

The Affordable Housing Development Program (AHDP) will support the development of affordable rental units through new construction or the renovation of existing buildings. Assistance is provided to private entrepreneurs, non-profit corporations, municipalities, development corporations or housing cooperatives building affordable housing units in Prince Edward Island. The objective of the program is to increase the inventory of affordable rental units for those in core housing need.

Program guidelines include:

- The Prince Edward Island Housing Corporation would provide a forgivable loan of up to \$45,000 per unit to support construction and/or renovation costs of the project in exchange for maintaining rental rates at an affordable level.
- This program supports construction of new buildings, buildings already under construction or the renovation of existing buildings as long as those renovations add new units to the market. Renovating existing units is not eligible.
- Loan forgiveness period will be negotiated upon approval of the project but will range from 15-25 years.
- Forgivable loans for projects led by private entrepreneurs will be limited to a maximum of 50% of the units in their project.
- Municipalities, development corporations and non-profit groups may be eligible for forgivable loans for 100% of the units in their project.
- Rents for units not receiving program funding can be set at market rates.
- Rental rates for all units may be increased during the term of the forgivable loan based on IRAC's Allowable Rent Increases.
- Projects must be a minimum of four units.
- 20% of the units receiving a forgivable loan must be designed using accessibility guidelines within the National Building Code (section 3.8)
- Minimum unit size requirements are:
  - Bachelor/Studio: 450 square feet
  - 1-bedroom: 650 square feet
  - 2-bedroom: 850 square feet
  - 3-bedroom: 1000 square feet

Applicants are asked to submit the following information in their proposal:

## Project Description and Applicant Background

Description of the project (e.g. building design/structure, location, PID, local amenities and services, etc.) and the applicant (e.g. contact information, experience with housing developments, etc.) must be provided within the proposal.

The applicant should have property secured, zoned appropriately and design completed. It is not necessary to have the building permit before you submit an application but it is considered an asset. Projects currently under construction are eligible for support.

## Target Market

Identify the target market for the affordable units whether it is families, seniors, supported populations as well as any additional services that will be provided to the tenants. Tenants accessing the units that receive funding through this program will be selected by the Prince Edward Island Housing Corporation from its Social Housing Registry.

## Design

Copies of the floor plans and building elevations should be provided. Design and construction documents must be stamped and signed by an architect or engineer licensed in Prince Edward Island. Any energy efficient design features should be highlighted in the project description (we encourage proponents to contact Efficiency PEI to identify potential modifications to the proposed design, which could result in cost savings and improved energy efficiency.) In addition, proponents are encouraged to identify specific features that support aging-in-place.

All units with grade level or elevator access must comply with NBC Accessibility Guidelines and we encourage developers to incorporate additional universal design features as well as energy efficient design features.

## Project Funding

Comprehensive capital cost estimates for the entire project are required. The proposal should clearly identify the funding sources, including applicant contributions, conventional financing, other grants and/or donations.

Details concerning external project financing and proposed terms are required (e.g., interest rate, term, payments, etc.).

Developer must include the specific contribution sought from Prince Edward Island Housing Corporation, and the level of rent being sought for the affordable units. Exact rents for a particular project are determined during the review process based on a combination of factors including developments costs, debt service costs, market rents in the community, long-term sustainability of the project, and the amount of Program funding provided.

Program funding will be disbursed as construction milestones are completed. The Prince Edward Island Housing Corp typically mirrors the disbursement schedule negotiated with your financial institution / mortgage provider's disbursement schedule.

In lieu of loan payments, forgiveness is earned on a monthly basis until the end of the Loan Agreement, as long as the project remains in compliance with the terms. Prince Edward Island Housing Corporation will periodically review the project to ensure it continues to comply with the Loan Agreement.

### Pro Forma Financial Statements

When preparing the pro forma budget, estimates provided must be for the entire building, not just the units that would be funded through this program. Revenue and expenses pertaining to any commercial components should be identified as separate line items.

Proposals will be evaluated as follows (based on 100 points):

### 45 Points - Ability to Meet Defined Need

- Timeline to start and complete project (unit availability date)
- Location fit with defined need of Social Housing Registry
- Number and type of units
- Unit design
- Land owned with correct zoning
- Building permits in place
- Construction started or close to completion

### 25 Points - Pricing

- Affordability level of funded units (monthly rental rates)
- Amount of forgivable loan requested (up to \$45,000 maximum)
- Term of agreement
- Use of partnerships and access to other funding sources (federal, municipal, community)
- Completeness and clarity of financial information

### 15 Points - Proponent Expertise / Resources

- Demonstrated Past experience with developing successful projects
- Clarity of proposal and ability to describe vision

### 15 Points - Added Value

- Total number of units added to market through project (over and above funded units)
- Use of energy efficiency / green technology
- Accessibility and /or universal design – over and above NBC and / or municipal requirements
- Aging in place features for units for senior population
- Other amenities / services available
- Inclusion of mixed population and mixed market units

Proposals must achieve a minimum score of 70 points to be considered for project funding. Not all projects meeting the minimum criteria will receive funding. Government is under no obligation to take any further action with respect to any submission.

For more information, please contact:

Cody Clinton

Department of Social Development and Housing

902-218-6643

[ceclinton@gov.pe.ca](mailto:ceclinton@gov.pe.ca)





## Affordable Housing Development Program Application Form

Please complete this form, naming one person to be the contact for the application process and for any clarifications or communication that might be necessary.					
<b>Contact Information</b>					
Organization's Legal Name:					
Contact Person:					
Contact Phone:					
Contact Email:					
Street Address:					
City, Province, Postal Code:					
Organization's Website (if any):					
<b>Project Information</b>					
Address of Proposed Development:					
Parcel Identifier (PID):					
Number Units with each Type of Bedroom:	Bachelor	One	Two	Three	Four or more
Grant Requested Per Unit:					
Construction Completion Date:					
<b>Signature:</b>	<b>Date:</b>				
<b>By signing this form, I understand that Government is under no obligation to take any further action with respect to my submission. Not all projects meeting the minimum criteria will receive funding. This form must be included with the full project proposal.</b>					

Personal information on this form is collected under the *Freedom of Information and Protection of Privacy Act*, section 31 (c) and is needed to approve your application. If you have any questions about the collection of your personal information call the department of Social Development and Housing at [1-866-594-3777](tel:1-866-594-3777).