



PROPERTY OPPORTUNITY NOTICE



Municipality: Kamloops

Street Address of Site: 377 Tranquille Road

Posted: April 29 2024

Submission Deadline: June 28 2024

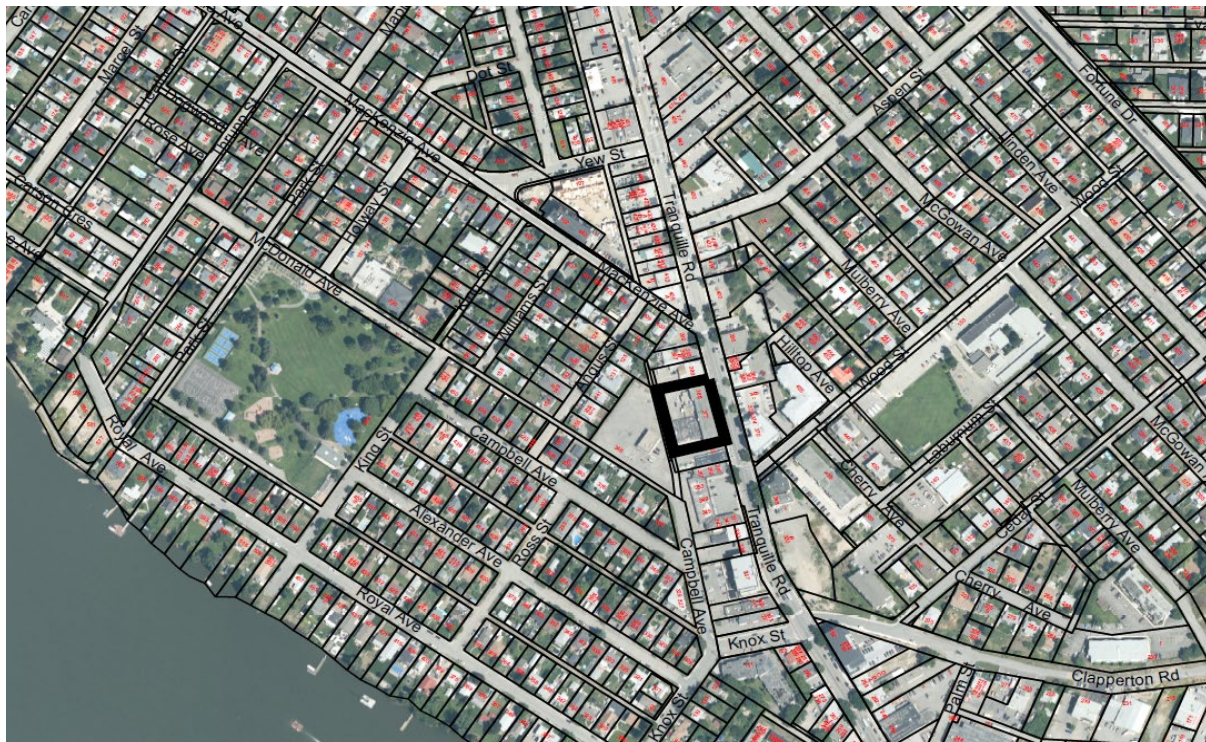
Overview

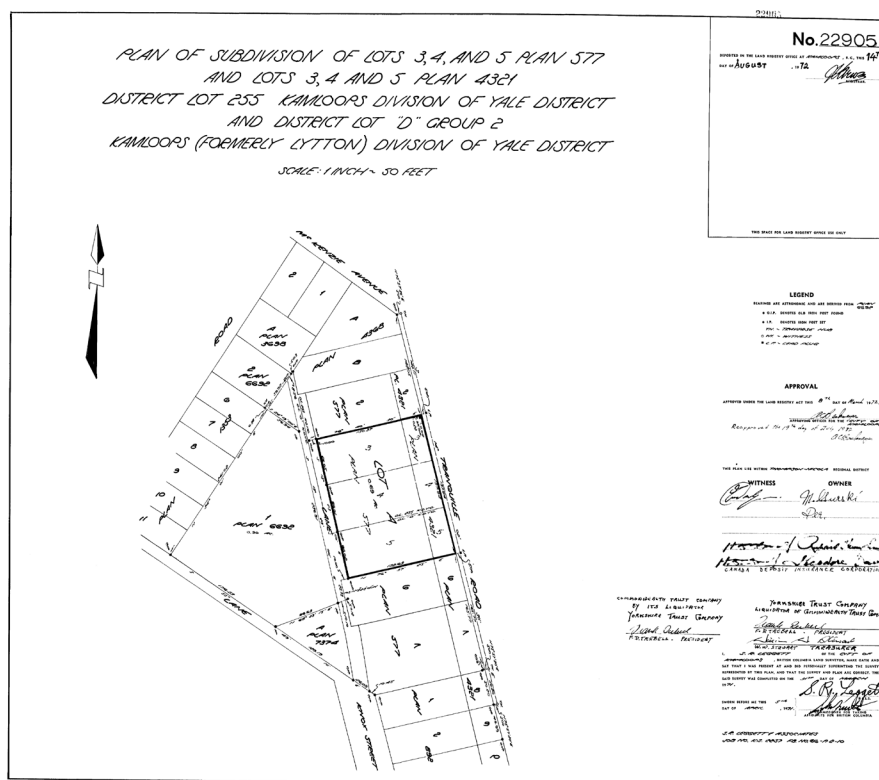
BC Builds is a rental housing program for middle income households. These are households earning a range of \$84,780 and \$131,950 per year for couples with no children for a studio or one-bedroom apartment and \$134,410 to \$191,910 per year for couples with children, needing a 2 or larger bedroom home. The aim of the program is to provide housing for households within these ranges. To help achieve this goal BC Builds can provide:

- Low-cost construction financing for buildings that are owned and operated by for-profit and non-profit developer and First Nations development corporations
- Direct access to CMHC construction financing with up to a 50-year amortization for buildings owned and operated by non-profit and private developers, as approved by CMHC
- Access to low-cost take-out financing with a 35-year amortization for buildings not approved for 50-year amortization.
- Grants of up to \$225,000 per unit for buildings owned and operated by co-operative or non-profit developers and First Nations controlled development corporations, with the goal of having at least 20% of the units at 20% below market rents. Where grants are provided, below market rents will be secured in a range of ways including a forgivable mortgage, housing agreement, section 219 covenant, or operating agreement.

Please refer to the [BC Builds Rental Supply Program Framework](#) for full program details before submitting your proposal.

Site Context





Parcel Identification (PID)	006-730-779
Registered Owner	City of Kamloops
Civic Address	377 Tranquille Road
Lot Area (Size)	29,972 sq.ft.
Lot Frontage	197.94 ft
Site Servicing	Full municipal services and third-party utilities in street as previous use was a 48 room hotel.
Links to relevant planning policies (OCP, Local Area Plan, other relevant documents)	OCP and North Shore Neighbourhood Plan https://www.kamloops.ca/business-development/community-planning

Property Details

Zoning	CNS (North Shore Commercial) The purpose of the CNS zone is to encourage intensive retail, office, and residential use.
Permitted Use Within Zoning	Retail, office and residential. Please refer to City of Kamloops Zoning Bylaw for full list of Principal and Accessory Uses.
Permitted Height and Density	Lot coverage 95% Maximum height – 6 storeys Max Floor Area Ratio 4.5 for rental specific buildings secured by covenant.
Applicable Development Permit Controls	North Shore and Multi-Family Residential Development Permit Guidelines applicable as per OCP.
Current Use	Vacant
Surrounding Use	Mixed use commercial and residential
Environmental features (stream, creek, grades, soils etc)	Site is flat. No creek or stream. Geotech required, site accommodated 3 storey concrete hotel on spread footings.
Any easements or restrictive covenants on title	Clear title. Existing SRW LB471601 to be discharged.
Community engagement requirements or expectations	None required. City lead information session will occur prior to issuance of DP. Community supportive of redevelopment of the site as hotel was a nuisance property.
Amenity/Bonusing Requirements	FAR increased from 3.0 to 4.5 with purpose built rental secured by covenant.

Sustainability/Energy Requirements (for anything beyond BC Building Code)	Build to current BC Building code.
Accessibility Requirements (for anything beyond BC Building Code)	n/a

Applicant Type

Please indicate which of these apply to your site. **Please check all that apply.**

- ☐ Seeking a developer **and also** a housing owner/operator and willing to enter into a long-term lease (60 – 99 years) with successful proponent with a land cost of \$0.
- ☐ Seeking a developer **and also** a housing owner/operator and willing to dispose of land to successful proponent at \$0.
- ☒ Seeking **only** a developer/builder to provide a turn-key building to an operator you've preselected.
- ☐ Owner/operator **must be** a non-profit society, co-op or First Nations development corporation.
- ☐ Owner/operator **must be** a private developer.
- ☐ Owner/operator can be either a non-profit society, co-op or First Nations development corporation or a private developer.

Additional Property Information

Landowner is seeking a Developer/Builder joint venture partner to take vacant property through to completion of purpose-built rentals. Landowner will provide the land and apply for low interest financing and possible grants through BC Builds program. Develop/builder will provide development and construction expertise to manage consultants, oversee all aspects of design and construction of the project. Industry standard construction management and development fees will be included in the project budget. Upon completion, the Landowner is willing to stratify the building and offer the developer/builder a leasehold strata interest, which can include rental units and/or ground floor commercial space, to hold as an income producing opportunity. The Kamloops Community Land Trust and the developer/builder would be the sole members of the strata. Residential rents will be secured through covenants and must be in accordance with the BC Builds guidelines.

Eligibility and Evaluation Criteria

General information

- Successful projects must break ground within 12 -18 months (depending on the complexity of the project) of the successful proponent receiving a Conditional Land Contribution Letter following the completion of the evaluation period.
- The land must be used to create new housing for middle income families as defined in the [BC Builds Rental Supply Program Framework](#).
- Eligible projects must be primarily residential but can include ground floor commercial and/or community uses and/or childcare with the non-residential components not to exceed 30% of floor area or cost.
- Land will be leased at nominal value by the landowner to the successful applicant on 60- to 99-year basis or disposed of at nominal value. Please see individual Property Opportunity Notices for details.

Equity requirements

“Equity” for the purposes of this application is defined as the financial contribution that an applicant is making to the project.

Proposals from private market developers that provide more below market units at a greater percentage below market will be given priority. To achieve this, an equity contribution will likely be required from private developers. Sites seeking a developer/builder only to provide development management services for a turnkey building to a non-profit, co-op or municipal/regional housing corporation are exempt from this equity requirement.

For non-profit and co-operative developers and First Nations controlled development corporations intending to own and operate buildings, there is no equity contribution required during the proposal submission process. However, these proponents are eligible to access capital grants of up to \$225,000 per unit. Applicants may bring additional equity or equity partners to the proposal to increase affordability. Proposals from non-profits, co-operatives and First Nations development corporation that require a lower grant per unit amount while still achieving at least 20% of the units at at least 20% below market will be given priority.

Eligibility Criteria

All proposals will be assessed first to determine qualification based on these eligibility criteria. Proposals that qualify will then be assessed according to the evaluation criteria below.

Eligible Applicant

Applicant must:

- Be registered and in good standing with the BC Corporate Registry or partner with a business or organization that is.

- Have previous property development and property management experience or engage professional third-party consultants or property management company.
- Have a plan for construction and operations that's financially viable.
- Meet equity requirements. See below.

Target Household Incomes

Project targets households in BC Builds income ranges with rents that don't require households in this range to spend more than 30% of their income on rent: \$84,780 and \$131,950 per year for couples with no children for a studio or one-bedroom apartment and \$134,410 to \$191,910 per year for couples with children, needing a 2 or larger bedroom home. *See evaluation criteria and evaluation matrix below for information about how this will be scored for applicants that are deemed eligible.*

Property Management (Applies only to properties where a housing owner/operator is being sought): Applicants must have a minimum of five (5) years' property management experience. In lieu of property management experience, applicants may hire or partner with a professional third-party property management firm or organization to help build their organization's capacity over the first five years of operation.

Real Estate Development Experience: Applicants must have successfully completed a similar project on time and within budget. Alternatively, applicants may hire or partner with a third-party developer who has experience building similar projects and/or assemble a design and construction consultant team to carry out the project.

Evaluation Criteria

Proposals received during the submission period will be ranked in comparison to other proposals. More specifically, the following criteria will be used to evaluate, rank, and determine a proposals' overall strength and level of project suitability. Please see scoring matrix below.

Financial Viability and Sustainability: The project is feasible and viable, both through capital financial assembly and ongoing operating pro-forma, as well as the project environment (geotechnical, environmental, site constraints etc.) Projects must demonstrate a means to be financially sustainable without an ongoing operating subsidy from BC Builds (BC Housing). All potential funding sources must be disclosed, including the potential to apply for financing and grant funding through BC Builds, together with details of the intended funding strategy and any supporting documentation. If the building will require an ongoing operating subsidy, the applicant must provide information about how they would provide that subsidy to the project and demonstrate how that will be in place over the life of the building.

Household incomes and rents: BC Builds targets middle-income households, with income thresholds for eligibility set at the middle-income Limits which are defined as follows:

Units with less than two bedrooms: Middle-income households are those whose gross household income does not exceed the 75th income percentile for families without children, as

determined by BC Housing from time to time. The current range of middle-income households that are the target of the BC Builds program is \$84,780 and \$131,950.

Units with two or more bedrooms: Middle-income households are those whose gross household income does not exceed the 75th income percentile for families with children, as determined by BC Housing from time to time. The current range of middle-income households that are the target of the BC Builds program is \$134,410 to \$191,910.

For projects involving a mix of unit sizes, the corresponding income threshold will be applied to each unit type.

Priority will be given to projects that target household incomes as low as possible in these income ranges while still maintaining project viability without the need for ongoing operating subsidy from BC Builds.

Rents must be suitable for middle income households, as defined above.

Projects with non-profit partners, public housing corporations or First Nations-controlled development corporations receiving capital grants of up to \$225K/unit:

- Units must target eligible households for a minimum of thirty-five (35) years
- Include minimum of 20% of units rented at 20% below market for a minimum of thirty-five (35) years.

Projects with private developers:

- Units must target eligible households for a minimum of ten (10) years

The rent structure will vary depending on the characteristics of the project and whether or not funding from other partners is layered into the project. All units in the development must be rented at or below market as determined by an appraisal of current market rents in the community, and at rents suitable for eligible households considering the location and average household income for the area but must not exceed 30% of the Middle-Income Limits in effect at time of occupancy and at unit turnover.

Speed to Market: How rapidly does the proposed timeline bring new homes to market? How realistic is the proposed timeline? Processes to speed up the development and construction timelines and innovative construction methods will be given priority.

Environmental Sustainability Considerations: Projects must be built to the BC Building Code. Priority will be given to projects that can provide additional environmental sustainability benefits while maintaining project viability.

Accessibility Considerations: Projects must be built to the BC Building Code. Priority will be given to projects that can provide additional accessibility benefits while maintaining project viability.

Unit Mix Considerations: No requirement for a particular unit mix, but priority will be given to projects that provide two- three- and four-bedroom units while maintaining project viability and staying below the per unit maximum grant amount of \$225,000 for co-operative and non-profit developers and First Nations controlled development corporations.

Equity Contribution: For private developers, does the proposed equity contribution help deliver more below market units at a greater percentage below market? For non-profit and co-operative developers and First Nations controlled development corporations, what is the lowest grant amount per unit required (up to a maximum of \$225,000) to achieve at least 20% of the units at at least 20% below market?

Scoring Matrix

Mandatory Requirements
Eligible Applicant
Meets Target Household Incomes
Demonstrated Property Management Experience (if seeking operator)
Demonstrated Development Experience
Ranked Criteria (Overall Weighting)
Financial Viability & Sustainability (20%)
Amount of per-unit subsidy required (15%)
Percentage of units at 20% below market (15%)
Target Household Incomes (15%)
Speed to Market (15%)
Financial Equity Contribution (5%)
Unit Mix (5%)
Additional Accessibility Benefits (5%)
Additional Sustainability Benefits (5%)

How to Apply and Proposal Submission Requirements

1. Review detailed property information, criteria and deadlines in this Property Opportunity Notice.
2. Attend an optional Property Information for this opportunity. Please see the property listings page for times and dates.
3. Contact BC Builds info@bcbuildshomes.ca if you have any questions about a Property Opportunity Notice. Please do not contact landowners directly. Doing so will result in immediate disqualification from the application process.
4. Review the [BC Builds Rental Supply Framework](#).

5. Applicants can present their submission in the form and format of their choice, with the option of using [this capital and operating budget template](#). A development schedule and typical schematic design that includes drawings and site concept plan including massing, renderings, basic floor plans, and an indication of how the building(s) is located on the property is expected as part of the proposal submission. Total submission should include no more than 20 type-written pages.
6. Letters of reference can be submitted to demonstrate experience in delivery of similar projects.
7. Proposals must be sent to info@bcbuildshomes.ca on or before the due date listed in the Property Opportunity Notice.

How long it takes

It should take several weeks (goal of 4 to 6 weeks) for BC Builds to review your project proposal and let you know if your proposal is approved. The successful proponent will be required to sign a Conditional Land Contribution agreement between the proponent, BC Builds and the landowner which lays out a 12-to-18-month timeline to securing funding, financing, Development Permit, Building permit and begin construction and a shared and collaborative approach to meeting or exceeding this timeline.

Cost

There is no cost to apply.

Additional Information

This PON is available to projects that meet and/or exceed the minimum requirements as outlined in the above criteria. Verification of project details and evaluation will determine whether a project is selected. Simply meeting the minimum requirements will not guarantee that a proposal will be selected. Applicants are responsible to provide sufficient documentation that will verify compliance with the eligibility requirements.

Note that BC Builds will consider all proposals but is under no obligation to approve any application and move forward with the PON if, in BC Builds' opinion, no suitable submissions are received.

Disclaimer

The PON is a non-binding document. BC Builds does not make any representation or provide any undertaking to prospective respondents other than to invite them to submit a proposal. This PON does not oblige BC Builds to negotiate or execute an agreement with any prospective respondents, not to grant rights of any sort to any prospective respondents and, BC Builds shall incur no liability to any prospective respondent as a result of responding this PON.

BC Builds will not be liable for, nor will it reimburse any prospective respondent for costs incurred in the preparation, submission or presentation of any proposal, for interview or any other activity that may be requested as part of the PON process.