDF monies over \$10,000 will not be advanced until the group provides a satisfactory current environmental site assessment.

Financial Information

Details of proposed project financing and an estimate of the amount and source of any group equity to be used as part of the housing project.

Evidence of Affordability

Evidence that the project is targeting the development of affordable housing for low to moderate-income households, persons with disabilities and/or seniors. This evidence shall include anticipated rental rates based on estimated project costs, revenue streams and group/tenant equity.

In order to be considered affordable, anticipated rental rates must be at or below Median Market Rates (MMRs) for the targeted project area. MMRs are established by the federal government and are related to the geographic area, Federal/Provincial Housing Income Limit criteria, and the number of bedrooms required for the household in accordance with National Occupancy Standards.

The monthly rental charge must be inclusive of essential services (heat, hydro and water).

Additional Cost-Effectiveness Information:

Details of any consideration given to enhancing the cost effectiveness of the project, including identification of potential sources of revenue from other public/private capital grants or funding.

Community Support and Partnership Arrangements

Evidence of community support for the proposed housing project, including details of any established or potential partnership arrangements. Community support can be measured, for example, by the amount of volunteer support drawn to the board, the amount raised through fundraising, or support from the municipality in the form of favourable zoning or tax concessions. Other forms of community support will be considered. Linkages with municipalities, local organizations and private sector groups indicate the community's willingness to participate and share in the benefits and risks involved.

Care or Support Services

In addition to the above requirements, organizations proposing housing which includes the provision of care or support services must provide evidence of any necessary funding for the proposed care or support services. This must include the amount of funding required and source(s) of funding.

3) Detailed Proposal Development Cost Estimate Breakdown

A detailed proposal development cost estimate breakdown must accompany the submission. It should provide an itemized listing and detailed description of all expenses anticipated to be offset by the requested PDF loan. This cost and activity breakdown should be as detailed as possible in consideration that PDF support may be granted based on this information.

OPERATIONAL INFORMATION

MHRC will tailor loan advances to meet specific situations. PDF loans less than the amount requested may be offered. If the developmental expenses exceed the maximum PDF loan of \$60,000, the group must provide details upon MHRC request.

Advances will be provided for work performed and billed after the commitment date of the PDF loan. PDF loans are issued on an accountable advance basis subject to MHRC terms and conditions, and reconciled with statements of expenditures before the next advance.

When a project receives a commitment of mortgage financing, the PDF loan is part of the capital cost of the project and the advanced portion of the PDF loan will be repaid in full to the MHRC from the first mortgage advance. The lender is responsible for providing MHRC with direct payment of the PDF loan from the proceeds of the first advance.

If, for any reason, a proposal does not proceed to commitment, or if a proposal is committed and is subsequently cancelled before the first mortgage advance, any unexpended portion of the loan is to be immediately returned by the applicant to the MHRC.

If the group does not receive a project commitment within three years of the original commitment of the PDF loan, the project may be considered abandoned and the expended portion of the loan may be forgiven.

PDF loans are secured by promissory note that must be executed by the authorized signing officers of the non-profit organization. A resolution of the board of directors approving the acceptance of a PDF loan and authorizing the signing officers to execute the promissory note must be provided.

Groups must consent to publicity regarding the award of the loan.

Proponents are solely responsible for their own costs and expenses in preparing their PDF application.

SUBMISSION INFORMATION

Please submit five (5) copies of your PDF application and any related accompanying material to:

Proposal Development Funding
c/o Housing Services
The Manitoba Housing and Renewal Corporation
203-280 Broadway
Winnipeg, Manitoba R3C 0R8

For more information about PDF, please call:

In Winnipeg: 945-5566
Toll free in Manitoba: 1-866-689-5566
Fax: 204-945-5710

SUBMISSION CHECKLIST

- Your proposed project targets affordable housing for low to moderate-income households, persons with disabilities and/or seniors.
- You represent a private non-profit/co-operative housing organization or a group that will soon be incorporated as a non-profit organization.
- Evidence of incorporation as a non-profit organization, if available, is provided.
- The PDF Application Form (Appendix 1) is completed accurately and fully.
- A preliminary project proposal is drafted and provides information on the following:
 - group information
 - project concept description
 - consultant information
 - market analysis and identification of housing demand
 - site selection information
 - financial information
 - evidence of affordability
 - additional cost-effectiveness information
 - community support and partnership arrangements
 - care or support services
- A detailed proposal development cost estimate breakdown is provided.
- Five (5) copies of your PDF application package are included.

APPENDIX 1:

**Proposal Development Funding
Application Form**

Proposal Development Funding Application Form

Group Information	
Project Name: _____ _____ Name of Applicant Group: _____ _____ Legal Name of Applicant Group: _____ _____ Corporation Type: <input type="checkbox"/> Private Non-Profit <input type="checkbox"/> Co-operative	Address of Applicant Group: _____ _____ _____ Name of Contact Person: _____ Title: _____ Phone #: _____ Fax #: _____ Corporate Status: <input type="checkbox"/> Incorporation Pending <input type="checkbox"/> Incorporated (attach articles) (Date: _____)

Project Information		
Client Type <input type="checkbox"/> families <input type="checkbox"/> seniors <input type="checkbox"/> persons with a disability <input type="checkbox"/> special _____	Development Type <input type="checkbox"/> new <input type="checkbox"/> acquisition & rehabilitation <input type="checkbox"/> conversion from non-residential <input type="checkbox"/> other _____	Dwelling Type <input type="checkbox"/> elevatored apts. <input type="checkbox"/> walk-up apts. <input type="checkbox"/> townhouses <input type="checkbox"/> other _____
Heating Fuel <input type="checkbox"/> electricity <input type="checkbox"/> gas <input type="checkbox"/> other _____	Heating System <input type="checkbox"/> forced air <input type="checkbox"/> hot water <input type="checkbox"/> electric (baseboard) <input type="checkbox"/> other _____	Construction Method <input type="checkbox"/> woodframe/stickbuilt <input type="checkbox"/> steel frame <input type="checkbox"/> concrete frame <input type="checkbox"/> other _____

Proposal Development Funding Application Form

Proposed Site Information	
Address:	
Legal description:	
Current zoning:	
Required zoning:	
Size:	
Current Owner:	
Value/Price:	
<p>Please describe in the space below any servicing considerations that may currently hinder site development (e.g., require storm sewer, water or electric hook-ups, etc.)</p> 	

Housing Unit Description					
Unit Type	Affordable Units		Market Units		# Units
	# Regular	# Accessible	# Regular	# Accessible	Total
One-bedroom					
Two-bedroom					
Three-bedroom					
Four-bedroom					
Other					
Total					

Proposal Development Funding Application Form

Estimated Capital Costs		
Item	Applicant Estimate	MHRC Use
PROPERTY ACQUISITION & SERVICING COSTS		
1. purchase price of land		
2. off-site servicing		
3. legal fees (for land acquisition)		
4. survey, title, municipal and land transfer fees		
5. variance and environmental fees		
6. other (please specify)		
DEVELOPMENT FEES & CHARGES		
7. interest		
8. taxes during development		
9. insurance during development		
10. utilities during development		
11. architect and consultant fees		
12. development and loan commitment fees		
13. legal charges (excluding land acquisition)		
14. G.S.T.		
15. rent up costs		
16. audit charges		
17. other (please specify)		
BUILDING & LANDSCAPING COSTS		
18. building construction costs		
19. rehabilitation/conversion/demolition costs		
20. stoves, refrigerators, laundry equipment		
21. hard furnishings		
22. landscaping		
23. on-site servicing		
24. other (please specify)		
25. PLUS: contingency		
26. LESS: revenue prior to interest adjustment date		
TOTAL COSTS		
27. total capital costs (lines 1 to 26)		
28. LESS: equity (line 48)		
29. Total Debt Financing (if applicable) (Line 27 minus Line 28)		

Proposal Development Funding Application Form

Estimated Annual Operating Costs		
Item	Applicant Estimate	MHRC Use
30. labour (maintenance)		
31. materials and service (maintenance)		
32. utilities		
33. property taxes		
34. insurance		
35. administration		
36. contingency for vacancies, etc.		
37. replacement reserves		
38. snow and garbage removal, landscaping, etc.		
39. trustee fees (life lease)		
40. projected debt service		
(\$ at % over years)		
41. other (please specify)		
42. Total Operating Costs (Lines 30 to 41)		

Estimated Equity		
Item	Applicant Estimate	MHRC Use
EQUITY		
43. sponsor equity (appraised property)		
44. sponsor equity (unencumbered funds)		
45. tenant equity to capital		
46. tenant equity to reserve		
47. capital grants and/or other equity (please list)		
48. Total Equity (Lines 43 to 47)		
NON-RESIDENTIAL SPACE (if applicable)		
49. anticipated revenue		
50. pro-rated capital costs		
51. pro-rated operating costs		
52. Total Non-Residential Surplus/Deficit (Line 49 minus sum of Lines 50 & 51)		

Proposal Development Funding Application Form

Estimated Annual Revenue		
Item	Applicant Estimate	MHRC Use
53. base rent		
Unit type (units @ \$ /month)		
Unit type (units @ \$ /month)		
Unit type (units @ \$ /month)		
Unit type (units @ \$ /month)		
Unit type (units @ \$ /month)		
Unit type (units @ \$ /month)		
54. parking spaces @ \$ /month		
55. laundry		
56. surcharges, user fees, etc.		
57. other (please specify)		
58. Total Annual Revenue (Lines 53 to 57)		

Principal Consultants			
Type	Name & Address	Contact Person	Phone #
Project development			
Architectural firm			
Law firm			
Other			

Proposal Development Funding Application Form

PDF Cost Estimate Summary			
Development Activity	Estimated Total Costs*	Requested PDF Funding**	MHRC Use
1. enviro. & soil assessments, zoning			
2. architectural services			
3. project development consulting			
4. marketing			
5. legal services			
6. business planning			
7. land			
8. G.S.T.			
9. other			
Total		(Up to \$60,000 cumulative total)	

* Estimated total costs are the entire anticipated expenses for proposal development that will be incurred up to the time when mortgage financing may be approved.

** A more detailed proposal development cost estimate breakdown must be provided as part of the final submission (see page 4 of the program guidelines).

Estimated completion date for above activities: _____

CERTIFICATION:

I, the undersigned, being an authorized signing officer of the non-profit corporation/co-operative, acknowledge that all information in this application, as well as any attachments, are free of omissions and accurate statements of fact, to the best of my knowledge.

Signature

Date

Name (please print)

Title

Address

Telephone