Capital Project Application Guidelines & Sustainability Checklist

Capital Project Requirements

Capital investments are intended to increase the capacity or improve the quality of facilities that address the needs of individuals and families who are homeless or at imminent risk of homelessness, including those that support culturally appropriate programming for Indigenous individuals and families.

Eligible activities include:

- Renovation of emergency shelters, transitional housing, permanent supportive housing, or non-residential facilities, including:
    - Renovating an existing facility for upgrades and to meet building standards
    - Removing asbestos, mold, rodents; and
    - Repurposing an existing property to create transitional housing or permanent supportive housing, and expanding an existing facility.
- Repairs of damages resulting from housing placements (includes private market housing).
- New construction of transitional or permanent supportive housing, or non-residential facilities (for example, community hubs to include furniture banks, drop-in centres, resource centres, outreach worker spaces, counselling spaces, laundry facilities, food banks), including if applicable tearing down an existing facility to build a new one.
- Purchase of transitional housing, or permanent supportive housing, and non-residential facilities to create new space or units.
- Eligible costs related to professional fees, such as consultants, audit, technical expertise, facilitation, legal, and construction contractors, and capital costs of the purchase of a land or building.
- Purchase or construction of new emergency shelters using funding from Indigenous, Territorial and Rural and Remote streams.
- Purchase of furniture, appliances, machinery (for example, lawnmower, woodworking tools), electronic equipment and vehicles (for example, to be used for outreach, transportation for furniture banks).

Definitions:

- *Emergency shelters:* temporary, short-term accommodation for people experiencing homelessness. At minimum, emergency shelters provide overnight accommodation. Programs may also provide access to food, personal supplies, help with housing searches or support services (case management). Emergency shelter excludes motel or hotel stays that are paid for privately (e.g., with income or savings).

- *Transitional housing:* temporary, time-limited housing with support (case management) that is appropriate for the target population group (e.g., youth, newcomers or Indigenous peoples). For example, programming could focus on developing the necessary skills to be able to live more independently. Stays are typically longer than shelter, with guidelines that range from three months to three years. Programs usually have eligibility requirements, may only accept referrals and people may be expected to contribute financially toward their stay (e.g., using social assistance benefits). The goal is that people are helped to transition to some form of permanent housing at discharge.

- *Supportive housing (fixed-site or place-based):* Permanent housing (no time limit) with rental assistance and individualized, flexible support services (case management) for people with greater depth of need (acuity) related to physical or mental health, developmental disabilities, and/or substance use. Within the homeless-serving system, tenants were either homeless prior to intake and/or remain at-risk of homelessness. Supportive housing provides a physical environment that is designed to be safe, secure, and home-like. Support services aim to maximize independence, privacy and dignity. Rents are affordable to people with lower incomes. Housing support strategies can include coordinating access to more specialized and/or clinical services (e.g., medical care or psychiatrists), skill-building to reduce depth of need (acuity) in areas of life that create risks to a tenancy (e.g., budgeting, landlord mediation, and keeping the unit clean), accompaniment to appointments, help with engaging in meaningful activities, and ensuring people have someone to call when issues arise.

- *Non-Residential Facility:* Provision of services to meet basic needs and/or provide services to promote longer-term stability of people experiencing or at-risk of homelessness (e.g. community kitchen, drop-in centre, etc.). Investments in residential facilities must be paired with integrated wrap-around services to support people in attaining and maintaining stable housing.

Ineligible activities include:

- Construction and renovation of housing units not exclusively intended for people experiencing or at imminent risk of homelessness including those funded through the bilateral Housing Partnership Framework agreement with the Canada Mortgage and Housing Corporation and most provinces/territories.

- Investments in social housing, including;

    - Repairs to social housing units
    - Renovation of social housing units; and
    - Creation of social housing units

- Renovation or repairs to private personal property or social housing/community housing that is not solely intended for people experiencing or at imminent risk of homelessness

Requirement: If a community is going to invest in a capital project, the community and project sponsor must demonstrate they have done the following:

- Linking with the province or territory: efforts should be made to link with provincial, territorial or municipal funding. It is important to provide evidence of the need to purchase, construct, or renovate facilities and to ensure that the community is best placed to undertake the capital project. This should be demonstrated through the Reaching Home Sustainability Checklist for Applicants of Capital Investment Projects (see Checklist below). Reaching Home funds can be used to complement other capital investments made by a province, territory or municipality. However, Reaching Home funding must not duplicate or displace funding from other programs (should be used to fill a gap in these instances).

- Encouraging leveraging: where possible, communities are encouraged to ensure that Reaching Home is not the sole funder in capital projects. For capital projects consisting of new construction or purchase of facilities, the community is required to record the in-kind and financial contributions of each capital investment sub-project funded under Reaching Home.

- Ensuring sustainability: capital projects require a sustainability plan in which organizations must demonstrate their capacity to operate the facility for its intended purpose for a minimum period of up to 5 years after project completion. Applicants must identify all relevant funding sources for the operation of the facility and/or new services through their application documents. As capital projects funded under Reaching Home should lead to new or improved services after their completion, an exit strategy is unacceptable for capital projects.

- In their sustainability plan, organizations must:
    - describe their partnerships;
    - confirm their funding sources for ongoing operations;
    - report if the project will increase the level of services or if they will remain stable; and
    - include a timeline for the completion of their activities.

Requirement: as part of the application process for a sub-project, capital project applicants must follow the Sustainability Checklist in order to demonstrate that the minimum project sustainability standards have been addressed.

- Applicants seeking capital funding under the regionally delivered funding streams (Designated Communities; Rural and Remote Homelessness; Territorial Stream and Indigenous Homelessness Stream) are required to complete the checklist as part of any proposal to create or expand a facility which could result in increased annual operational costs. The sustainability checklist can also be used to assess sustainability in capital projects that do not incur increased annual operational costs (for example, equipment purchase or renovations in a facility where no space, beds or units are added or no service is created or expanded).

- Community Entities are responsible for reviewing the checklist completed by applicants through the solicitation or proposals, as part of the assessment process.

Requirement: applicable to organizations which own a property or have a long-term lease, capital renovation projects may be subject to monitoring for up to 5 years after the project end-date to ensure recipients are compliant with the terms of their funding agreement with the Federal Government.

- The Federal Government monitors capital investments for emerging issues and may ask for course correction as needed.

These guidelines will assist applicants seeking funding for capital projects to ensure that all elements of the sustainability checklist are complete.

1. Funding to Implement the Project

To fund the project:	YES	NO
• Are all relevant and related project costs identified in the application package and/or sustainability plan?	☐	☐

The following are minimum cost items to consider according to the scope of your project:

Project Financing

- Cash, equity, grants, loans, other sources of financing

Project Costs

- Land or property acquisition costs: Purchase price, taxes, legal fees, environmental remediation, survey, inspection, appraisal costs, other disbursement, city/municipal development charges, city/municipal permit fees, city parkland levy, insurance, mortgage, utility fees, consultants and professional fees, architect and engineer fees, other costs
- Construction or renovation costs: Renovation/ conversion/ construction costs, finished basement and/or additional living spaced, surface parking, landscaping, furniture and equipment, stove and refrigerators, laundry equipment, other equipment
- Organizational costs: Administrative costs, organizational infrastructure costs, staff wages, other related labour costs
- Additional costs: Rent loss during construction, GST, PST, contingency funds

	YES	NO
• Do the application package and/or sustainability plan clearly show funding sources equal to the total costs of the project?	☐	☐

The total amount (in dollar, $) coming from your funding sources should at least be equal to the total cost of your project. This can either be reported through your Reaching Home funding application or sustainability plan.

If not, you may consider the following:

- Review your project funding and costs for any mistake
- Identify additional funding sources and confirm them through official letters of support
- Revise the scope of your project, in order to have costs below the total amount coming from your funding sources

	YES	NO
• Are all funding sources confirmed through letters of support in the application package?	☐	☐

You must have an official letter of support from each organization providing the funds for your project (usually one letter for each funding source). These letters should be attached with your Reaching Home funding application. Each letter should clearly identify the funding source, the applicant and project to be funded, the amount in dollar that will be provided, and the time when funding will be provided (preferably with detailed day-month-year to day-month-year).

If not, you may consider the following:

- Review your official letters of supports and follow-up with the organizations if applicable
- Identify the funding sources for which you should have an official letter
- Identify additional funding sources and confirm them through official letters of support

2. Project Impacts

Impacts of the project on staff and service requirements:	YES	NO
• Do the application documents and/or sustainability plan clearly indicate the impacts of the project (i.e., will there be a need for additional staff or services after completion)?	☐	☐

The Reaching Home funding application and/or sustainability plan should clearly indicate the scope of your project. For example, is the project expected to include one of these activities:

- Construction of a new facility
- Conversion/renovation of an existing building
- Addition of new beds/units, new or expanded services (more staff or more clients served)
- Purchase of land or property
- Purchase of equipment, appliance or furniture

In addition your sustainability plan must indicate how the activities will be sustainable five years after the end of your project.

3. Partnerships

Demonstrate support:	YES	NO
• Does the sustainability plan clearly identify all partners and indicate support that will be provided by each towards new requirements and impacts of the project?	☐	☐

The sustainability plan for your project should identify:

- All partners relevant to your project
- All partners relevant to the delivery of services or housing for five years after the end of the project, if applicable

Depending on the scope of your project, the relevant partners who could be considered, among others, may include:

- Land owners and developers
- Agency, church, or other organization to develop land they own
- Lawyers and development consultants with strong non-profit and development experience
- Architects able to design shelters or quality housing within a tight budget
- Cost consultants (Professional quantity surveyors) to monitor construction costs from concept through construction to ensure budgets are maintained
- Community agencies who serve homeless clients and those at imminent risk of homelessness

- Partners who will share space or provide services after completion of your project

4. Operational Costs at the End of the Project

After project ends:	YES	NO
● Do the application documents and/or sustainability plan clearly indicate funding sources for additional staff or service requirements?	☐	☐

The Reaching Home funding application and/or sustainability plan should identify all the relevant funding sources for the operation of facility/new services. The funding sources must be indicated for the five (5) years after project completion.

Fundraising is not considered sustainable. Therefore, most of the funding for operational costs should come from stable funding sources such as:

- Province or Territory
- Housing corporations
- National organizations such as the Salvation Army or the John Howard Society

Sustainability Plan:	YES	NO
● Does the sustainability plan clearly show that the annual operational budget will be balanced for five years after the project ends? (i.e. annual operational costs must be lower than the annual income)	☐	☐

The total annual amount (in dollar, $) coming from your funding sources should at least be equal to the total operational cost of your project for five (5) years after completion. This should be reported in the sustainability plan for your project.

Annual Income could include: Government supplement/per diem, government funding, income from rent, income from parking, donation, other grants, other income

Annual Expenditures could include:

- Building operating costs: Maintenance, repairs, materials, utilities, insurance, municipal taxes, vacancy allowance
- Organizational expenditures: Administrative costs, organizational infrastructure costs, staff wages and other related labour costs, support services
- Mortgage and other expenditures

If the annual operating budget is not balanced, you may consider the following:

- Review your project operational funding and costs for any mistake
- Identify additional funding sources and confirm them through official letters of support
- Revise the scope of your project, in order to have the appropriate operational funding for five (5) years after the project is completed