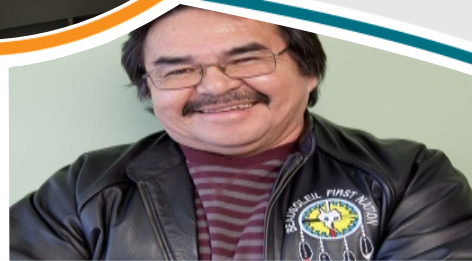




# Canada Mortgage and Housing Corporation

## On-Reserve Non-Profit Housing Program



February 11 2014

Canada 

*Working together for housing solutions*





# CMHC's On-Reserve Non-Profit Housing Program

Canada Mortgage and Housing Corporation (CMHC) is a Crown Corporation

Enabling Legislation:

- Canada Mortgage and Housing Corporation Act
- National Housing Act (NHA)

3 Pillars of Business

- Housing Research and Information Transfer
- Housing Finance
- Assisted Housing



# CMHC's On-Reserve Non-Profit Housing Programs

## **On-Reserve Renovation Programs:**

1. Residential Rehabilitation Assistance Program (RRAP)
2. Home Adaptations for Seniors Independence (HASI)
3. Shelter Enhancement Program (SEP)

## **On-Reserve Non-Profit Housing Program (Section 95)**



# Renovation Programs

## 1) Residential Rehabilitation Assistance Program (RRAP)

- To assist in the repair and improvement of existing substandard housing on First Nations in order to ***bring units to a minimum level of Health & Safety*** or to carry out modifications to make units accessible for people with disabilities
- Goal = extend the useful life of the unit for an additional 15 years
- Maximum forgivable loan and Income Limits:

	Loan	Income
✓ Zone 1 -	\$16,000	\$42,500
✓ Zone 2 -	\$19,000	\$46,000
✓ Zone 2 Remote -	\$23,750	\$61,000

# RRAP Eligibility

Eligibility is limited to homes in need of major repair(s) in one or more of the following **qualifying** deficiencies:

- ✓ Structural
- ✓ Electrical
- ✓ Plumbing
- ✓ Heating
- ✓ Fire safety
- ✓ Overcrowding





## RRAP Eligibility (Continued)

- First Nation owned residential units located on-reserve
- All First Nation members whose residential units are located on-reserve and whose right to use or own the land is confirmed by either a Certificate of Possession or Band Council Resolution (BCR)
- Units must be at least 5 years old
- Loans may be forgiven after 5 years if conditions are met
- Units funded under On-Reserve Non-Profit Housing (section 95) do **not** qualify for Homeowner RRAP



# RRAP Homeowner and Disabled

A unit may receive both a homeowner and disabled RRAP loan but the unit must be brought up to Homeowner RRAP standards prior to moving to a Disabled RRAP project

Separate applications required for each.



# On-Reserve Renovation Programs

## 2) Home Adaptations for Seniors Independence (HASI)

- Financial assistance to First Nations and members to help pay for minor home adaptations to extend the time low income seniors can live in their home
- 65 years of age or older having difficulty with daily living activities
- Same household income limits as RRAP
- Up to \$3,500 forgivable loan (6 month forgiveness)





# RRAP and HASI

- Annual budget: RRAP \$2.8 million. HASI \$58,000
- Annual budget allocated by total First Nation population and communicated to Tribal Councils in May – June with an October application deadline.



# On-Reserve Renovation Programs

## 3) Shelter Enhancement Program (SEP)

- Financial assistance to repair, rehabilitate and improve existing shelters for women, children and youth who are victims of family violence
- Must be a First Nation or an affiliated housing arm operating the facility
- Eligible sponsors are non-profit corporations or charities that house victims of family violence
- Application is through an Expression of Interest in Ontario
- Eligible repairs:
  - ✓ Heating, structural, electrical, plumbing and fire safety
  - ✓ Repairs and improvements can also be made to increase accessibility for persons with disabilities, provide safe play areas for children, or provide appropriate levels of security for occupants

Zone 1: \$24,000    Zone 2: \$28,000    Zone 2 (Remote): \$35,000

# On-Reserve Non-Profit Housing Program (section 95)

- Assists in the operation of rental housing projects, that will be owned and managed by the First Nation via an operating agreement between the First Nation and CMHC
- May be used for new construction, purchase/renovation of existing units
- Assistance is in the form of a **monthly subsidy** issued to the First Nation once the project is complete



# On-Reserve Non-Profit Housing Program (section 95)

## **EXPRESSION OF INTEREST (EOI) & FUNDING ALLOCATIONS**

- Each fiscal year, in the Ontario region, CMHC sends out an EOI with a deadline for First Nations to apply for funding – Applications sent out March 2014 with a deadline of April 18<sup>th</sup>
- CMHC and the Ontario Allocation Working Group (AWG) score applications based on pre-established scoring criteria
- 2013 Section 95: \$20 million for 24 projects and 84 units (approximately)

# On-Reserve Non-Profit Housing Program (section 95)

## FUNDING ALLOCATIONS AND NEXT STEPS

- CMHC conditionally allocates funding to First Nations based on scoring and available budget
- First Nations develop their final project application for approval (project costing, site selection, projected operating costs, etc) in consultation with CMHC
- Once a Ministerial Loan Guarantee is in place CMHC advances capital/loan funding based on progress reviews
- At a minimum the project must meet the National Building Code (NCB) standards or another acceptable building code required by the authority having jurisdiction (the First Nation)
  - CMHC contracts with Tribal Council and pays for up to 6 progress reviews
- CMHC starts flowing subsidy once 90% of units are at least 90% complete and are ready for occupancy

# On-Reserve Non-Profit Housing Program (section 95)

## Roles and Responsibilities

### First Nation

- Planning
- Building
- Managing
- Living
- Maintaining

### CMHC

- Guide
- Lend funds
- Assist First Nations
- Administer Operating Agreements

### AANDC

- Protect lender against default through a Ministerial Loan Guarantee (MLG)



# On-Reserve Non-Profit Housing Program (Section 95)

## CMHC COMMITMENTS:

Assist First Nations in meeting loan payments and operating expenses by providing monthly subsidy and supporting the development of an effective housing program.

- Project Subsidy = Loan Repayment + Operating Cost - Revenue.
- CMHC will adjust subsidy for interest rate changes (every 5 years on loan renewals).
- Operating expenses are estimated by the First Nation at time of commitment and `benchmarked` for full amortization period.



# On-Reserve Non-Profit Housing Program (Section 95)

## **CMHC COMMITMENTS:**

CMHC monitors compliance with the Operating Agreements by:

- Reviewing annual Audited Financial Statements
- Conducting Client Visits (Once every 3 years)
- Conducting Physical Condition Review of units (Once every 5 years)



# On-Reserve Non-Profit Housing Program (section 95)

## **FIRST NATION COMMITMENTS**

Develop and manage a safe and viable housing program for the duration of the project operating agreement.

### ▪ **Program Management**

- Employ prudent property management practices
- Develop and maintain effective program files and records
- Maintain Project in good repair

# On-Reserve Non-Profit Housing Program (Section 95)

## FIRST NATION COMMITMENTS

- **Financial**
- Contribute an annual Minimum Revenue Contribution (MRC) through rent, First Nation contribution or a combination of the two
- Repay project loan
- Maintain an Operating Account to deposit revenue and pay expenses
- Maintain a Replacement Reserve account to hold capital replacement funding
- Operating Reserve account to maintain surplus funds for future operating deficits.



# On-Reserve Non-Profit Housing Program (Section 95)

## **KEY COMPONENTS OF A WELL MANAGED PROGRAM**

- Project Replacement Reserves fully funded
- Project Operating Reserves fully funded
- Project Minimum Revenue Contributions to be met as per the agreement
- Effective monitoring of project expenses.



# On-Reserve Non-Profit Housing Program (Section 95)

## PLANS TO IMPROVE OPERATION

- Assessment of the portfolio was completed in late 2012
- Review of CMHC's reports
- Identified program management issues
- Identification of how CMHC can better support communities in understanding expectations and addressing observations/operational issues
- Developed First Nation Plan to Improve Operations - Outlines areas where a housing programs require improvement and requests that First Nations develop a course of action
- Document is signed by CMHC and the First Nation



# Aboriginal Capacity Development

Facilitate the acquisition of skills, training, and resources to support First Nations in achieving their housing objectives in two main areas:

- Technical
- Administration

# Who Are The Main Aboriginal Capacity Development Clients?

- Home Occupant/Tenant
- Housing Staff
- Maintenance Staff
- Chief and Council
- Tribal Councils





# ACD workshops

- Let's Clear the Air
- Mold Remediation
- Section 95 Financial Management
- Property and Home Maintenance Planning
- Introduction to Ventilation Systems for First Nations
- Charging and Collecting for Housing Programs and Services On-Reserve
- Basic Home Maintenance
- First Nations Builder Series
- First Nations Inspecting Existing Dwellings

Consult with your CMHC advisor for these or any other topics for training interest you.

Thank You  
Questions?

