



# Community Housing Pre-Development Fund

WEBINAR | DEC 3, 2024

# Agenda

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PROCESS

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CAPACITY GAPS

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application stand out?  
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SUPPORTS

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06

Q&A

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01



# Introduction

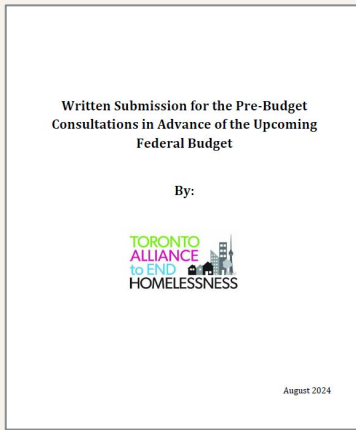
Team: The Toronto Alliance to End Homelessness (TAEH), the Infrastructure Institute (II)

Program: Community Housing Pre-Development Fund (CHPF)

# Toronto Alliance to End Homelessness (TAEH)

We are a community-based collective impact initiative committed to homelessness being rare, brief, and non-recurring in Toronto. Our network includes non-profit organisations that support those living with homelessness, as well as affordable and supportive housing developers, property managers, and landlords. We are the non-Indigenous Community Advisory Board to the City.

## Advocacy



## Collaboration



## Advisory



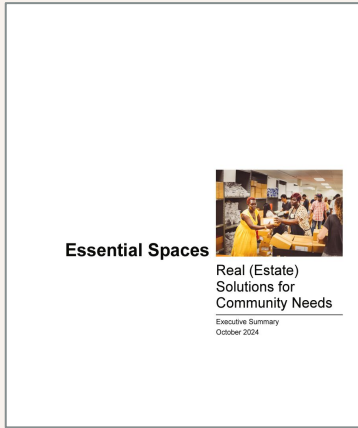
## Community



# The Infrastructure Institute (II)

We are a training, advisory and interdisciplinary research hub at the University of Toronto's School of Cities. Our vision is to build local and global expertise in infrastructure planning, decision-making, and delivery. The Infrastructure Institute will transform the status quo of infrastructure delivery, refine public-private partnerships and propose innovations in project financing and funding.

## Research



## Advisory



## Engagement



## Training



# Community Housing Pre-Development Fund

The Community Housing Pre-Development Fund (CHPF) assists Community Housing Providers with the costs of pre-development work through interest-free repayable loans.

## For Projects Delivering:

- New rent-g geared-to-income (RGI)
- Supportive
- Affordable rental
- Rent-controlled homes

## Eligible Applicants:

- Non-Profit Housing Orgs
- Non-Profit Housing Co-ops
- Indigenous Housing Providers
- Toronto Community Housing Corporation (TCHC)
- Toronto Seniors Housing Corporation (TSHC)

## Available Funding

\$15 million in **interest-free repayable loan funding** in the 2024 Call for Applications retroactive to June 26, 2024. Maximum of \$50K per unit, with up to 30% advanced following the execution of the Pre-Development Funding Agreement and 70% advanced via invoices from consultants of eligible work. Repayment to begin **after 36 months** or when the Proponent has made their **first construction funding or financing draw**.

# Community Housing Pre-Development Fund

The Community Housing Pre-Development Fund (CHPF) assists Community Housing Providers with the costs of pre-development work through interest-free repayable loans.

## Eligible Costs (but not limited to):

- Analysis of need and demand for the proposed project
- Preliminary financial feasibility
- Business plans, including costs related to responding to requests for proposals
- Registration of security
- Professional appraisals, Completion appraisals Site surveys, Special purpose surveys
- Planning fees, if applicable
- Project viability study
- Geotechnical reports
- Costs associated with arrangement with an escrow agent
- Accessibility modelling study
- Engineering studies
- Preliminary design, project drawings and specifications
- Construction cost estimates
- Quantity surveyor
- Contract documents
- Development permits
- Final viability report
- Energy modelling study
- Environmental site assessments

A tall building under construction with scaffolding and a blue sky background. The building has multiple floors with large windows and balconies. Scaffolding is visible on the upper floors, and a crane is visible on the left side. The sky is clear and blue.

02

# Pre-Development Process

Where does the Community Housing Pre-Development Fund (CHPF) fit within the overall development process? What level of development feasibility should applicants to the CHPF already have?



# Starting out

- Starting an affordable housing project requires three major considerations:



**Site**



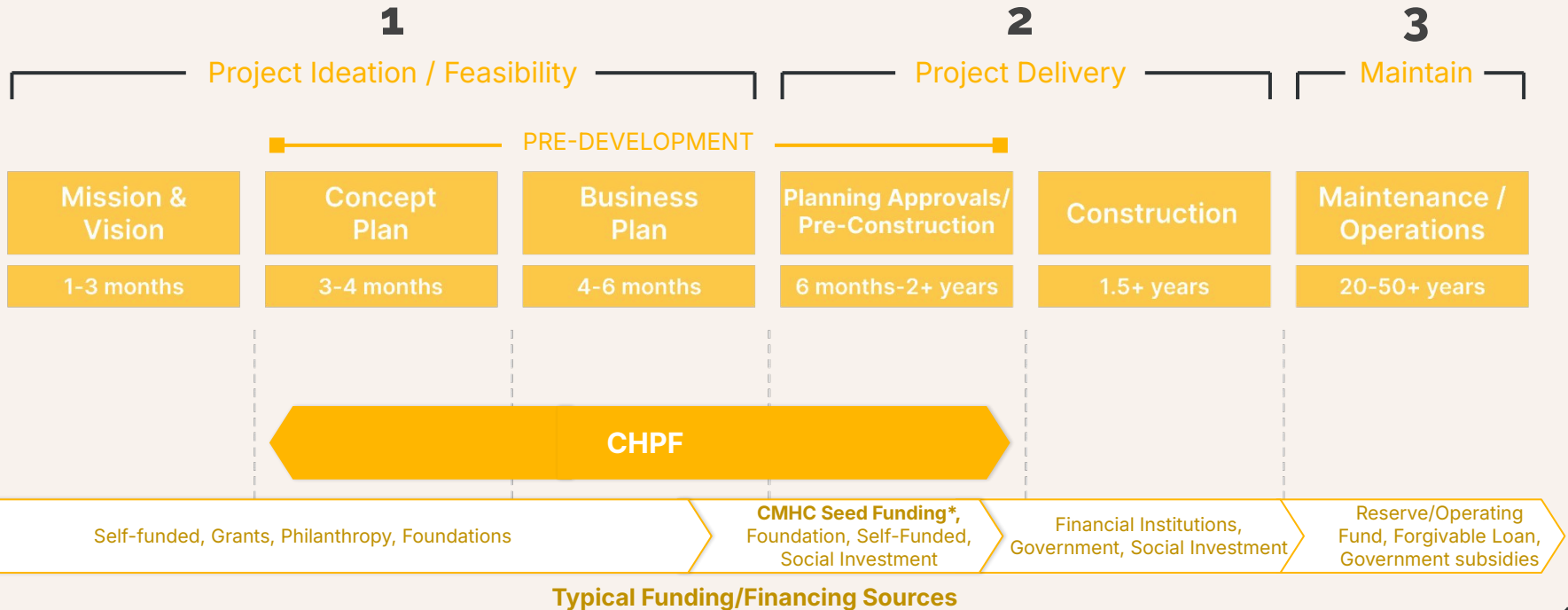
**Capacity**



**Capital**

- Projects will almost always require outside expertise - recommended for less experienced organizations
- There is also the option to partner with a more experienced organisation that does not need to be a non-profit, though the CHPF application must have a non-profit applicant

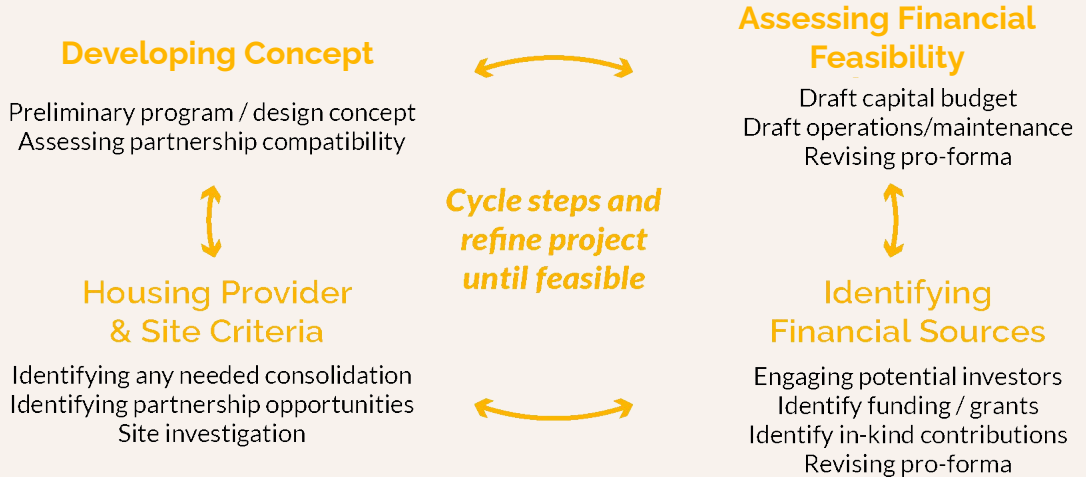
# The CHPF in the Funding Spectrum



\*CHPF requires application to CMHC's funding/financing when available

# An iterative process

Initial phases of development process is highly iterative with a focus on project feasibility, high-level design, identifying funding opportunities and forming the right team



03

# Addressing Capacity Gaps

So you have a promising housing idea but are limited by financial and real estate experience capacity gaps. Where do you start?

## Internal Capacity

- Your organisation needs at least one person with expertise in navigating a housing development process
- One way to build capacity is through training staff (see manual for free courses)

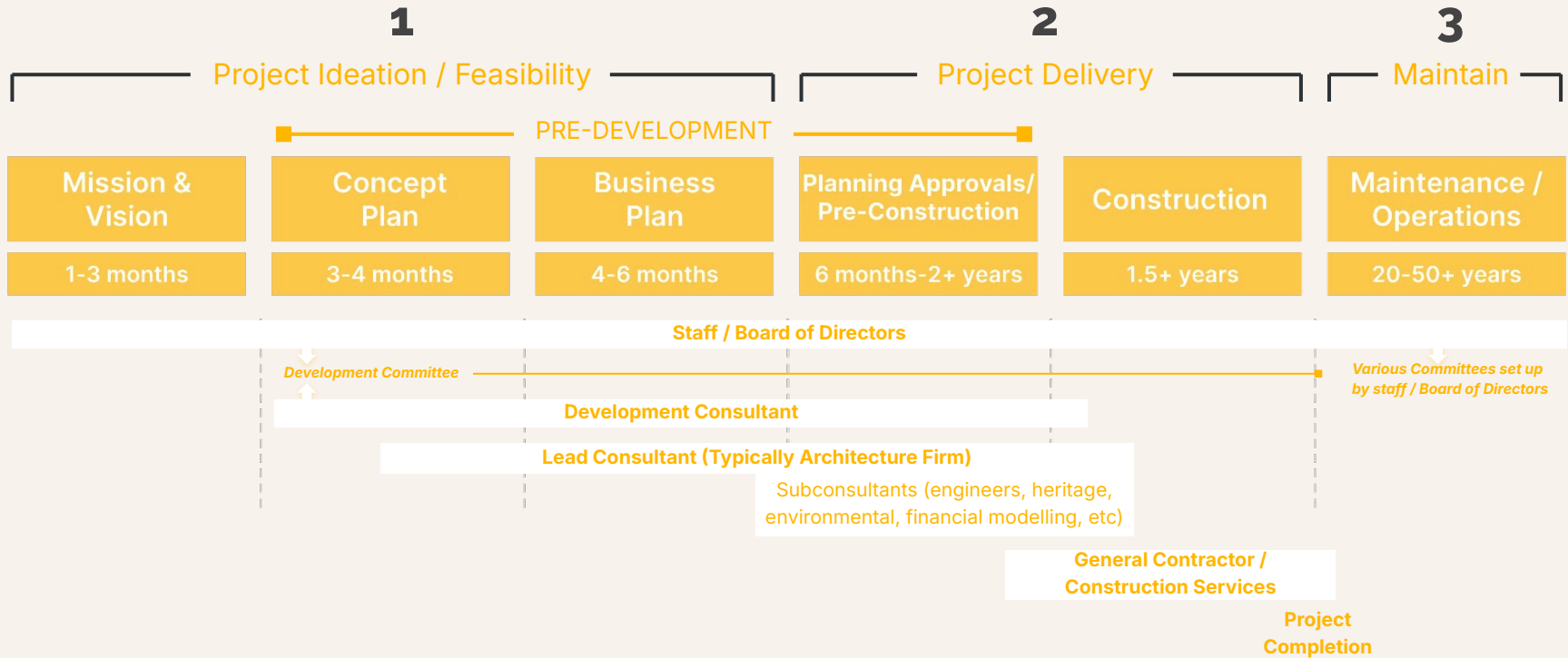
# Development Committee

- The Development Committee is responsible for project delivery from start to end, ensuring proper communication, managing expectations, and realizing your organisation's vision
- May include:
  - Executive Director and Finance Director
  - Existing Housing/Property Management Directors
  - Board of Director members / treasurer
  - Any staff with related expertise
  - External consultant representatives: development consultant, architecture/planning firm

## External Expertise

- **Development Consultant:** Support on initial feasibility, business case, and concept plan
- **Architecture / Planning Firm:** Lead consultant to bring project through development application process

# Who is involved?



While staff with knowledge of the development process is needed, many capacity gaps can be addressed by external expertise

# 04

## Compiling a Strong Application

Considerations for a strong application: building out a capable team, determining appropriate level of detail, understanding risk.

# Evaluation Criteria

Need at least 70/100 points:

Criteria	Max Points
1 Project Information	30
2 Proponent Qualification & Experience	25
3 Business Case	30
4 Pre-Development Work Schedule	15
<b>TOTAL</b>	<b>100</b>

## Project Information

- Land - having a site or large confidence in the ability to acquire a site critically important
- Pre-Application Consultation (PAC) recommended

## Business Case

- Aim for a detailed and realistic cost expenditure plans
- To include quotes for pre-development services integrated (can reference other similar projects on the City's development application site to gauge needed services)
- Consideration for other capital and operating funding/financing sources
- Not the final business case - CHPF also covers costs for business case development

## Proponent Qualification & Experience

- Ability to overcome knowledge and capacity gaps (recommendation to hire external consultant if internal staff expertise is limited)
- When hiring: look for a strong track record in delivering projects on time and on-budget with involvement in pre-development

## Pre-Development Work Schedule

- A realistic timeline where pre-development work has already begun
- Construction to begin within three years



# Risks

Real estate development, if sufficient capacity, resources, and support are not in place, risks failure, displacement, loss of confidence from existing tenants, and loss of organisation resources.

## Lack of Funds

- Funding/financing not sufficient to complete pre-development phase
- Operational / maintenance funds not sufficient

## Decreased Service Capacity

- Decreased capacity to run current operations
- Temporary relocation of current tenants

## Delayed Approvals / Construction

- Approvals take much longer than anticipated
- Construction is delayed

## Unforeseen Circumstances

- i.e. Covid-19

# Repayment Structure

- Date of Proponent's first construction funding or financing draw
  - Most risk will have gone by the time large institutional lenders are involved
- Three years (36 months) from approval of CHPF by the City

## Loan Forgiveness Terms

**The Housing Secretariat Director has the sole discretion to forgive loans for the following reasons:**

- I. is not feasible as an affordable rental development as a result of findings of pre-development site due diligence;
- II. faces significant changes to project specifications and timelines as part of the pre-development due diligence work that render the project non-viable,
- III. faces unresolvable barriers such as changes to government funding programs, or inability in securing construction financing against the Proponent's best efforts; and
- IV. faces other conditions beyond the Proponent's control including market, project governance or legislative changes that will prevent the project proceeding against the Proponents' best efforts.

05

# Accessing Wrap-Around Supports

Accessing services offered by TAEH and II.



# Wrap-Around Supports

We have capacity to help with hand-on support in the following areas:



## **Assessing capacity**

What is the current expertise of your organization? What outside expertise is needed? Is there sufficient capacity to pursue the project?



## **Team-building guidance**

Guidance on collaborative approaches to development, including pursuing outside expertise and development partnerships/joint ventures



## **Application support**

Review of current application for identification of areas for improvement.

# Office Hours

(GMT-05:00) Eastern Time - Toronto 24 hr

Monday 16	Tuesday 17	Wednesday 18	Thursday 19	Friday 20	Saturday 21
No availability	No availability	1:30 PM 2:00 PM 2:30 PM 3:00 PM 3:30 PM	2:00 PM 2:30 PM 3:00 PM 3:30 PM	No availability	No availability

- Zoom booking calendar
- Half-hour time slots starting the week of Dec 9th, 2024 to Feb 12th, 2025, exclusive of the holiday break
- Link will be made active after webinar today (please visit our respective pages to access signup links)
- Limit of two visits per organization; following requests will be granted given no other organization has requested for the time slot

A low-angle photograph of a modern multi-story apartment building. The building features a mix of blue and orange facades. Each floor has a balcony with a dark metal railing. The sky is a clear, light blue. In the top left corner, there is a large yellow circle containing the number '06'. In the bottom left, the text 'Q&A' is written in a large, white, serif font, with 'Open discussion.' in a smaller, white, sans-serif font below it. In the bottom right corner, the number '22' is written in a white, sans-serif font.

06

# Q&A

Open discussion.

# Contact Us



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