



PROPERTY OPPORTUNITY NOTICE



Municipality: North Cowichan

Street Address of Site: 9800 Willow Street, Chemainus BC

Posted: April 29, 2024

Original Submission Deadline: November 29th 2024

Extended Submission Deadline: December 19th 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

Satellite Map – *Build site 9800 Willow street in Chemainus BC*



Parking area across rear laneway for 9800 Willow Street is available for offsite parking for the building



Plan Map

Please insert a map of the site in context from your Official Community Plan or relevant Local Area Plan

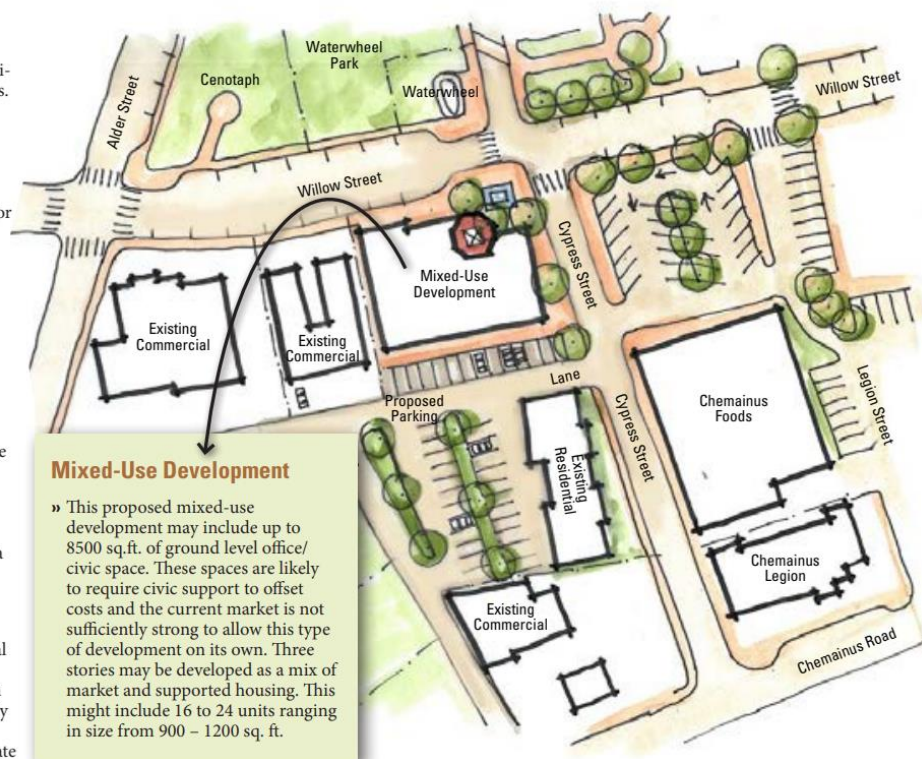
What it Means

The Fire Hall site has had a number of design proposals over the years. Most recently the site was investigated as a multi-use site that included a variety of civic uses. The location is an important one for the community as it provides a terminus for the Willow Street commercial area and a transition to the residential areas below. Whatever the end use of this facility it is clear that it provides a great opportunity for the town centre.

It is suggested that a mixed use facility be developed on the fire hall property which would include a small amount of commercial and civic use on the main floor. The balance of the development would be for residential uses which may include a mix of market and supportive housing. The provision of civic space and even commercial spaces will rely on public participation as the market for these uses is not strong enough to incent new development on its own. The economics for residential development are relatively stronger but a careful analysis will be required to ensure the market viability of a proposed development on this site.

A multi-use building in this location would be strongly supportive of overall revitalization efforts. Additional residential development would increase the number of people living downtown and strengthen all-year economic activities. A thoughtfully designed and well executed building will provide a strong precedent for future private sector developments.

24 | CHEMAINUS TOWN CENTRE REVITALIZATION PLAN
District of North Cowichan BC



Parcel Identification (PID)	<ul style="list-style-type: none"> PID 005-858-071
Registered Owner	Municipality of North Cowichan
Civic Address	9800 Willow Street Chemainus BC
Lot Area (Size)	664.82 m2 (0.1643 Acre)
Lot Frontage	60 feet
Site Servicing	Drainage catch basin at frontage road edge, 250 VC sanitary line to frontage property line, 250 PVC water line at frontage road centre,
Links to relevant planning policies (OCP, Local Area Plan, other relevant documents)	OCP Low.pdf (northcowichan.ca) Chemainus Revitalization 0.pdf (northcowichan.ca)

Property Details

Please enter N/A for fields that don't apply to your site.

Zoning	CD16 – Mixed use Commercial core
Permitted Use Within Zoning	Mixed Use Commercial Core Zone (CD16) Permitted Uses 80.16 (1) The permitted uses for the CD16 zone are as follows: apartment, assembly hall, commercial, school, community hall, congregate housing, limited home-based business, mixed-use building, multi-family residence, office, retail store
Permitted Height and Density	The maximum permitted floor space ratio for the CD16 zone is 2.5:1 Maximum Building Height; The maximum permitted building height for the CD16 zone is as follows: (a) principal building, 15 m (49.21') (b) accessory building, 5 m (16.40')
Applicable Development Permit Controls	DPA-1: Form, Character & Performance Development Permit Area DPA-3: Natural Environment (Aquifer Vulnerability) DPA-6: GHG Reduction, Energy & Water Conservation
Current Use	Empty lot – parking
Surrounding Use	Public Library, community services, public park, commercial retail and office, residential, church, parking
Environmental features (stream, creek, grades, soils etc)	N/A
Any easements or restrictive covenants on title	N/A

Community engagement requirements or expectations	Open houses as per DP process
Amenity/Bonusing Requirements	Negotiated on case-by-case basis during rezoning processes. Does not apply at development permit stage.
Sustainability/Energy Requirements (for anything beyond BC Building Code)	Emission level 4 of the BC Zero Carbon Step code (from July 2024)
Accessibility Requirements (for anything beyond BC Building Code)	None

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.

Building Owner/Operator

BC Community Land Trust

Additional Property Information

Onsite parking is not required. Parking for the development can be provided on the publicly owned lot behind the building as shown above.

The development site at 9800 Willow Street is nestled in the heart of Chemainus, a small seaside community noted for its vibrant murals, Victorian heritage homes, shopping friendly main street and friendly, laid back vibe. With beautiful beaches only blocks away, a walkable village core and plethora of restaurants and pubs, Chemainus ranks as one of the most liveable small towns in Canada. The development site at 9800 Willow Street is in the heart of the community, located on the main street yet only steps away from green space and adjacent to charming residential neighbourhoods.

View of the development site from the street face of Willow Street



View of proposed parking area across the laneway from the development site



View of Waterwheel park from frontage of development site



View down Willow Street showing Waterwheel park and public library adjacent to development site

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.

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 corporations that require a lower grant per unit amount while still achieving at least 20% of the units 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.
- Meet equity requirements. See below.
- Meet BC Builds target household incomes. See below.

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.

Equity Requirements: Project requires a maximum of \$225,000 per unit equity (grant) contribution from BC Builds. ***NB this grant is only available for projects that will be owned and operated by non-profits, co-ops, public housing corporations or First Nations controlled entities. See evaluation criteria and evaluation matrix below for information about how this will be scored for applicants that are deemed eligible.***

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 to \$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.*

Evaluation Criteria

Proposals received during the submission period will be ranked against set evaluation criteria. The following criteria will be used to evaluate, rank, and determine a proposal's 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 based on BC Builds underwriting and financing criteria noted here, as well as the project environment (geotechnical, environmental, site constraints etc.) Proponents may include other financing and funding scenarios as alternative options to achieve equal or greater outcomes. 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.

A note re financing: Projects that will be owned and operated by non-profits, co-ops, and public housing corporations are eligible to apply for take-out financing through BC Builds. All projects are eligible to apply for construction financing.

For projects that will be owned and operated by non-profits, co-ops, and public housing corporations, proponents should use a 35-year amortization and the interest rates for both interim construction and take-out financing found on the Housing Development Opportunities page.

For projects that will be owned and operated by private entities, including First Nations owned private entities, proponents should propose a take-out financing strategy, including amortization period and interest rate. Please use BC Builds interest rates found on the Housing Development Opportunities page for interim construction financing.

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 to \$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, co-ops, 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.
- The per unit grant amount should be calculated based on the amount of funding required to get 20% of units to 20% below market. In other words, what is the equity gap in the project when 20% of units are dropped to 20% of market? Divide this equity gap by the *total* number of units in the building and that is the per unit grant, which is applied to *each unit* in the building, not only the 20% of units at 20% below market.
- The *lower* the per unit grant amount the more points awarded.

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 (noted above) in effect at time of occupancy and at unit turnover.

A note re rents: Please use appraised market rents at time of proposal submission not appraised market rents at time of expected building occupancy.

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 non-profits, co-ops, public housing corporations or 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	
In good standing with BC Corporate Registry	
Demonstrated Property Management Experience (if seeking operator)	
Demonstrated Development Experience	
Meets equity requirements	
Meets Target Household Incomes	
Ranked Criteria (Overall Weighting) Total 100 Points	
Financial Viability & Sustainability - 20	
Amount of per-unit grant 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 Session for this opportunity. Please see the Housing Development Opportunities page for times and dates. If you miss the info session, please watch the recorded video also available on the Housing Development Opportunities page.
3. Contact BC Builds info@bcbuildshomes.ca if you have any questions about a Property Opportunity Notice. *Please do not contact landowners directly. Doing could result in 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. In addition to the type-written pages, schematic design that includes drawings and site concept plan including massing, renderings, basic floor plans etc may be added.

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. Late proposals will not be reviewed.

Evaluation Process

General information

Evaluations will be conducted by BC Housing staff and any external parties identified by BC Housing in relation to the subject property. Each submission will be reviewed and scored against the stated evaluation criteria. Following this the evaluators will convene as a team to review scoring and determine the highest scoring proponent.

In the event of a tie score or the top two (2) highest scoring submissions being within five points of each other, BC Housing may elect to conduct a 60 minute presentation/interview with each of the two proponents to determine the successful proponent.

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, nor 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.

BC Housing reserves the right to limit the number of awarded projects any one proponent can be awarded in a geographic area and/or within a defined period of time.