

POLICY-PROCEDURE MANUAL

TITLE: Affordable Housing Initiatives and Operational Fund

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The purpose of this policy is to provide a consistent and transparent process by which the District of Kitimat may evaluate applications for grants from the Affordable Housing Initiatives and Operational Fund (AHIOF). The purpose of the AHIOF is to increase affordable housing opportunities in Kitimat including affordable ownership, rental and non-market housing units.

Affordable Housing Initiatives and Operational Fund

Source of Funds

Money may be contributed to the AHIOF from the following sources:

1. Contributions generated through density bonusing;
2. Municipal contributions; and
3. Donations to the District of Kitimat (District).

Eligibility

First Stream – Projects

In order to be eligible for a grant from the AHIOF, Projects Stream, applicants must:

1. Be a public or non-profit organization, or a private entity involved in a public-private partnership;
2. Indicate willingness to enter into a Housing Agreement with the District of Kitimat to secure provision of affordable housing units for no less than 25 years; and
3. Complete an application form and provide the required documentation.

Allocation and Release of Funds

Applicants may apply for a grant from the AHIOF, Projects Stream, to cover costs associated with one or more of the following:

1. Land acquisition;
2. Capital costs;
3. Planning approvals; and
4. Project design.

Maximum funding is set at one third of total project value or \$500,000, whichever is less, subject to fund availability. The District will release funds to a successful applicant on the following basis:

1. 5% following decision by Council to award funds. The intent of these initial funds is to help cover a portion of the costs of project start-up, including but not limited to design and planning approvals.
2. 20% upon issuance of a development permit and establishment of a Housing Agreement.
3. 50% upon receipt of proof from a qualified professional confirming the improvements are at 75% complete.
4. 25% upon project completion and issuance of an Occupancy Permit.

If construction of a funded project has not commenced within two years of the release of the 20% installment, the District may cancel the grant and withhold the remaining funds.

Application Process

1. Applicants must complete and submit an application form to the Community Planning & Development Department. The following documentation must be included with a completed application:
 - a. Description of how the proposed project will help address housing affordability in Kitimat. Applicants may reference Kitimat Housing Action Plan and Official Community Plan.
 - b. Concept drawings of the proposed building(s);
 - c. Business case and/or development pro forma indicating project feasibility;
 - d. Long-term financial plan for building operation;
 - e. Proof of financial resources, in-kind contribution commitments and grants; and
 - f. Letter and any attachments needed to address evaluation criteria.
2. Community Planning & Development staff will review the application, flag any deficiencies and work with the applicant to complete the application. Once the application is complete, staff will inform Council of the receipt of the application and conduct an internal review with other departments.
3. Staff will refer application to the Housing Committee. Housing Committee members will review and discuss the application and provide a resolution or recommendation to Council.
4. Staff will evaluate the application based on the evaluation criteria and prepare a report to Council. The report will provide a summary of Housing Committee comments and recommendations/resolutions, describe how the project fits with the evaluation criteria and provide a recommendation.

Council will receive the staff report, consider the application and determine the amount of grant funds to be awarded to the applicant, if any. The amount of grant funding to be awarded will not exceed a maximum of one third of project value or \$500,000, as established by this policy.

Evaluation Criteria

The following criteria will be used to evaluate applications for grant funding. The criteria are not in any particular order.

1. Proponent Information
 - a. Applicant's reputation and experience (locally and elsewhere)
 - b. Development team reputation and experience (locally and elsewhere)
2. Site Attributes
 - a. Proximity to services
 - b. Transit accessibility
 - c. Neighborhood compatibility
 - d. OCP land use designation
3. Development Concept
 - a. Type and number of affordable housing units
 - b. Provision of amenity space for tenants (indoor and outdoor)
 - c. Inclusion of accessible features for people with disabilities
 - d. Design and quality of building
4. Financial Capacity
 - a. Business case or pro forma to undertake development
 - b. Proof of financial resources, in-kind contribution commitments and grants
 - c. Long-term financial plan for building operation

Second Stream – Operational Funds

In order to be eligible for a grant from the AHIOF, Operations Stream, applicants must:

1. Be a public or non-profit organization,;
2. Complete an application form and provide the required documentation.

Allocation and Release of Funds

Applicants may apply for a grant from the AHIOF to cover costs associated with Operational Costs as defined in Appendix A;

Maximum funding is up to five years and is set at 50% of total eligible expenses subject to fund availability. The District will release funds to a successful applicant on the following basis:

1. Quarterly release with required reporting annually.

If reporting in the opinion of the District is not adequately provided, the District may cancel future grant and refuse grants to the organization in the future.

Application Process - Initially

1. Applicants must complete and submit an application form to the Community Planning & Development Department. The following documentation must be included with a completed application:
 - a. Description of how the program helps address housing affordability in Kitimat. Applicants may reference Kitimat Housing Action Plan and Official Community Plan.
 - b. Budget
 - c. Business plan and Long-term Financial Plan for program operation;
 - d. Proof of financial resources, in-kind contribution commitments and grants to operate programs; and
 - e. Letter and any attachments needed to address evaluation criteria.
2. Community Planning & Development staff will review the application, flag any deficiencies and work with the applicant to complete the application. Once the application is complete, staff will inform Council of the receipt of the application and conduct an internal review with other departments.
3. Staff will evaluate the application based on the evaluation criteria and prepare a report to Council. The report will provide a summary of Housing Committee comments and recommendations/resolutions, describe how the project fits with the evaluation criteria and provide a recommendation.
4. Council will receive the staff report, consider the application and determine the amount of grant funds to be awarded to the applicant, if any. The amount of grant funding to be awarded will not exceed 50% of total eligible expenses as established by this policy.

Subsequent requests for funding associated with the same program will require previous years reporting to show meeting of conditions. The intent of the fund is to provide stability in funding, and not subject programs to volatile funding year after year.

Evaluation Criteria

The following criteria will be used to evaluate applications for grant funding. The criteria are not in any particular order.

1. Proponent Information
 - a. Applicant's reputation and experience (locally and elsewhere)
 - b. Operational team reputation and experience (locally and elsewhere)
2. Program Attributes
 - a. Services provided that support the District of Kitimat HAPNA
 - b. Proposed or current usage statistics accessibility
3. Financial Capacity
 - a. Business case or pro forma to undertake or operate program
 - b. Proof of financial resources, in-kind contribution commitments and grants

APPENDIX A

Eligible Operating Expenses:

Insurance: Annual insurance premiums and deductibles for claims.

Mortgage (debt and interest): Annual costs for servicing the mortgage and interest.

Utilities: for expenses including water, sewer, refuse collection, natural gas, electricity, phone, internet/TV.

Accounting and legal: fees paid to an accountant or attorney for work performed on behalf of the property or Board of Directors.

Maintenance and repairs for property and snow removal: This does not include major renovation items, but does include regular maintenance items.

Management: This includes the costs paid for professional management of the property.

Staff expenses: Wages, benefits and/or contracts for employees or contractors working on the property or with the tenants.

Small Capital expenses: including building and systems maintenance.