

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

Program Module Date	Home Renovation Program (HRP) Program October 201
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OBJECTIVE

- The objective of the Home Renovation Program (HRP) is to assist people who own and occupy their home to undertake major repairs and/or renovations.

SUMMARY

- The Home Renovation Program (HRP) provides assistance to homeowners who wish to carry out major repairs, renovations and additions to their home. The assistance provided can include financial, program, and technical assistance before and during the repair/renovation of the client's home.
- The Nunavut Housing Corporation (NHC) may provide the following:
 1. A forgivable loan to cover costs related to repairs and/or renovation including materials, freight, and labour.
 2. Program and Technical assistance before and during the construction process.
- Clients are responsible for:
 1. Arranging for and entering into a contract with a general contractor acceptable to the NHC. Clients may be permitted to carry out the work themselves provided they have the necessary skills as determined by the NHC.
 2. Paying for all costs in excess of the approved amount of assistance.

ENABLING LEGISLATION

- *The Nunavut Housing Corporation Act:*

Under Section 10 (General Powers) – the NHC may:

“Administer, manage, and maintain properties; and make grants or loans to individuals, municipalities and other corporate bodies for the purpose of acquiring, constructing or improving housing.”

ELIGIBLE CLIENTS

- The applicant(s) must be at least 19 years of age and have resided in Nunavut for at least two years.
- This program follows income eligibility limits as set by the Homeownership Program Income Eligibility (HPIE) numbers (See NHC VOI Guidelines.)

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- Applicants with rental or mortgage arrears with any Local Housing Organization in Nunavut or with the NHC, or have otherwise caused a loss to the NHC, do not qualify for the program until those arrears or losses are paid in full.

Note: At the discretion of the Corporate Executive Committee, this requirement may be waived, provided that the client(s) agree in writing to a Repayment of Arrears Schedule.

- The applicant(s) must possess title (or leasehold title) to the property.

Note: Existing NHC homeowner clients who do not possess leasehold title to the property, but occupy the unit under an Occupancy Agreement are eligible for the HRP provided that all other eligibility requirements are met.

PRIORITY OF APPLICANTS

- The annual allocation of HRP projects for each community is limited, based upon available funding. Eligible HRP applicants will therefore be point-rated according to the selection criteria listed in the HRP Priority Allocation Criteria (see Appendix I).

INCOME VERIFICATION

- The applicant's income will be verified in accordance with the NHC's current Verification of Income (VOI) Guidelines for Homeownership.

ELIGIBLE UNITS

- All homes repaired or renovated under HRP must be at least five years old.
- All homes repaired or renovated under HRP must have a current insurance policy in place for not less than the full replacement cost of the home.

Note: At the discretion of the District Director, a conditional approval may be granted to clients without a current insurance policy, provided they agree in writing to make arrangements for insurance within a specified period of time.

In cases where clients are unable to obtain insurance due to the substandard condition of the house, clients must agree in writing to obtain insurance immediately upon completion of the improvements.

- All homes repaired or renovated under HRP must be located within municipal boundaries in Nunavut.
- All homes repaired or renovated under HRP must be used by the client(s) as their principal residence.

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CONTRIBUTION

- The NHC will provide a contribution in the form a forgivable loan to cover the cost of materials, freight and labour, to a maximum amount of \$65,000, depending on household income, and provided that any amount exceeding \$50,000 is used specifically for energy efficient improvements.

Note: Where an applicant has already received HRP assistance to renovate their home, they may apply for an additional \$15,000 to improve the energy efficiency of their dwelling.

- Sliding scale funding:

Funding shall be allocated to homeowners based on a sliding scale. Maximum contribution amounts shall be set relative to household income as a percentage of HPIE limit for their community, as follows:

Income as % of the community HPIE Limit	Maximum Contribution Amount
0% up to 80%	100% of repair costs up to a maximum of \$ 65,000
>80% up to 85%	80% of repair costs up to a maximum of \$ 52,000
>85% up to 90%	60% of repair costs up to a maximum of \$ 39,000
>90% up to 95%	40% of repair costs up to a maximum of \$ 26,000
>90% up to 100%	20% of repair costs up to a maximum of \$ 13,000
>100 %	0% or \$0

- If in a prior year HRP clients have received HRP assistance in an amount less than the current maximum allowable amount, the Corporate Executive Committee may at its sole discretion approve a second HRP. Additional loan amounts to be targeted at priority 1 & 2 items
- At the discretion of the District Director, and where it can be demonstrated that a client does not have access to local skilled labour in their community, and where no other options exist for the delivery of the program, the NHC (in addition to the \$65,000 grant amount) may cover the travel costs to bring in a contractor to complete the job. The logistics and conditions of the travel will be pre-determined through the procurement process.
- In extenuating circumstances and with the approval of NHC's Corporate Executive committee, clients may be eligible for a second project under HRP. Generally, this option would only be considered in situations where major work is required in order to bring the unit up to a minimum level of health and safety, or to address overcrowding situations.

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- Provided that the client(s) maintain the house as their principal residence and are not in default with the NHC or the bank, the loan is forgiven over a ten (10) year period as follows:
 1. The monthly payment of principal shall accrue, but shall not become payable;
 2. There is no forgiveness earned on the loan during the first five years; and
 3. 1.67% of the accrued and outstanding principal shall be forgiven at the end of each calendar month following the 5th anniversary of the date of the mortgage, with the effect that 20% of the accrued and outstanding principal shall be forgiven on each anniversary date on years six through ten of the term.

Note: Loan forgiveness to be adjusted to reflect any loan increases.

LOAN SECURITY

- When the house is sold, the remaining unforgiven balance of the loan becomes due and payable (see Portability exception).
- In order to receive the HRP forgivable loan the client(s) must agree to the NHC registering a lien against the title of the property in the amount and under the terms and conditions of the forgivable loan.

PORTABILITY

- If the client(s) sell the house and purchases another property in Nunavut within 120 days, the client(s) may be eligible for the reassignment of the outstanding balance of the forgivable loan to a new mortgage on the property to be purchased, provided that client(s) meets all eligibility requirements. All terms and conditions of the existing HRP Agreement and Mortgage would carry forward to the new mortgage

HRP AGREEMENT

- The client(s) is required to sign a Home Renovation Program Agreement before any funds are advanced.

ELIGIBLE REPAIRS

- Eligible repairs and/or renovations are to be prioritized according their achievement of the following:
 1. Health and safety improvements (including improvements required to address accessibility);
 2. Suitability improvements (i.e. to alleviate overcrowding);

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3. Energy efficiency improvements; and
 4. Improvements to extend the useful life of the unit (i.e. weather resistance and durability improvements).
 5. Other improvements
- NHC Technical staff will inspect all units to be repaired or renovated under the HRP, and will, in consultation with the client(s), prepare a scope of work itemizing the repairs/renovations required to determine the project's eligibility priority based on the following specifications:

Priority 1 – Health and Safety

- a) Structural Stability – including foundations, structural beams and columns, floor framing systems, all load-bearing exterior and interior walls, and roof framing systems.
- b) Means of Egress and Security – including exterior stairs and landings, ramps and handrails, exterior door assemblies, exterior lighting, interior exit paths, interior stairs, and bedroom windows.
- c) Fire and Occupant Safety – including smoke detectors, fire extinguishers, and carbon monoxide detectors.
- d) Electrical Systems – including service entrances and grounding, distribution panels, wiring, outlets, switches, and fixtures.
- e) Heating Systems – including fuel supply systems, heating appliances, combustion air and flue ducts.
- f) Plumbing Systems – including potable water systems, drainage and venting systems, and fixtures and appliances.
- g) Environmental Factors – including condensation/mould, air quality, and ambient interior temperature.
- h) Accessibility Improvements – interior and exterior modifications that improve accessibility for disabled occupants.

Note: Portable equipment designed specifically to permit access to permanently installed basic facilities within the home are eligible such as hydraulic bath lifts.

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Priority 2 – Suitability

- a) Where funding permits, renovations and/or improvements that address overcrowding (i.e. extensions) may be permitted in order to increase the number of bedrooms in a house, or to otherwise address suitability issues.

Priority 3 – Energy Efficiency

Energy efficiency improvements may include modifications to the following:

- a) Building Envelope
- b) Window and Door Systems
- c) Heating Systems
- d) Electrical Systems
- e) Plumbing Systems

Priority 4 – Weather Resistance and Durability

Weather resistance and durability improvements may include modifications to:

- a) Foundations – including damp proofing and drainage.
- b) Perimeter wall systems – including siding, windows and doors, flashings and penetrations and caulking.
- c) Roof systems – including ventilation, eave protection, roofing membrane, and flashings and penetrations.

Note: Improvements under this category may be permitted where failure is expected within a reasonably short time, and where failure would result in damage to other building components.

Priority 5 – Other

- a) Other improvements may be included to the extent that they are required to finish or complete other priority work.

INELIGIBLE REPAIRS

- Repairs or improvements undertaken prior to approval of the contribution are not eligible.
- Repairs or improvements that are not part of the approved scope of work are not eligible unless approved by the NHC.
- Cosmetic renovations will not be approved by the NHC.

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Note: HRP contributions are not to be used to purchase kitchen and/or laundry appliances.

ELIGIBLE PROJECT COSTS

- Eligible project costs include materials, labour, marshalling and freight, applicable permits and fees, and GST.

Note: NHC District technical staff will review quotations, estimates and invoices to confirm value for work done.

- All costs must be substantiated with invoices and other applicable back-up documentation.
- Sweat equity is not an eligible cost. Clients cannot submit claims (or invoices) for any labour and/or other in-kind contributions they make towards the project.

SERVICE CONTRACT

- The NHC will provide the client(s) with an approved NHC service contract, including the scope of work and other relevant details, for use with a general contractor.
- The contract will include provision for Builders Risk and General Liability Insurance, and compliance with Workers Compensation Board (Nunavut) requirements.

PRE-CONSTRUCTION MEETING

- Depending on the extent of the repairs and/or renovations, a pre-construction meeting between the client(s), the contractor, and NHC representatives may be held prior to the commencement of the work in order to review the contract, clarify roles, and resolve issues.

INSPECTIONS

- NHC Technical Staff will inspect home prior to approval of any repairs or renovations.
- NHC Technical staff will inspect the project to ensure the repairs and/or renovation is completed according to the scope of work.
- The number of inspections will vary depending on the scope of work.
- All Inspection reports must be acknowledged and signed by the client(s), the contractor, and NHC Technical staff.

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LOAN ADVANCES

- Loan advances will be paid directly to the individual contractors or suppliers by the NHC on the client's behalf.
- Before processing a loan advance, the NHC will require proof of progress through an on-site progress inspection or some other means of verification as requested by the NHC.
- Clients are required to provide invoices and/or other appropriate documentation to account for each loan advance.

SIGNATURES

In situations where clients are married or living under common law arrangements, NHC considers that any assistance provided to the client and his/her partner is provided jointly to both partners. The name(s) on the HRP Agreement must be identical to the name(s) on the land lease.

ESTATE AFTER CLIENTS DEATH

- Upon the death of one partner and the surviving partner sells or vacates the home, the outstanding loan is due and payable in full.
- In the event of the death of co-mortgager(s) with an outstanding loan balance or forgiveness period, the following policy shall apply:
 1. The NHC has an interest in the property. However, the NHC permits the estate to be handled by lawyers or the Public Trustee. In this situation, the lawyer or Public Trustee must be notified of the NHC's interest in the property.
 2. The outstanding forgivable loan balance goes with the inheritor of the property.
 3. If there is no will in place, the estate is handled by the Public Trustee. If the property is sold, the proceeds must be used to pay out the outstanding forgivable loan balance.

APPENDICES

Appendix I – HRP Priority Allocation Criteria

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APENDIX I – HRP PRIORITY ALLOCATION CRITERIA

Section A - Priority of Repairs	Max Points	Points Given
Health and Safety (Includes Accessibility)	25	
Suitability	10	
Energy Efficiency	5	
Weather Resistance and Durability	5	
Home 20 plus years old	5	
Total Points from Section A		

Section B - Other Criteria (one category only)	Points	Points Given
Adjusted Income 0% - 60% of HPIE	30	
Adjusted Income >60% - 80% of HPIE	15	
Adjusted Income >80% - 100% of HPIE	5	
Total Points from Section B		

Total Points Section A and B		
Maximum Points:	80	