

EXPRESSION OF INTEREST GUIDE AND FORM



Canada's Economic Action Plan
On-Reserve Housing
New Construction Initiative
Year 2 Funding for April 2010 to March 2011



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CANADA'S ECONOMIC ACTION PLAN

On-Reserve Housing
New Construction Initiative
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1.0 CANADA'S ECONOMIC ACTION PLAN – ON-RESERVE NEW CONSTRUCTION INITIATIVE

As part of Canada's Economic Action Plan, Canada Mortgage and Housing Corporation (CMHC) is delivering a one-time federal investment of \$125 million over two years starting in 2009 to address the need for additional on-reserve social housing units. This \$125 million will be delivered under the On-Reserve New Construction Initiative.

The Initiative is being delivered through the On-Reserve Non-Profit Housing Program (Section 95) with additional program parameters such as mandatory energy efficiency standards (see 2.3) and federal visibility requirements that will provide for joint communications and activities (e.g., ceremonies, signage, news releases, etc.)(Appendix A).

The On-Reserve New Construction Initiative represents an investment in new CMHC-administered social housing that will:

- Help address the need for additional housing on-reserve
- Build energy efficient homes
- Create jobs.

2.0 OVERVIEW

The Expression of Interest (EOI) is used by CMHC for First Nations interested in accessing funds from the On-Reserve New Construction Initiative for the construction and/or purchase and rehabilitation of housing on-reserve. Interested First Nations need to complete the Expression of Interest form (available on CMHC's website) by providing all required information about the nature and the scope of the proposed housing project.

In 2009, First Nations had the option to apply for the **New Construction Initiative** for both 2009-2010 and 2010-2011 fiscal years. First Nations with a **complete** application for 2010-2011 need not resubmit the information unless they wish to revise it in some manner. CMHC will contact all First Nations who submitted applications in 2009 related to year two funding where their application is deemed to be incomplete so as to ensure they are aware of gaps and the need to resubmit a completed application for this year's funding. Also, if you are revising an earlier application, it will need to be resubmitted within the application timeframes for year two funding in order to be considered.

2.1 Eligible First Nations

All First Nations are eligible to apply for assistance. A First Nation's current performance in the areas of project management, financial management, and compliance with existing Project Operating Agreements (i.e., must not be in



arrears or in default of the operating agreement) will be considered prior to making any new commitments.

Further, a First Nation must be confirmed by INAC to be eligible for a Ministerial Loan Guarantee (MLG) in order for a commitment to be made.

First Nations applying for assistance must also meet the requirements of the New Construction Initiative as specified in the EOI and approval process outlined below.

2.2 Program Parameters

The New Construction Initiative will be delivered like the existing On-Reserve Non-Profit Housing Program but with specific program adjustments. These adjustments are consistent with the requirements established under Canada's Economic Action Plan to help accelerate the commitment and construction process, as well as to include energy efficiency standards and project visibility requirements.

CMHC, under Direct Social Housing Lending, will continue to offer a low-cost insured direct loan for new construction projects requiring financing. A First Nation may use lending from another financial institution, but federal subsidies will continue to be determined based on the lower interest rate. A Ministerial Loan Guarantee (MLG) through Indian and Northern Affairs Canada (INAC) with respect to any loan financing would continue to be required.

Consistent with INAC's program, stacking of funding from INAC's New Multi-Unit Construction program is not permitted. However, as per the current On-Reserve Non-Profit Housing Program delivery, a First Nation's Minor Capital Budget can be used as equity towards the total project cost.

As under current program guidelines, First Nations are responsible for construction work, including necessary

inspections to ensure quality of work and code compliance, and on-going administration, maintenance and repair. An emphasis will continue to be placed on the use of qualified First Nation housing expertise, including construction, renovation, inspection and management expertise.

As with the existing program, CMHC is not responsible for ensuring that work completed meets the National Building Code (NBC), its equivalent or any other regulatory requirements, nor is CMHC responsible for the quality of the work or the adequacy of the materials used. These are the responsibility of the project owner. CMHC conducts inspections for program purposes and not for NBC compliance.

2.3 Energy Efficiency

First Nations will be required to submit plans that are designed to achieve an EnerGuide for Houses (EGH) rating of a minimum of EGH 80, or any equivalent provincial or First Nation standard that achieves an equivalent or higher energy performance level. The houses need to also meet or exceed National Building Code requirements for mechanical ventilation. First Nations must provide confirmation during their inspection process that the energy standards per the original design specifications are fully implemented.

First Nations are required to confirm that the design plans and specifications will achieve the minimum EGH 80 rating.

2.4 Modesty

Modesty criteria for new construction will be in line with the current On-Reserve Non-Profit Housing Program guidelines (i.e. Maximum Unit Prices). Maximum Unit Prices (MUPs) will be adjusted to reflect costs associated with achieving energy efficiency standards.

2.5 Housing Plans and Inspections

General plans and progress reviews will be completed as per the On-Reserve Non-Profit Housing Program.



However, unlike the existing Section 95 Program, the New Construction Initiative will require housing plans to include energy efficiency standards. First Nations will need to hire an Energy Advisor or other qualified person to provide confirmation that plans meet the required energy efficiency standard, as well as confirm upon completion of the project that plans have been adhered to. As with projects under the regular program, it is the responsibility of the First Nation to ensure that the energy efficiency standard requirement is met along with quality of work and code compliance. The cost associated with hiring an Energy Advisor or another qualified person may be included in the total project cost.

CMHC encourages First Nations to ensure they are well informed about energy efficiency. For example, a more energy efficient house will reduce overall operating costs to the First Nation over the life of Operating Agreements. NRCAN has advised that the 2012 National Building Code (NBC) will require energy efficiency standards in all new construction. Therefore, it is useful to plan now, not only to take advantage of the New Construction Initiative, but also to be ready for the upcoming NBC change that will apply to the On-Reserve Non-Profit Housing Program in the future.

Energy efficiency related training and licensing requirements for inspectors hired by First Nations or their organizations is a matter for First Nations to arrange and fund. First Nations that need information about training their inspectors to become certified and licensed energy auditors, inspectors or advisors are encouraged to contact NRCAN or their CMHC regional staff advisor.

3.0 APPLICATION AND APPROVAL PROCESS

3.1 Regional Committees

Committee representatives (or a designated subset) are being requested to review EOs and participate in consensus decision-making on the selection of projects for recommendation to CMHC for approval.

INAC will work in partnership with CMHC on First Nation's eligibility for MLG's and will process MLG application requests as quickly as possible while in accordance with its policies.

3.2 Expression of Interest (EOI) and Selection Process

The expression of interest and application process has two steps:



Step 1

- EOI call for First Nations to submit basic information (number of units, location, type, availability of serviced lots, etc) on their project proposal by the required deadline.
- Completed EOIs can be submitted to CMHC by fax, e-mail or by mail by the established deadline.
- CMHC reviews the submitted proposals for completeness and eligibility. Where an application is found to be incomplete, CMHC will advise the First Nation as to where the deficiencies are and will encourage them to resubmit complete applications by the established deadline.
- Complete and eligible proposals are reviewed by the Committee which will consider the selection criteria, consider the overall distribution of funds across First Nations and apply, if so desired, any existing regional criteria by which allocations are normally awarded (e.g. distribution based on population) and then recommend to CMHC proposals to be accepted.
- Selected First Nations receive a conditional allocation letter that identifies the amount of 1 year, 5 years, and Lifetime dollars they have to develop their project.

Upon receipt of the EOI, INAC will be asked to confirm the likelihood of the applicant receiving an MLG approval through its new streamlined process.

Step 2

- The conditional allocation letter as a result of Step 1 will advise the First Nation that they must submit a final application package that includes project details, plans and specifications, costing, proposed construction schedule, choice of financing/lender, confirmation of equity, etc.
- Upon successful review by CMHC, CMHC will issue a final commitment letter and work on the project must proceed within 3 months following the date of the letter.
- First Nations require the final commitment letter to request an MLG from INAC. Should INAC not issue the MLG to the First Nation, the commitment would be cancelled.



3.3 Selection Criteria

A First Nation's current performance in the areas of project management, financial management, and compliance with existing Project Operating Agreements (e.g. must not be in arrears or in default of the operating agreement) will be considered prior to making any new commitments. Further, a First Nation must be confirmed by INAC to be eligible for an MLG in order for a commitment to be made.

Complete and eligible proposals will be reviewed by Regional Committees which will consider the regular eligibility criteria for the existing On-reserve Non-Profit Housing Program.

Regional Committees will also consider the overall distribution of funds across First Nations and apply, if so desired, any existing regional criteria by which allocations are normally awarded (e.g. distribution based on population) and then recommend to CMHC proposals to be accepted.

In addition a proposal will be assessed on the preparedness to proceed quickly taking into account such factors as:

- Availability of serviced lots
- Articulated strategy for moving from commitment to work commencement within 3 months (steps and milestones)
- The First Nation can start construction within 3 months and continue to make regular progress on the proposed project despite other construction projects
- Prior construction or renovation projects have been started and completed in a timely manner (i.e. good track record)
- Assessment of appropriate labour availability to the First Nation
- Eligibility and timely availability of a First Nation to receive a Ministerial Loan Guarantee (MLG)

3.4 Commitment Letter

The Commitment Letter used for the New Construction Initiative will reflect the Commitment Letter used for the On-Reserve Non-Profit Housing Program with additional terms and conditions for 3 month commencement of construction, energy efficiency and federal visibility requirements. For First Nations' information, the federal visibility requirements (Appendix A) will also need to be met (details will be outlined with the commitment letter).

3.5 Reallocations

If the On-Reserve New Construction Initiative notional regional allocation is not fully committed to projects in a reasonable period of time CMHC will move to reallocate to other regions where capacity exists in consultation with the National Housing Liaison Committee. At minimum, quarterly reallocation reviews will be undertaken to ensure timely commitment of projects.

4.0 SUBMISSION PERIOD

EOI application window will be open from February 1, 2010 until February 22, 2010. All EOIs submitted by mail must be date stamped February 22, 2010. Complete submissions of the EOI will be accepted only during this period. The Regional Committees will review submissions and allocation letters will be sent early in the 2010-11 fiscal year.

For more information, please visit our website at www.cmhc.ca/housingactionplan where you will also find electronic versions of the EOI form or call your local CMHC Office or toll-free at 1-800-668-2642.



5.0 SUBMISSION INSTRUCTIONS

First Nations are invited to complete and submit pages 1 to 4 of the Expression of Interest form (available at www.cmhc.ca/housingactionplan) and return it to your local CMHC office.

The application window will be open from February 1, 2010 until February 22, 2010. All applications submitted by mail must be date stamped February 22, 2010. **CMHC is not responsible for EOIs lost in the mail or for incomplete fax transmissions.**

Incomplete applications will not be considered.

Have you:

- Provided complete answers to all the questions?
- Attached or included a description of your tenant selection criteria and a proposed list of lots and/or a site plan?
- Dated and signed the application?
- Mailed, e-mailed and/or faxed the Expression of Interest to ensure a hard copy reaches the CMHC Office by **February 22, 2010?** All applications submitted by mail must be date stamped February 22, 2010.
- **Considered any possible updates to your 2010-2011 EOI submitted before June 4, 2009?**

The contributions are subject to the necessary appropriations from Parliament. CMHC shall not have any liability in the event that there are no or insufficient appropriations from Parliament.



APPENDIX A

COMMUNICATIONS PROTOCOL ON-RESERVE NEW CONSTRUCTION INITIATIVE

1.0 GENERAL

- 1.1 CMHC will undertake communications activities and products that will enhance opportunities for open, transparent, effective and pro-active communications with citizens through appropriate, continuous and consistent public information activities that recognize the contributions of the Federal Government and the First Nation. This protocol applies to communications on Projects receiving CMHC Funding under this initiative.

2.0 COMMUNICATING WITH APPLICANTS

- 2.1 Project approval notifications shall identify the Government of Canada and Canada's Economic Action Plan as a source of funding.
- 2.2 All public information material related to calls for tendering shall clearly and prominently indicate that the Project is funded pursuant to the Commitment Letter.

3.0 COMMUNICATING WITH THE PUBLIC

Public Information Products

- 3.1 Any public information products such as information kits, brochures, public reports, and web site material to inform potential applicants and the public about this initiative must identify the Government of Canada and Canada's Economic Action Plan as a source of funding.

News Releases

- 3.2 There shall be a news release for each approved Project or group of Projects. A news release may include quotations from a federal elected official and the First Nation.

Press conferences, public announcements and other events

- 3.3 The First Nation shall co-operate in organizing press conferences, announcements and official ceremonies. CMHC will determine in consultation with the First Nation if, when and where special ceremonies and events will be held. The First Nation shall not make any public announcement for a project under this Agreement, without first securing the agreement of CMHC. The First Nation must be informed of a proposed event at least 21 working days prior to the planned date of the event. No arrangements shall be made for events until CMHC agrees to the event.
- 3.4 CMHC may organize a press conference. CMHC shall give the First Nation notice of at least 21 working days of such a press conference, public announcement or event, if applicable to their project. Federal Ministers, or the designated representative, CMHC and stakeholder group, where appropriate may participate in these press conferences.
- 3.5 CMHC shall work with the First Nation to organize such announcements or official ceremonies as deemed appropriate by CMHC.



APPENDIX A (cont'd)

COMMUNICATIONS PROTOCOL ON-RESERVE NEW CONSTRUCTION INITIATIVE

Signage

- 3.6 All First Nations receiving funding under Canada's Economic Action Plan must have signage. CMHC shall provide and negotiate the installation of the temporary signage with the First Nation. The signage shall be placed at a prominent location after consultation and agreement with the First Nation. The signage shall indicate that it is a CMHC – Federal Government project under Canada's Economic Action Plan, bear a message approved by CMHC and remain in place throughout the construction period.
- 3.7 Design, wording and specifications of signs shall reflect the participation of CMHC and the Federal Government and must be approved by CMHC. Signs shall have appropriate spaces indicating participation by the applicant, if requested.
- 3.8 CMHC shall issue specifications for signs and time frames for their installation. Temporary signs must be removed within 90 days of Project completion.
- 3.9 CMHC may provide and install, where appropriate, a plaque or permanent sign bearing an appropriate inscription. The design, wording and specifications of such permanent signs shall be in accordance with this Schedule and must be approved by CMHC.

Advertising

- 3.10 CMHC may organize an advertising or public information campaign related to the On-Reserve New Construction Initiative as part of Canada's Economic Action Plan.
- 3.11 Documents sent to approved First Nations under the On-Reserve New Construction Initiative will identify the Government of Canada and Canada's Economic Action Plan as a source of funding.



CANADA'S ECONOMIC ACTION PLAN

On-Reserve Housing

New Construction Initiative

Year 2 Funding for April 2010 to March 2011



EXPRESSION OF INTEREST FORM

(Year 2 Funding for April 2010 to March 2011)

For CMHC use only

Date received:

SECTION I: FIRST NATION IDENTIFICATION AND SIGNATURE

(Please print)

Submission Date: _____

Submitted by: _____

Position / Title: _____

On behalf of: _____ First Nation

Telephone number: _____

Fax number: _____

Email address: _____

Signature:

X _____



SECTION 2: COMMUNITY PROFILE

(Please feel free to attach more information if the space provided is insufficient)

- a) Please describe or attach information regarding your Tenant Selection Criteria (ie., how are tenants selected and by whom).

SECTION 3: NEW CONSTRUCTION PROPOSED PROJECT INFORMATION

- a) How many units do you plan to develop with this allocation?

Budget Year 2010/2011

New Construction _____

Rehabilitation / Conversion of buildings _____

Total Units _____

- b) Please briefly describe the strategy for moving from commitment to work commencement within 3 months, including steps and milestones. Some examples of milestones might be: developing design and specifications; availability of qualified labour; tendering work; awarding contract; progress advances based on percent complete; substantial completion and final advance. Please describe each step and the estimated date for completion.

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- c) What is the estimated move-in date (Interest Adjustment Date) for your project(s)?
- d) Do you have serviced lots? Please list the proposed lots for your project(s) and/or attach a proposed site plan.
- e) Do you have or will you have house plans that are designed to achieve an EnerGuide for Houses (EGH) rating of a minimum of EGH 80, or any equivalent provincial or First Nation standard that achieves an equivalent or higher energy performance level? Please explain.
- f) If you have not recently participated in any of CMHC's new construction or renovation programs, please provide evidence of your track record on other recent construction.

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g) Are there additional comments you would like to provide regarding your proposed project(s)?

h) What is the profile for the units your community intends to develop?

	# of 1 bedroom units	# of 2 bedroom units	# of 3 bedroom units	# of 4 bedroom units	# of 5 bedroom units	Other	Totals
Single Detached							
Semi Detached							
Row Housing							
Apartment							
Other							
Totals							

i) What are your estimated project costs for your proposed New Construction project?

	Total \$	Per Unit \$
Estimated Total Construction Costs		
Estimated Annual Operating Costs		
Estimated First Nation Contribution in dollars (if applicable)		
Annual Revenue (Rents)		