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February 6th, 2009

Attn: Chief and Council

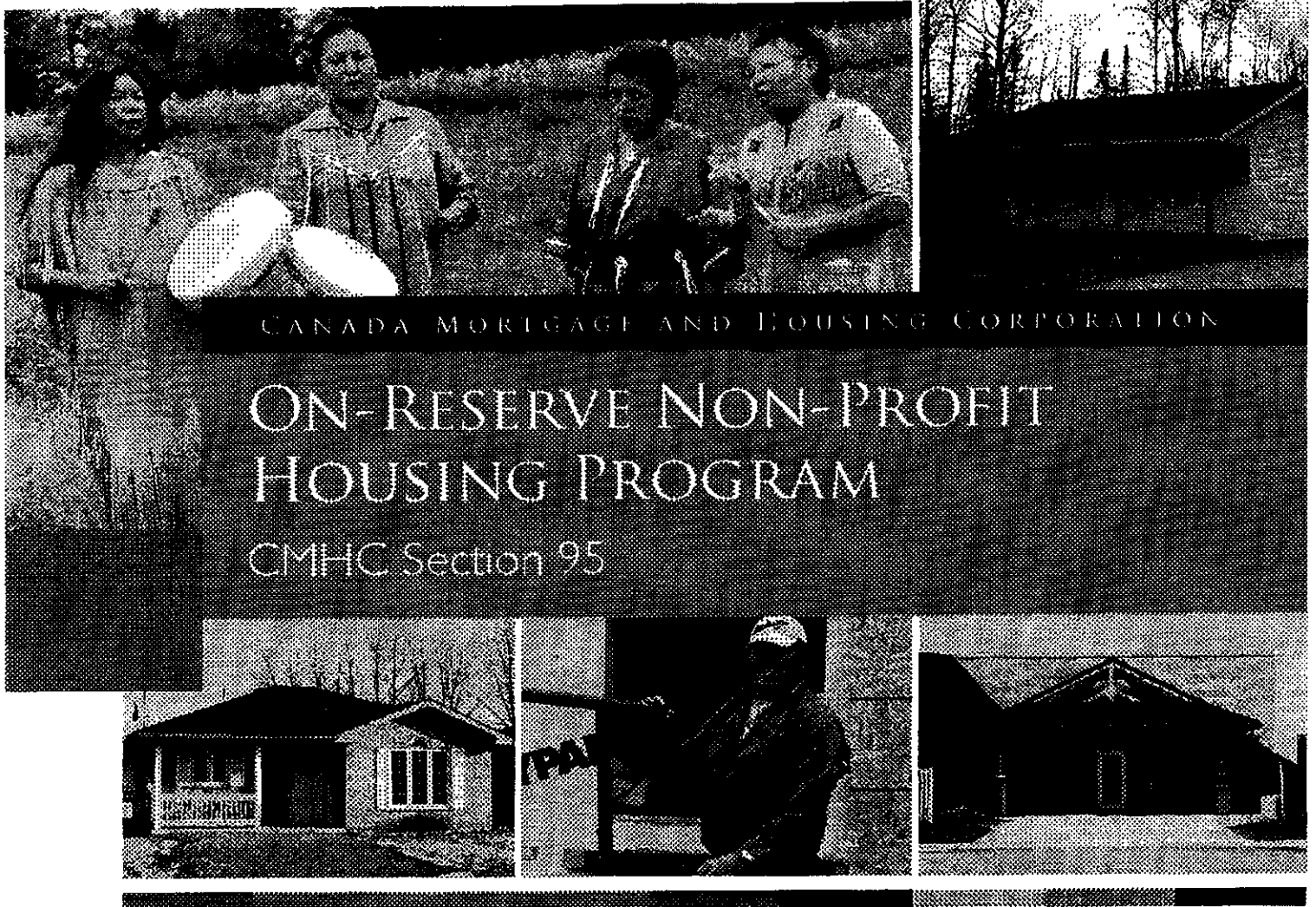
Re: Expression of Interest 2009/2010

Please find attached a copy of the Expression of Interest 2009/2010 for your review. Please note that the deadline for submission is March 20th, 2009. Originals will follow via courier.

If you have any questions, please contact your Aboriginal Advisor.

Thank you

Joann Santi  
CSR - Aboriginal Housing  
Sudbury Office  
2037 Long Lake Road, Unit A-15, Sudbury, On, P3E 6J9  
jsanti@cmhc.ca  
705-523-2927  
705-522-5711(fax)



CMHC Ontario

2009/2010

Expression of Interest

**Deadline:**

**Midnight, March 20, 2009**

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### Have You:

- ✓ Provided complete answers to all the questions?
- ✓ Utilized the new Minimum Revenue Contribution (MRC) requirements to calculate your projects annual revenues?
- ✓ 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 and/or faxed the Expression of Interest application to ensure a hard copy reaches our Sudbury CMHC Office by **midnight March 20, 2009.**

## **1.0 CMHC's ON-RESERVE NON-PROFIT HOUSING PROGRAM (SECTION 95)**

Section 95 refers to the part of the National Housing Act (NHA) that outlines the general intent and guidelines of the On-Reserve Non-Profit Housing Program. This program assists First Nations in the construction, purchase and rehabilitation (available on non-assisted projects/units), and administration of affordable on-reserve rental housing.

CMHC delivers and administers the program and may provide direct loans for up to 100 percent of the total eligible capital cost of a project. These loans are insured under the National Housing Act and are guaranteed by the Minister of Department of Indian Affairs and Northern Development (DIAND).

Timing of construction is critical, therefore, it is very important that First Nations receiving an allocation are ready to go and make every effort to build/renovate their projects within the same fiscal year for which the budget is allocated. An exception will be granted to all remote (meaning non-road access) First Nations communities.

## **2.0 INTRODUCTION TO EXPRESSION OF INTEREST**

The Expression of Interest (EOI) is used by Canada Mortgage and Housing Corporation (CMHC) for First Nations interested in accessing funds from the On-Reserve Housing Initiative for the construction and rehabilitation of housing on-reserve.

Interested First Nations need to complete the Expression of Interest application form in this package by providing as much detail as possible about the nature and the scope of the proposed housing project.

**Please note** that there are several changes applicable to the application this year, including changes to the Minimum Revenue Contribution (MRC) requirements and a request for tenant selection criteria and a proposed listing of lots and/or a site plan. Please see the Common Questions and Answers Section for more information on the MRC changes.

The Allocation Working Group (AWG), with representation from CMHC, INAC and various First Nation organizations will evaluate the submitted Expression of Interest applications. Based on the information in the submission, the AWG will select projects eligible for a conditional allocation for 2009/2010.

## **2.1 ONTARIO ON-RESERVE ALLOCATION WORKING GROUP**

The main objective of the working group is to ensure that allocations of funds are made as fairly and equitably as possible.

The current Allocation Working Group consists of:

- First Nation:** Representation from Ontario First Nations Technical Services Corporation, Union of Ontario Indians, Grand Council Treaty 3 and members of large Independent First Nations.
- INAC:** Funding Services Officer responsible for On-Reserve Housing Program and/or other INAC representatives.
- CMHC:** Manager, Aboriginal Housing and/or other CMHC representatives.

## 2.2 ROLES AND RESPONSIBILITIES

The following is a summary of the roles and responsibilities of CMHC, INAC and First Nations:

### CMHC

- Through the Allocation Working Group, works in consultation with INAC and First Nations to determine the annual allocation of funds for eligible First Nations;
- Delivers the Section 95 Program to First Nations;
- Provides First Nations with the option of direct loans to construct, purchase and rehabilitate Section 95 projects;
- Insures loans secured by a Ministerial Loan Guarantee for up to 100% of the total eligible capital cost of a project;
- Provides a subsidy for the Section 95 project to assist with the project's operating expenses based on the length of the loan amortization period – a minimum of fifteen (15) years or a maximum of twenty-five (25) years;
- Provides access to Aboriginal Capacity Development opportunities to strengthen housing management systems;
- Provides access to insured lending via its Mortgage Insurance Program.

### INAC

- Through the Allocation Working Group, works in consultation with CMHC and First Nations;
- Provides Ministerial Loan Guarantees for CMHC insured loans.

### First Nations

- Develops and follows a plan for housing development;
- Submits an Expression of Interest.

## **2.3 ALLOCATION PROCESS AND SCHEDULE OF EVENTS**

**February 6, 2009** -- Expression of interest faxed and mailed to all First Nations in Ontario

**Information Sessions** -- One short information session will be held at the Northern Housing Conference from February 24-26, 2009 in Thunder Bay. Other sessions will be determined at a later date and separate notifications will be sent to all First Nations. Please contact a CMHC Advisor for more information.

**March 20, 2009, midnight** -- The deadline for submitting the completed EOI. Late submissions may not be considered for an allocation.

**Week of April 6** -- Review of EOI applications by AWG.

**Week of April 13** -- Conditional Approval letters and rejection letters sent out.

**May 8, 2009** -- Return of Acceptance letter from those First Nations who received and plan on pursuing their project.

**October 9, 2009** -- Deadline for submitting final Section 95 application and commitment documents. First Nations must work closely with their CMHC Advisor to meet this deadline. Projects that are not committed by this date will be cancelled by CMHC and reallocated.

### **3.0 SUBMISSION INSTRUCTIONS**

First Nations in Ontario are invited to complete and submit pages 5 to 7 of the attached Expression of Interest application and return in the attached envelope to:

**Expression of Interest for 2009/2010  
On-Reserve Housing Program  
Canada Mortgage and Housing Corporation**  
2037 Long Lake Road, Unit A-15  
Sudbury, ON P3E 6J9  
Attn: Craig Brown

Submissions will also be accepted by facsimile:

**Expression of Interest for 2009/2010  
On-Reserve Housing Program  
Canada Mortgage and Housing Corporation**

**CMHC Sudbury Facsimile: (705) 522-5700**

**The deadline for applications is midnight March 20, 2009. Please ensure that CMHC receives a hard copy of your application by the deadline.**

**4.0 EXPRESSION OF INTEREST APPLICATION**

*Please note: All applications must contain pages 5 to 7 to be considered complete*

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**SECTION 1: FIRST NATION IDENTIFICATION & SIGNATURE**

**(Please Print)**

Submission Date: \_\_\_\_\_

Submitted By: \_\_\_\_\_

Position/ Title: \_\_\_\_\_

On Behalf of \_\_\_\_\_ First Nation

Telephone Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

**Signature:**

**X** \_\_\_\_\_

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**SECTION 2: COMMUNITY PROFILE**

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

**a) Do you have approved CMHC Project Development Funds (PDF)?**

Yes                       No

**b) Please describe or attach information regarding your Tenant Selection Criteria (i.e., how are tenants selected and by whom?)**

\_\_\_\_\_  
\_\_\_\_\_

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**SECTION 3: SECTION 95 PROPOSED PROJECT INFORMATION**

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

**09 / 10**

New Construction	_____
Purchase of Existing Units	_____
Rehabilitation/ Conversion of buildings	_____
Total Units	_____

**b) What is the estimated construction start date for your project(s)?**

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**c) What is the estimated move-in date (Interest Adjustment Date) for your project(s)?**

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**d) Please list the proposed lots for your project and/or attach a proposed site plan.**

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**e) Are there additional comments you would like to provide regarding your proposed project?**

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**f) 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							

**g) What are your estimated project costs for your proposed 2009/ 2010 Section 95 Project?**

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

## 5.0 CMHC AND INAC CONTACTS

If you would like additional information about this package or other available housing programs, please contact the CMHC or INAC office nearest to you.

### CMHC – Sudbury

Lise Gagnon (705) 523-2919  
Tim Young (705) 523-2924  
Craig Brown (705) 523-2903

### CMHC – Thunder Bay

Mervin Spence (807)343-2017  
Lori Rice (807)343-2018

### INAC – Ontario

Kerry Latham (705)522-3694

## 6.0 COMMON QUESTIONS AND ANSWERS

### 1Q How can my First Nation benefit from the Section 95 program?

1A CMHC's Section 95 Program makes it possible for First Nation communities to borrow money needed to build new, purchase and/or renovate existing housing within your community for the purpose of rental or rent to own. Loans can be with your preferred lender or directly through CMHC, often at a lower rate. Monthly subsidies from CMHC are provided to First Nations to assist with the operation of the project for the life of the operating agreement.

### 2Q Has the Minimum Revenue Contribution (MRC) been increased?

2A Yes, after an internal CMHC review, the MRC's have been increased as of the 2009/2010 fiscal year by \$10 per unit. The MRC is the First Nation's contribution to the project over the amortization period and is based on the number of bedrooms in each unit. The MRC may be derived from occupancy charges (rents) or paid by the First Nation funds on behalf of the tenants. The revised MRCs are as follows:

- 1 bedroom - \$295 / month
- 2 bedroom - \$345 / month
- 3 bedroom - \$395 / month

For more than 3 bedrooms the amount is increased by \$50 per bedroom. It must be noted that the increased MRC's are effective for new projects only and will not affect existing Section 95 projects within your community.

**3Q I understand the criteria used to score the Section 95 EOI but I would like to know the assessment methodology for allocating funding to successful projects?**

**3A** The allocation methodology for the 2009/10 fiscal year will take the total population of each First Nation into consideration. The maximum project size is determined based on the population range and the number of units per project. The following chart will be used:

<u>Total Population</u>	<u>Min/Max- Units per Project</u>
0-299	3
300-599	5
600-999	7
1000-1999	9
2000-4999	10
5000 +	12

a) In order to determine the one year, five year and lifetime budgets required to allocate a project, an average Ontario construction cost of \$95,000 per unit will be used. This figure is multiplied by INAC's \*geographical factors which take into consideration the location of each community. This formula determines the estimated average construction cost in that area.

\* INAC's geographical factors are:

- o 1.0;
- o 1.23;
- o 1.45;
- o 1.72;
- o 1.89.

Once the construction cost of the project is determined, this and other project variables are entered into CMHC's costing model to determine the one-year, five year and lifetime subsidy budget for each project. *For more information regarding the INAC geographical factors, please contact your local INAC representative.*

**4Q Why are some questions asked in the EOI that do not have a corresponding score in the assessment criteria (ie. what kind of housing is being built)?**

**4A** Detailed information is required to evaluate each proposal and identify the state of readiness of your proposed housing project. This additional information is also useful when allocating the Ontario budget while determining the number of Section 95 projects awarded for that fiscal year.

**5Q Is an equity contribution from the First Nation necessary to apply for a Section 95 allocation? Are First Nations who make an equity contribution more likely to get an allocation?**

**5A** No, First Nation equity contributions are NOT required to qualify for a Section 95 project. Although First Nations who can provide equity may do so to make a project more viable, it is NOT mandatory. Equity can be in the form of First Nation funds, INAC or other program contributions. The use of equity to reduce the loan amount and subsidy can help to provide more project development options. Additional points are NOT allocated to First Nations who contribute an equity contribution.

**6Q Are project development funds (PDF) available this year? How can my First Nation apply for them?**

**6A** Yes, funding is available to First Nations to receive PDF loans. This interest-free loan enables the First Nation to start pre-planning for projects or provides funds to assist them with the activities required to develop a project proposal to the point where a commitment under Section 95 can be made. *Please contact your CMHC representative for additional information or to apply for PDF funding.*

**7Q What are the roles and responsibilities of the Ontario Allocation Working Group (AWG) members?**

**7A** The main objective of the AWG is to ensure a fair and equitable allocation methodology for Section 95 and the Residential Rehabilitation Assistance Program (RRAP).

**8Q What type of project qualifies under the Section 95 program?**

**8A** Section 95 projects may be used for new construction, purchase of existing First Nation housing or the Rehabilitation of buildings to be converted for residential use, or a combination of all three.

**9Q If my First Nation has never received assistance under the Section 95 program, are we still eligible to apply?**

**9A** Yes, CMHC encourages First Nations that have not benefited from the Section 95 program in the past to apply. First Nations are also given additional points within the Assessment Criteria to assist them in receiving their first conditional allocation.

**10Q If my First Nation submits an EOI application does that guarantee us a conditional allocation?**

**10A** No, responding to the EOI does not guarantee the First Nation an allocation. The EOI packages will be reviewed and assessed based on the attached scoring criteria. Only successful applicants will be granted a conditional allocation.

**11Q What is a conditional allocation?**

**11A** A conditional allocation is funding set aside for a successful First Nations to work towards a project commitment with CMHC. At that stage negotiations are ongoing between the First Nation and CMHC until a final commitment is made.

**12Q How long is the conditional allocation good for?**

**12A** The conditional allocation must be finalized and committed by October 9, 2009. All required project documentation must be submitted by this date.

**13Q If our First Nation received a conditional allocation from a previous year and construction has not started, are we still eligible to receive another allocation this year?**

**13A** If your First Nation was granted a project during the fiscal year of 2007/08 or prior year and construction has not started, the application **will be rejected**.

If however your First Nation has committed a project for the 2008/09 fiscal year and construction has not started but is schedule for the spring of 2009 you will be eligible for an additional allocation this year.

**13Q What is a Remedial Management Plan (RMP)?**

**13A** First Nations who have been placed under intervention in accordance with INAC's Intervention Policy are required to have an *approved* Remedial Management Plan (RMP). This plan must be developed by the First Nation and approved by the Minister of Indian and Northern Affairs. The RMP reflects the necessary measures to be taken by the First Nation to remedy a default identified under their Funding Arrangement. The RMP needs to be in place and working for 6 months in order for the First Nation to be eligible for a Ministerial Loan Guarantee (MLG).

## 7.0

**2009/2010 SECTION 95 EOI – ASSESSMENT CRITERIA**

Note: For reference only. To be completed by the Allocation Working Group

CRITERIA		RATING	STANDARD
1	(INAC) First Nation Eligible for MLG	ACCEPT REJECT	*** No outstanding consolidated Financial Statements from 2006-2007 fiscal year *** No Defaults on current MLGs
2	(INAC) First Nation in sound financial condition or RMP is in place & working for at least 6 months	ACCEPT REJECT	*** First Nation in sound financial condition and not required to have an RMP as per INAC's requirements OR *** First Nation has an approved RMP in place and it is deemed by INAC to be working
3	(CMHC) Sound Administration of current CMHC portfolio / programs	ACCEPT REJECT	CMHC Administration staff to review existing Section 95 files and determine the management of those existing projects based on the Operating Agreements
4	(CMHC) a) First Nation received 07/08 project and construction has NOT started b) Construction of more than 1 project that has NOT started	ACCEPT REJECT	CMHC to review existing project files and determine the status of construction of past project.
5	First Nation has lots available for start of construction (if applicable)	ACCEPT REJECT	If a new construction project – First Nation must have building lots readily available for proposed projects
6	a) No previous Section 95 Project b) No Section 95 Project within 5 yrs	20 15	*** First Section 95 Project In Community *** First Nation has not received a project within 5 yrs, exclusive of PDF
OR			
7	Section 95 Project within past 5 Yrs a) Approved – Construction on Schedule b) Approved – Construction Completed subsequent year	15 10	See notes on item 4
8	(INAC) – CAMS Existing Housing Condition – Replacement (including major renos) of total housing stock a) greater than 31% b) 26 - 30% c) 21 - 25% d) 16 - 20% e) 11 - 15% f) 6 - 10% g) 0 - 5%	15 12 10 8 6 4 2	*** INAC to review existing CAMS reports to ensure they are current and accurate
9	(INAC) – CAMS Existing Housing Condition – Housing Density. IRS Total First Nation Membership / Household a) 16.0 - greater b) 13.0 - 15.0 c) 11.0 - 12.0 d) 7.0 - 10.0 e) 1.0 - 6.0	10 8 6 4 2	*** INAC to review existing CAMS reports to ensure they are current and accurate
10	Final Cost Audits Received by CMHC within six months of IAD	1	*** Bonus point awarded to those communities who have submitted their Final Cost Audit within six months of IAD for their last CMHC project.