

A Housing Development pilot program has been designed to invite developers/contractors/landlords to submit proposals for new residential development projects on PEI including infrastructure. This new loan program is intended to assist approved developers/contractors/landlords increase the housing inventory on PEI.

This new housing development challenge will also include a component of property tax rebates through the new construction rental housing and may also be eligible for grant funding through the Community Housing Fund (administered by the Department of Social Housing and Development and the Canadian Mental Health Association).

<p>Eligibility:</p>	<ul style="list-style-type: none"> ○ For an applicant to be eligible for assistance, the following criteria must be met: <ul style="list-style-type: none"> ▪ Projects must have at least two units and tenants must be an arm's length to the developer (cannot be developer's family living in the development) ▪ Maximum financing for one development cannot exceed \$6M for each approved project ▪ Maximum financing to each project will not exceed 90% of the construction value ▪ Must have previous industry experience as a contractor/landlord or developer. ○ Eligible Applicants include: <ul style="list-style-type: none"> ▪ Non-profits; ▪ Community based / service organizations ▪ Private sector ▪ Previous developers are eligible to reapply for new projects (no refinancing of previously approved projects will be considered). ○ Eligible Activities: <ul style="list-style-type: none"> ▪ Construction of housing facilities (including related services for engineering and architecture); and ▪ Infrastructure for development of subdivision(s) in rural areas (i.e. road, sewer and water)
<p>Loans:</p>	<ul style="list-style-type: none"> ○ Up to a maximum of \$6,000,000 per project (90% loan to value) ○ The loans will bear interest at fixed rate of 2% per annum for a term of ten years and amortized over a period of 25 years. ○ Loans will have an interest only period of up to a maximum of 12 months (from 1st disbursement) during construction or the date of substantial completion. ○ Loans are secured by (at a minimum): <ul style="list-style-type: none"> ▪ Promissory Note for the full amount of the loan ▪ Personal guarantees of the business owner(s) ▪ 1st collateral mortgages on the property(s) ○ No application fee
<p>Process:</p>	<ul style="list-style-type: none"> ○ This Housing Challenge will evaluate each application through a committee on a first come first served basis with a maximum of \$50,000,000 made available to this pilot program. ○ Developers/contractors will submit application for new housing projects which will be reviewed and evaluated by a committee using a point scoring grid on the following criteria: <ul style="list-style-type: none"> ▪ Timeframe to commence and complete construction; ▪ Carbon reduction footprint construction; ▪ Development location (projects that demonstrate the need for housing within an area will be prioritized); ▪ Lease/rental/ownership structure (projects that present creative leasing or ownership models will be prioritized);

	<ul style="list-style-type: none">▪ Design features including accessibility;▪ Financial capability of the development and the developer/contractor.
Disbursements:	<ul style="list-style-type: none">○ Disbursements will require support provided by quotes/invoices through construction draws verified by signed architect/engineer letter;○ Upon approval, requests will be advanced less any required mechanic lien holdbacks;○ Any structural changes to facilities during renovations and/or construction must be approved by stamped Engineer drawings compliant with legislation on PEI.
Other Information:	<ul style="list-style-type: none">○ The Province is committing \$50,000,000 to this new program.○ Applications are available online at Finance PEI https://www.princeedwardisland.ca/en/service/housing-development-challenge