

SASKATCHEWAN CO-INVESTMENT PROGRAM

Public Call #SCIP01-1019
ISSUED BY SASKATCHEWAN HOUSING CORPORATION
October 1, 2019

PUBLIC DISCLOSURE

Information submitted to Saskatchewan Housing Corporation (SHC) by the Sponsor may be disclosed in accordance with *The Freedom of Information and Protection of Privacy Act* of Saskatchewan.

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INTRODUCTION

The Saskatchewan Co-Investment Program (SCIP) provides funding to complement the federal National Housing Co-Investment Fund (NHCF). All projects receiving funding through SCIP must meet provincial government priorities and standards.

Funding delivered through SCIP will be provided for the units in a project that have been approved for funding under the NHCF. For more information on the NHCF standards and criteria, refer to the Canada Mortgage and Housing Corporation (CMHC) website. To be eligible for SCIP funding, sponsors must commit to rent these units to households with incomes under the Saskatchewan Housing Income Maximums (SHIM)-Low (see Appendix A) for the 10-year term set by Saskatchewan Housing Corporation (SHC).

This application is part of a competitive selection process undertaken by SHC to ensure the most appropriate, financially viable, cost-effective projects that meet federal NHCF criteria, and focus on provincial priorities, receive funding. Projects must demonstrate a need and demand within the community to be considered for funding.

SHC encourages a skills development or apprenticeship component throughout the construction of the project. Sponsors should clearly indicate any apprenticeship programs or initiatives during the project's construction.

SCIP is delivered by SHC, who is responsible for:

- Assisting sponsors in the development of their proposals and projects;
- Prioritizing and conditionally approving proposals in accordance with SCIP objectives;
- Providing sponsors with a Conditional Approval Letter (CAL);
- Advancing funding to sponsors of approved projects; and
- Ongoing monitoring and compliance of projects.

1. PROGRAM

1.1 Program Objectives

- To support the construction of new affordable rental housing supply and the repair/ renewal of existing affordable rental housing through the NHCF that aligns with current SHC priorities and targets;
- To support affordable rents for households with low-incomes; and
- To support the Provincial Government's priorities as identified within the *Mental Health and Addictions Action Plan*, the *Saskatchewan Disability Strategy*, the *Poverty Reduction Strategy* and *A Strong Foundation - the Housing Strategy for Saskatchewan*.

1.2 Program Description

- SCIP is a companion program intended to complement the NHCF, and works to encourage additional federal investment in affordable rental housing across the province.
- SCIP provides one-time funding to sponsors in the form of a loan that is forgivable over a 10-year term. This loan is secured with a registered title on the property, until full forgiveness is earned.
- Funds will be made available to projects across the province. Sponsors from all Saskatchewan communities, including northern villages, are encouraged to submit proposals. Funding may be subject to geographic allocations.
- SHC evaluates applications made for SCIP funding, and provides conditional support to those who meet all evaluation criteria, subject to funding availability. All conditionally approved projects must meet further SHC conditions, including final approval under the NHCF to secure final SCIP funding.
- Funds are advanced in conjunction with NHCF funding throughout the construction phase, or at substantial completion of the project.

2. ELIGIBILITY CRITERIA

2.1 Sponsor (Owner/Developer):

- Eligible sponsors:
 - may be private (for-profit) corporations, non-profit organizations, co-operatives, Indigenous governments or organizations (including First Nations bands and Tribal Councils), or municipalities (including their agencies);
 - must be in good standing with SHC;
 - must be registered for business in Saskatchewan;
 - must agree to Government of Saskatchewan Conflict of Interest guidelines;
 - must demonstrate property management and development experience; and
 - must agree to enter into an operating agreement with SHC.

2.2 Affordability:

- Affordable units:
 - must meet the NHCF's minimum requirements; and
 - for SCIP funded units, must be targeted to households with incomes under SHIM-Low.

2.3 Project:

- Eligible Projects:
 - must demonstrate the community need and demand for the proposal;
 - must meet minimum NHCF requirements, including:
 - partnership/capital funding sources;
 - affordability;
 - energy efficiency (environmental) standards;
 - accessibility standards;
 - fit mixed-income, mixed-tenure, mixed-use purpose; and
 - be a minimum of five units.
 - follow National Occupancy Standards (NOS) requirements;
 - must not propose to use SCIP funding to acquire an existing building;
 - must be considered independent living.
- Ineligible projects include secondary suites, building camps, group homes, nursing homes, special care homes, life lease units, and on-reserve housing.

2.4 Tenant:

- Eligible tenants for the affordable units:
 - must be considered as a provincial government priority group as identified within the *Mental Health and Addictions Action Plan*, the *Saskatchewan Disability Strategy*, the *Poverty Reduction Strategy* and *A Strong Foundation - the Housing Strategy for Saskatchewan*; and
 - must have a gross income that does not exceed SHIM-Low (see Appendix A).

3. ASSISTANCE AVAILABLE

- SCIP funding is subject to availability.
- The maximum SCIP funding will not exceed the amount of NHCF funding.
- Loan forgiveness will be earned proportionally on a monthly basis over the 10-year term (120). The loan will be fully forgiven, with the SHC mortgage discharged, following full compliance of the agreement.
- One-time SCIP funding is available up to a maximum of \$1,00,000 per project, with the following maximum funding per unit type:

Three or more Bedrooms	Two Bedrooms	One Bedroom and Bachelor	Repair/Renew	Co-Housing
\$27,000	\$27,000	\$27,000	\$10,000	\$10,000

4. PROPOSAL EVALUATION

- Proposals will be reviewed based on eligibility requirements as identified above in section two.
- Incomplete proposals might not be reviewed.

5. PROCESS

- Sponsor submits application to SHC.
- SHC reviews application and provides needs/demand assessment.
- SHC issues a Conditional Approval Letter (CAL) to successful sponsor.
- The sponsor seeks NHCF funding approval with SCIP support documentation.
- Once all of the conditions contained within the CAL are satisfied and NHCF final funding approval has been provided, the sponsor enters into a Project Development and Operating Agreement (PDOA) and Mortgage with SHC. Note: the CAL, and PDOA must be reviewed by the sponsor prior to applying. These documents are subject to change.
- The project advances through construction to occupation. The sponsor complies with the PDOA and Mortgage with SHC for the term of the agreement, subject to any additional conditions or obligations.

6. CONDITIONS OF FUNDING AND COMPLIANCE

6.1 Conditions of funding:

- SHC reserves the right to withdraw all or part of SCIP funding in the event the sponsor is not able to satisfy the requirements stated in the CAL.
- If a project is conditionally approved for funding, the sponsor is required to meet the conditions outlined in the CAL to secure final funding approval, including, but not limited to:
 - Attaining final NHCF funding;
 - Confirming the final project capital costs and sources of capital funding;
 - Purchasing and maintaining necessary insurance;
 - when possible, SHC listed as loss payee; and
 - Entering into a PDOA and Mortgage with SHC.

6.2 Funding Agreement:

- Requirements for sponsor compliance with SCIP will be fully outlined within the PDOA.
- Should the sponsor default on any terms of the PDOA during the Agreement period, any portion of the loan that is unforgiven becomes repayable to SHC with interest.
- Request to postpone SHC's interest will be reviewed on a case by case basis. In evaluating these requests, SHC will not accept any arrangement that results in additional risk to the project meeting the commitments under the agreement.

- Any households in SCIP affordable units must have incomes that are under SHIM-Low, and units must be of a suitable size, considering the National Occupancy Standards.
- Affordable rents rates, set under the NHCF, must be maintained for the term of the agreement. The sponsor may annually submit requests to SHC to increase rents for the affordable units under agreement.

6.3 Reporting:

- The sponsor will permit SHC to review tenant and financial records to ensure compliance.
- Annually, the sponsor may be required to provide to SHC:
 - Reporting for tenant's addresses, household type, gross household income, rents, household size and unit bedroom count;
 - Annual financial statements; audited financial statements or review engagements; and
 - Any other financial or demographic information from the sponsor, which SHC may reasonably request.

6.4 Laws and Regulations:

- Construction, operation, and management of the project will be subject to:
 - *The Generally Accepted Accounting Principles (GAAP)*;
 - *The National Building Code of Canada*, as adopted by the Province of Saskatchewan;
 - *The Residential Tenancies Act, 2006* (Saskatchewan), as amended;
 - *The Cooperatives Act, 1996*, as amended;
 - *The Freedom of Information and Protection of Privacy Act* of Saskatchewan; and
 - all laws, orders, rules, regulations and requirements of all federal, provincial and local governments, boards or any other body exercising jurisdiction.

6.5 Risk:

- Sponsors bear the full risk of any potential losses they may incur by participating in SCIP.
- No operational funding or subsidies are available from SHC.

7. SUBMITTING A PROPOSAL

- Keep a copy of the full proposal for your records. Proposals become the property of SHC and will not be returned.
- Label all supporting documentation, outside of the application form, and attached to the proposal forms.
- All costs incurred in developing proposals are the sole responsibility of the sponsor.
- Include any information, forms, or applications previously completed and submitted to CMHC for the NHCF. This includes any PDFs downloaded from the NHCF portal.
- Consultants are available to assist in the development of proposals. Contact information is below.
- Applications are accepted continuously and may be emailed to: SCIP@gov.sk.ca

**It is the responsibility of the sponsor to ensure the proposal has been received by SHC.
SHC reserves the right to reject any or all proposals.**

For more details on the available funding and how to apply, call toll free
1-866-245-5758 or 306-933-6292.

APPENDIX A - Glossary of Terms**APPRENTICESHIP OR SKILLS DEVELOPMENT COMPONENT**

An initiative attached to a project, where sponsors commit to allowing access for apprentices, or those in training, to participate in construction, and gain or enhance their trades skills.

ELIGIBLE HOUSEHOLD

For SCIP affordable units, a household that is part of a group identified as a priority by current provincial strategies, with gross annual household incomes that are equal to or less than SHIM-Low, and with no other principal place of residence in Canada.

HOUSING

Basic residential accommodation and facilities, common areas, and services used directly with the residential accommodation.

HOUSEHOLD INCOME

Eligible incomes of all adults over the age of 18 and older who reside within the proposed unit (i.e. for two adults, both incomes are included in household income).

MEDIAN MARKET RENT

Calculated by CMHC and is the midpoint between the highest and lowest rent levels for a specific unit type.

REPAIR/ RENEW (HOUSING)

To modernize a building or building systems that have come to the end of their expected service life in order to improve overall performance, service, amenity, energy efficiency, and to better meet current and future needs. For the National Housing Strategy, “renewal” applies to the substantial or complete renovation and updating of an entire building or housing development, including the building envelope, mechanical, electrical, and other building systems and services.

PURPOSE-BUILT RENTAL HOUSING

Designed and built expressly as long-term rental accommodation and does not include condominiums, life lease, secondary suites, or any other concept.

SASKATCHEWAN HOUSEHOLD INCOME MAXIMUMS (SHIM)-Low

The maximum annual income that an eligible household may have at the time of occupancy of a SCIP-funded unit. SHIM-Low is calculated based on the total gross annual household income from all sources (taxable and not taxable) and the appropriate unit size for the household based on National Occupancy Standards.

As of July 2019, SHIM-Low is currently set at:

Household Type	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
Maximum Annual Income	\$37,000	\$45,000	\$55,500	\$66,500

SHIM-Low is subject to change.

SPONSOR

An individual or legal entity responsible for proposing and owning a housing project receiving provincial funding through an SHC program to lease/rent housing units to eligible households.

8. APPLICATION FORMS

SASKATCHEWAN CO-INVESTMENT PROGRAM

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ISSUED BY SASKATCHEWAN HOUSING CORPORATION

LAUNCH DATE

8.1 DECLARATION

Saskatchewan Housing Corporation may request clarification or additional information.

I have read and understand the terms of the Saskatchewan Co-Investment Program application. All information, to the best of my ability, has been provided and is accurate.

Dated this _____ day of _____, 20__.

Organization: _____

Per: _____

(c/s)

Per: _____

8.2 TRANSMITTAL

Include the following information in your proposal submission:

- Declaration (Form 8.1)
- Transmittal (Form 8.2)
- Sponsor Background (Form 8.3)
- Proposal Background (Form 8.4)
- Affordability/Rent Levels (Form 8.5)
- Project Development and Operating Team (Form 8.6)
- Sources of Capital Funding (Form 8.7)
- Conflict of Interest Statement (Form 8.8)
- Description of Skill Development or Apprenticeship Program (if applicable)
- A copy of completed CMHC's Co-Investment Application Form
- Current Sponsor Profile Report
- Copy of Land Title
- Evidence of Community Need

The Declaration (Form 8.1), Transmittal (Form 8.2), and Conflict of Interest Statement (Form 8.8) must each be signed and sealed by an individual in the Corporation who has authority to act on behalf of the sponsor.

By checking the box below, the sponsor verifies they have reviewed the following documents:

- CAL and PDOA, available online at Saskatchewan.ca

By checking each box below, the sponsor verifies the proposed project complies with each of the following NHCF minimum standards:

- Mixed Income/Tenure/Use Project
- Affordability
- Energy Efficiency
- Accessibility
- Partnerships
- Proximity to Amenities and Community Supports

Refer to CMHC's website for information on the NHCF's project standards.

8.3 SPONSOR BACKGROUND

Organization name:	_____		
Organization type:	<input type="checkbox"/> Municipality	<input type="checkbox"/> Private corporation	
	<input type="checkbox"/> Co-operatives	<input type="checkbox"/> Non-profit organization	
<input type="checkbox"/> Other – Explain:	_____		

Is the organization:	<input type="checkbox"/> Incorporated (if so attach profile report)	
<input type="checkbox"/> Not Incorporated	<input type="checkbox"/> Incorporation pending	
<input type="checkbox"/> Indigenous	<input type="checkbox"/> Non-Indigenous	

Mailing address:	_____		
Civic address:	_____		
Municipality:	_____		
Province:	_____		
Postal Code:	_____		
Primary Contact:	_____		
Title:	_____		
Phone Number:	_____		
Email:	_____		
Secondary Contact:	_____		
Title:	_____		
Phone Number:	_____		
Email:	_____		

- Have you built or fully renovated other housing projects? Yes No
- Do you currently own or manage other housing projects? Yes No
- Have you previously developed a housing project with SHC? Yes No

If you answered “yes” to any of the three questions above, please complete the following page to describe your housing experience in detail.

8.3 SPONSOR BACKGROUND (continued)

Please identify all applicable properties. (Attach extra pages as needed.)

Project Name:	
Address:	
Client Group Served:	
Number of Units:	
Check all that apply:	<input type="checkbox"/> Have owned this project since _____ <input type="checkbox"/> Have managed this project since _____ <input type="checkbox"/> Constructed this project <input type="checkbox"/> Fully renovated this project <input type="checkbox"/> Consulted on the development of this project
Project Name:	
Address:	
Client Group Served:	
Number of Units:	
Check all that apply:	<input type="checkbox"/> Have owned this project since _____ <input type="checkbox"/> Have managed this project since _____ <input type="checkbox"/> Constructed this project <input type="checkbox"/> Fully renovated this project <input type="checkbox"/> Consulted on the development of this project
Project Name:	
Address:	
Client Group Served:	
Number of Units:	
Check all that apply:	<input type="checkbox"/> Have owned this project since _____ <input type="checkbox"/> Have managed this project since _____ <input type="checkbox"/> Constructed this project <input type="checkbox"/> Fully renovated this project <input type="checkbox"/> Consulted on the development of this project

8.4 PROPOSAL BACKGROUND

Project name:	_____
Civic address:	_____
Legal description:	_____
Municipality:	_____
Postal Code:	_____

Check one delivery method:

- New construction
- Conversion from non-residential to residential
- Repair/Renewal

Building style (check all that apply):	
<input type="checkbox"/> Single detached	<input type="checkbox"/> Low-rise apartment
<input type="checkbox"/> Semi-detached	<input type="checkbox"/> High-rise apartment (5+ storeys)
<input type="checkbox"/> Duplex	<input type="checkbox"/> Co-Housing
<input type="checkbox"/> Townhouse/row house	<input type="checkbox"/> Other:

	Total number of units	Number of accessible units	TOTAL
CMHC – NHCF			
# of NHCF units eligible for SHC – SCIP			
Market Units			
Other			

Does the proposal involve acquiring property? Yes _____ No _____

If no, please attach copy of the title.

If yes, please provide information of proposed site including any options to purchase, sales agreements, title documents, or any other evidence that the land is being offered for sale by the land owner to the sponsor.

8.4 PROPOSAL BACKGROUND (continued)

Who are you planning to house in this project?

What government priority will housing this tenant group support?

Will the project include services, what are they and how will they be funded?

Does this project include any skills development or apprenticeship component?

Yes No

If yes, please explain:

8.5 AFFORDABILITY/RENT LEVELS

For provincial funding, rents for at least 30 per cent of the units must be less than 80 per cent of the Median Market Rent and maintained for a minimum of 10 years.

What is the range of gross monthly household incomes for proposed tenants?

What are the income sources for the proposed tenants? i.e. Income Assistance, Employment etc.

Market Units				
Number of Units	Unit Type	Proposed Market Rental Rate*		Monthly Revenue
	Bachelor			
	1 Bedroom			
	2 Bedroom			
	3 Bedroom			
	Other			
	Total:			
Designated Affordable Units				
Number of Units	Unit Type	Median Market Rental Rate	80% of Median Market Rate	Monthly Revenue
	Bachelor			
	1 Bedroom			
	2 Bedroom			
	3 Bedroom			
	Other			
	Total:			
Total Market and Affordable Units				
Number of Units	Unit Type	Total Monthly Revenue		Total Annual Revenue
	Bachelor			
	1 Bedroom			
	2 Bedroom			
	3 Bedroom			
	Other			
	Total:			

8.6 PROJECT DEVELOPMENT AND OPERATING TEAM

Owner:	
Contact person:	
Mailing address:	
Phone:	
Consultant:	
Contact person:	
Mailing address:	
Phone:	
Lender/Bank:	
Contact person:	
Mailing address:	
Phone:	
Property manager:	
Contact person:	
Mailing address:	
Phone:	

8.7 SOURCES OF CAPITAL FUNDING

Estimated Total Capital Cost of Project:

Capital Funding:	Provided By:	Value:
CMHC NHCF Loan	CMHC	
CMHC NHCF Contribution	CMHC	
SHC SCIP Forgivable Loan	SHC	
Equity/Cash/Land		
Mortgage financing		
Municipal funding		
Other: _____		
Other: _____		
Other: _____		
Total Sources of Capital		

The maximum value of any in-kind contribution is the capital cost attributed to it.

Attach copies of financial commitment from all funding sources, other than SHC, identified above.

8.8 – CONFLICT OF INTEREST STATEMENT

The Sponsor agrees to have a Conflict of Interest Statement in place from the time an application is submitted for the project until the end of the Project’s forgiveness period as outlined in SHC’s agreements.

This Conflict of Interest Statement shall apply to all persons holding positions of responsibility and trust on behalf of the Sponsor including, but not limited to the Sponsor and its directors, officers, employees, agents, affiliate(s) (“**Sponsor’s Representatives**”). The Sponsor agrees to abide by the conditions below and ensure all Sponsor’s Representatives follow these conditions as a condition of employment or engagement through the Sponsor.

SHC, in its sole discretion, may disqualify a Sponsor and its Proposal if SHC determines that a real, perceived or potential conflict of interest exists.

For the purpose of the Conflict of Interest Statement:

- A “**closely connected person**” includes but is not limited to a spouse, dependent or other family member.
- A “**conflict of interest**” means any business, professional, personal, or other interest (“**any interest**”), including, but not limited to, any service or commitments made by the Sponsor or the Sponsor’s Representatives that would conflict in any manner or degree with the performance of the Sponsor’s obligations under SHC Agreements. Conflict of Interest includes any bias in the exercise of the Sponsor, Sponsor’s Representatives’ duties or office and the use of their official position to further any interest of the Sponsor or a closely connected person.

Conflict of Interest

(I) _____ or (We) <name of Sponsor>_ understand and agree that the Saskatchewan Housing Corporation (SHC) as the funding agency of the Request for Proposals will consider a Conflict of Interest Statement to exist between the Sponsor and all of its organizations, partners, officers, employees, agents, or any other entity acting as a project developer, general contractor, architect, engineer, lawyer, accountant, or any other entity involved with the Project Development and Operating Team (“**Team**”), including any involved with the Project.

The following situations are examples of circumstances in which SHC would consider a Conflict of Interest to exist:

- When there is any financial benefit to the Sponsor, Sponsor’s Representatives, Team or any closely connected person to the Sponsor, Sponsor’s Representatives, Team. For clarity, such financial interests include any monetary benefit or gain, or a monetary loss or adverse impact, whether direct or indirect, real or potential;

- When one or more of the Sponsor, Sponsor’s Representatives, Team or persons closely connected to the Sponsor, Sponsor’s Representatives, Team is also an agent, officer, director, shareholder or partner of the Team;
- When any Sponsor, Sponsor’s Representatives, Team or persons closely connected to the Sponsor, Sponsor’s Representatives, Team has any financial benefit whatsoever in the Team;
- When any of the Team advances any funds to the Sponsor, other than an interim lender advancing funds to enable the Sponsor to pay for construction and other project costs;
- When any of the Team provides and pays on behalf of the Sponsor for any project costs;
- When the Team owns stock or any other financial instrument or currency in the Sponsor as part of the consideration to be paid them;
- When there exists or comes into being any written or verbal side deals, agreements, contracts, or undertakings entered into, which creates or may create a conflict of interest as set forth above.

Dated this _____ day of _____, 20__.

Organization/Name: _____