



Capital Repair Program For Housing Providers

Request for Business Cases RFBC-HP-08-01

Closing Date:

Friday, February 6, 2009 @ 4:00 p.m. Local Time

Mailing Address:
Box 344
Thorold ON L2V 3Z3

Phone: 905-682-9201
Main Fax: 905-687-4844
Web site: www.nrh.ca

Street Address:
Campbell East
2201 St. David's Road
Thorold ON

NOTICE TO HOUSING PROVIDERS

Request for Business Cases RFBC-HP-08-01

CAPITAL REPAIR PROGRAM

Please review the RFBC and submit your business case(s) on or before:

**Friday, February 6, 2009
no later than 4:00 p.m.**

Proposals will only be considered if they:

1. Are received by the date, time and address specified above;
2. Contain a completed Business Case including an estimated cost, start date, completion date, and all required supporting documentation;
3. Are original copies (submission by facsimile machine, email and/or a photocopy of a signature will **not** be accepted);
4. Are submitted in a sealed envelope; and,
5. Are marked with the submission label provided (below).

Should you have any questions or require clarification on this RFBC or the submission requirements, please direct your comments to:

Manager Housing Programs (Acting)
Niagara Regional Housing
905-682-9201 or 1-800-232-3292 Ext. 3926
mira.fearnside@niagararegion.ca

Questions and answers regarding this RFBC will be posted on the Niagara Regional Housing website at www.nrh.ca.

The envelope used to submit your business case must be clearly marked as follows:

(Cut on the dotted line for your submission label)

Housing Provider Name: _____

Address: _____

RFBC-HP-08-01
Lora Beckwith, General Manager
Niagara Regional Housing
Campbell East
2201 St. David's Road
P. O. Box 344
Thorold, ON L2V 3Z3

Niagara Regional Housing
CAPITAL REPAIR PROGRAM
REQUEST FOR BUSINESS CASES
RFBC – HP-08-01

SECTION 1.0 PROGRAM REQUIREMENTS

This section sets out the program design and requirements of the Capital Repair Program. Please read this information carefully as it will help you understand the eligibility criteria and how the program funds will be disbursed to approved Housing Providers.

SECTION 2.0 TERMS AND CONDITIONS

This section refers to all of the legal requirements under this program and the conditions for submitting a Business Case under this RFBC. It is important to read this section carefully.

SECTION 3.0 EVALUATION CRITERIA

This section sets out the criteria for the evaluation and selection of Business Cases. This section identifies in detail how each Business Case submission will be evaluated and scored accordingly. Reviewing this section will prepare you for completing your submission package.

SECTION 4.0 AGREEMENT

Housing Providers approved under this RFBC will be required to sign a *Deferred Funding Agreement* with NRH in order to receive the program funds. This section includes a sample agreement for your review.

SECTION 5.0 SUBMISSION REQUIREMENTS

After reading the above sections you should be ready to prepare your Business Case for submission under this RFBC. Additional copies of the Business Case form (Section 5.2) have been inserted for Housing Providers with multiple capital repair requests. You may also obtain additional copies from the NRH website at www.nrh.ca.

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CAPITAL REPAIR PROGRAM

SECTION 1.0

PROGRAM REQUIREMENTS

1.1 INTENT OF THIS REQUEST FOR BUSINESS CASES

As part of the 2008 Provincial Budget, the province announced \$100M in capital repair funding for affordable housing units. This funding is a one-time payment to all 47 Service Managers and has been allocated based on each service manager's current share of the affordable housing stock. Niagara Region received \$3.1M in June of 2008.

The funding for this program will not be adequate to assist all housing providers with what they may consider necessary capital repairs. The demand for this one-time funding will likely exceed the \$3.1M available funds. Every effort will be made to ensure that the allocation of these limited funds is both fair and reasonable.

The intent of this Request for Business Cases (RFBC) is to obtain business case submissions from housing providers in need of capital funding to address urgent capital repairs. Local program criteria have been established within the guidelines set by the Province and are set out in this Request for Business Cases.

1.2 PROGRAM OBJECTIVES

The primary objectives of the Capital Repair Program (CRP) are to:

- respond to urgent capital repair needs, including energy efficiency improvements; and,
- address capital repairs that reduce operating costs and/or are essential to maintaining project viability and longevity.

A secondary objective of the CRP is to improve accessibility to assist seniors.

1.3 DISBURSEMENT OF FUNDS

1.3.1 Establishment of a Capital Repair Revolving Fund

Program funds will be retained in a revolving fund set up for the specific purpose of providing housing providers with additional capital funding to address urgent capital repairs. Upon approval of Business Cases, approved funds will remain in the revolving fund in order to accrue interest and will be flowed to the approved Housing Providers based on the approved disbursement method (see Section 1.3.6) with final approval and release of funds being done by NRH.

All funds repaid to Niagara Regional Housing (NRH) from any capital repair loans, including any interest earned, will be dedicated to affordable housing repairs or the capital repair revolving fund to be used for future capital repairs.

Note: All capital repairs must commence in 2009 and be completed by the end of 2010.

1.3.2 Other Funding Sources

Housing Providers are encouraged to augment this funding by applying for other financing programs. All other sources of funding must be identified in your Business Case.

Some potential funding sources for energy conservation measures include:

- Social Housing Services Corporation (SHSC): <http://www.shscorp.ca>
- Ontario Power Authority:
<http://business.everykilowattcounts.com/com/programs-incentives-rebates.php?pir=ERIP>
- Ministry of Energy: <http://www.energy.gov.on.ca>
- The Office of Energy Efficiency: <http://oee.nrcan.gc.ca>

Funding for modifications to improve accessibility may be available through the Canada Mortgage and Housing Corporation (CMHC) Residential Rehabilitation Assistance Program – Disability (RRAP–D). For more information, go to www.cmhc-schl.gc.ca click “consumers” and then “Program and Financial Assistance”.

1.3.3 Ministerial Approvals

All loaned funds must be secured by way of registering a charge on title. As part of ministerial consent requirements under the *Social Housing Reform Act, 2000*, all requests to register a charge on title must be approved by the Ministry of Municipal Affairs and Housing (MMAH). This approval requirement has the potential to delay the initial release of approved program funds; however MMAH has indicated that every effort will be made to streamline the approval process and to expedite MMAH consent for the timely release of these funds.

1.3.4 Deferred Funding Agreement

Program funding will be offered to Housing Providers by way of a deferred loan. Prior to any funds being disbursed, all approved housing providers will be required to sign a *Deferred Funding Agreement* with NRH that sets out the rights and responsibilities of both parties. This would require housing providers to repay the outstanding principle amount, including accrued interest, when their first mortgage is paid out. Housing providers who do experience accumulated operating surpluses can use their portion of the surpluses to pay the interest on an annual basis. The agreement will clearly state that the Housing Provider assumes liability for the repayment of the loan portion, including accrued interest (See Section 1.4.1 – Grant Portion of Funds). Any cost overruns will remain the responsibility of the Housing Provider.

All of the above-noted requirements will form part of the *Deferred Funding Agreement* established between NRH and each approved Housing Provider. Stipulations regarding any default on capital repair undertakings will also form part of the agreement.

1.3.5 Overseeing Capital Repairs and Discharge of Funds

Advancing the funds will be subject to appropriate documentation and the approved workplan schedule. All approved capital repairs will be subject to a 10% holdback. Release of the holdback will be within a reasonable time in accordance with the *Construction Lien Act* and when all work performed is to the satisfaction of NRH. NRH will act in a consulting capacity to guide Housing Providers through the process. Housing providers will be required to report on the progress of all capital repairs.

1.3.6 Establishing Disbursement Method

An assessment of the Housing Provider's most recent Operational Review Report will be reviewed to determine their ability to manage the approved funds. The assessment will consist of determining:

- The Housing Provider's rating for each Major Category: Governance; Financial; Management; Tenant/Member; Capital Assets and Non-Shelter (if applicable);
- If capital reserves are invested in SHSC Investment Program;
- If the Housing Provider effectively manages capital and maintenance issues;
- If the Housing Provider follows proper tendering and approval processes;
- If there is evidence of consistent financial management; and,
- If there is evidence of consistent good governance.

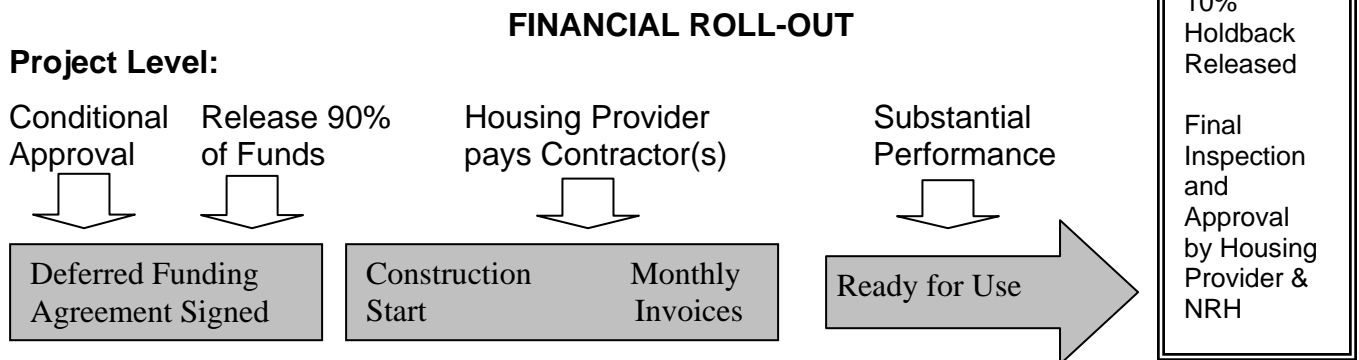
Note: Housing Providers that have not received a rating will have a tentative rating applied based on their most recent Operational Review or an Operational Review will be conducted based on the new Operational Review Process, if time permits.

1.3.6.1 Results of Operational Review

1. Excellent = Full Payment at Signing of Deferred Funding Agreement

Overall Operational Review Score of 4

Release all approved funds, minus 10% holdback, to Housing Provider at signing of *Deferred Funding Agreement* and registering a charge on title. Housing Provider disburses funds to contractor(s) based on approved percentage of work completed. Housing Provider reports on status of capital work, as per *Deferred Funding Agreement* and/or NRH requests. Final inspection and approval by NRH required for release of 10% holdback, and will be in accordance with the requirements of the *Construction Lien Act*.



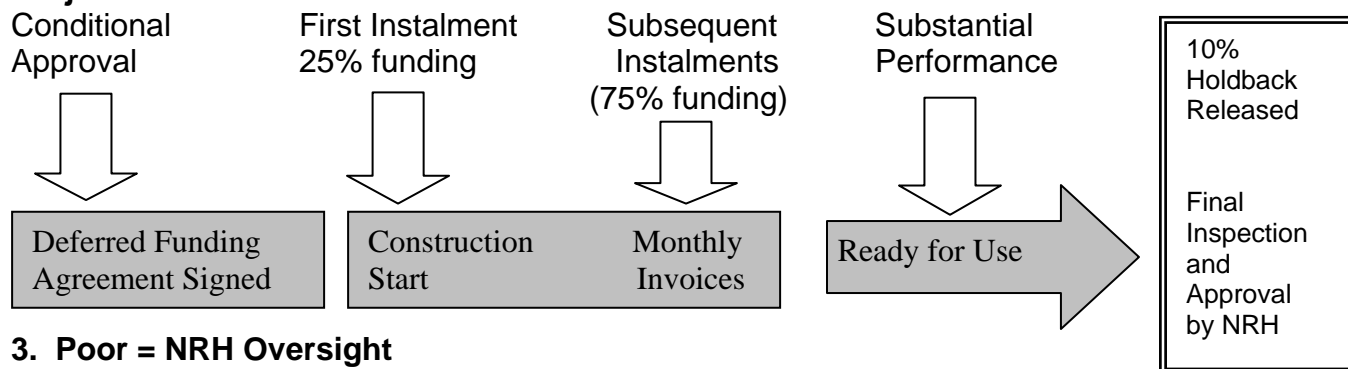
2. Good = Payment through Progress Draws

Overall Operational Review Score of 3

NRH will pay the Housing Provider a 25% advance (less 10% holdback) on each Contractor contract entered into with the Housing Provider. The Housing Provider will be responsible for securing contractor(s) based on an established tendering process, and monitoring the undertaking of capital repairs. The remainder of funds will be disbursed to the Housing Provider no more than once a month based on the percentage of work completed, submitted invoices, construction site visits and NRH approval. The Housing Provider will be responsible for the payment of Contractor(s) based on the percentage of work completed. Final inspection and approval by NRH required for release of 10% holdback, and will be in accordance with the requirements of the *Construction Lien Act*.

FINANCIAL ROLL-OUT

Project Level:



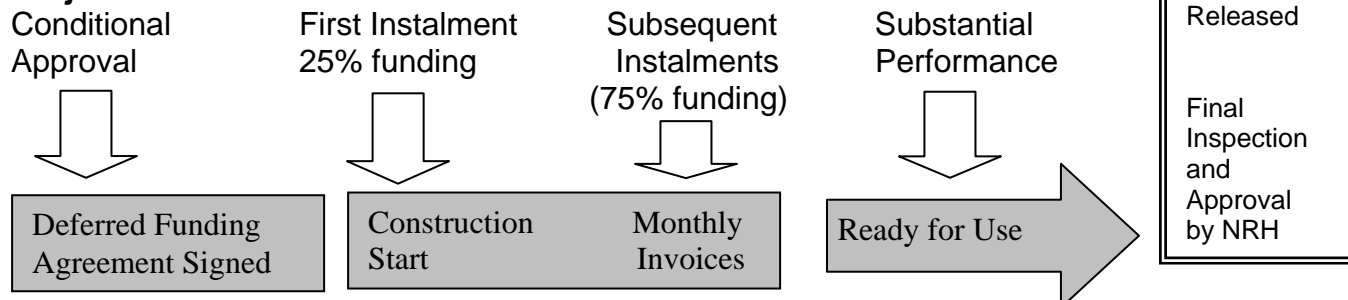
3. Poor = NRH Oversight

Overall Operational Review Score of 2 or less

NRH will oversee the Housing Provider's tendering process, including selection of Contractor(s) and assist the Housing Provider in monitoring the undertaking of capital repairs to ensure quality of work and timely completion. NRH will pay the Housing Provider a 25% advance (less 10% holdback) on each Contractor contract entered into with the Housing Provider. Disbursement of funds to the Housing Provider will be no more than once a month based on submitted invoices, construction site visits and NRH approval. Final inspection and approval by NRH required for release of 10% holdback, and will be in accordance with the requirements of the *Construction Lien Act*.

FINANCIAL ROLL-OUT

Project Level:



NRH involvement in tendering process, selection of Contractors, monitoring of work progress

1.4 DETERMINING GRANT PORTION OF FUNDS

1.4.1 Grant Portion of Funds

At the time the first mortgage is paid in full, a financial analysis will be undertaken to determine the Housing Provider's ability to repay the funds (based on analysis of the last 5 years of expenditures) and if applicable, any/all of the allocated funds may be considered non-repayable and treated as a grant. Accrued interest will only apply to the loan portion of the funds.

1.5 ELIGIBLE RECIPIENTS

The Capital Repair Program has been established to address capital repairs for the non-profit and co-operative housing providers in Niagara. All 67 housing providers (federal and provincial reform) are eligible to apply for funding under the program. No consideration will be given to sector/provider type (i.e., non-profit versus co-operative), rather evaluation will be based upon the types of capital repairs (i.e. high priority, emergency, health and safety, etc.) as well as the 'bottom-line' financial position (both capital and operating) of each provider, and the availability of program funds will be the determining factors.

Note: Federal co-operative projects that were not devolved to the province under the Social Housing Agreement and were retained by the federal government are not eligible for funding under this program.

1.6 ELIGIBLE EXPENDITURES

This funding is intended to respond to urgent capital repairs needs, including energy efficiency improvements that achieve tangible results and deliver positive impacts on affordable housing residents at the earliest possible time. Funding may be provided for the complete capital repair or a portion, depending on financial analysis (see Section 3.2). All capital repairs funded under this program must:

- support the provision of habitable, clean and safe housing that meets municipal, provincial and federal standards, codes, regulations and legislation; and/or,
- address repairs that prevent deterioration and result in the preservation and renewal of the affordable housing stock.

The highest priority repairs are to be identified and undertaken first. Listed below, are examples of the types of capital repairs eligible for funding. This list is not exhaustive.

Capital repair requests will be prioritized (highest to lowest) based on the following categories:

1.6.1 Health and Safety/Emergency Repairs

Immediate/urgent need to rectify in order to meet legislative/code requirements and/or to protect the health and safety of residents:

- Building Code or Fire Code compliance

- Fire alarm systems – pull stations, panels, sprinkler systems, bells, etc.
- Building generator replacement
- Heating – furnaces, thermostats
- Elevator modernization
- Improved accessibility to building &/or units (if deemed a health and safety issue)
- Repair of concrete walkways and/or steps (if deemed a health and safety hazard)
- Mould or Asbestos removal
- Pest control (if deemed a health and safety hazard)

1.6.2 Replacing Aging Systems

Building elements that need to be replaced due to system failure and/or near end of life expectancy (i.e., chronic failures, parts no longer available, etc):

- Mechanical – HVAC, boilers
- Plumbing – hot water tanks, pipes, sump pumps, etc.
- Structure – columns, foundations, windows, retaining walls
- Building exterior – roofs, exterior walls, balconies, eaves troughs
- Site parking lots

1.6.3 Renewal of Housing Stock

Any major repair, rehabilitation, replacement and renovation that extends the life of the units to maintain them in a habitable, safe condition:

- Building interior – ceilings, walls, stairs, corridor handrails
- Kitchen and bathroom upgrades
- Grading and drainage of exteriors to prevent water infiltration
- New infrastructure – i.e., conversion of units
- Flat roof to peaked roof
- Modified units for accessibility
- Site work repairs – i.e., driveways and parking lots, drainage, retaining walls, handrails
- Structural repairs to common areas

1.6.4 Energy Conservation

Repairs/retrofits that reduce operating costs and energy consumption:

- Lighting retrofits – high efficiency bulbs and ballasts
- Energy efficient appliances (refrigerators, stoves, washers, dryers)
- Water usage improvements
- Electrical upgrades
- Programmable thermostats
- Programmable/sensor lighting in common areas
- Low-flow toilets
- Furnace replacements/heat conversion (i.e., hydro to gas)

1.6.5 Other Types of Capital Repairs

Repairs that directly impact on operating expenses and/or revenues i.e., improving accessibility:

- Automatic entry doors
- Accessibility ramps
- Elevators or lifts to retain senior or disabled residents

1.6.6 Soft Costs

'Soft costs' such as Building Condition Assessments (BCA), Environmental Site Assessments (ESA), technical and safety assessments/inspections, drawings, engineering, architectural and quantity surveying fees, procurement and tendering costs and permit fees will be considered for funding but only where necessary to identify the need for repairs identified in the Business Case submission. Approval of 'soft costs' is subject to funding availability.

1.7 INELIGIBLE EXPENDITURES

The following outlines costs that, although important, are not considered eligible for funding under this program:

- funds directed towards reserves as long term investments;
- funds used as a source of financing to pay back any other loan(s) or to service debt on a loan used for repairs;
- any expenses paid for by another funding source; direct operating costs; sundries; taxes and fines; and interest;
- projects that involve accessory facilities for a project, like improvements to playing fields, recreation or community centres, playground equipment, and swimming pools;
- ongoing and regular maintenance, like cleaning of eaves troughs; and,
- purchase of security cameras.

1.8 ELIGIBILITY CRITERIA

To be eligible for funding under the CRP, Housing Providers must meet the following eligibility requirements:

- Must be subject to the *Social Housing Reform Act, 2000*;
- Must have, or agree to put in place, an up-to-date Building Condition Assessment (BCA) and 5-year capital plan;
- Must identify capital repairs for program funding through the submission of a Business Case, including supporting documentation, estimated costs and proposed timelines (commencement and completion dates);

- Must ensure that capital work to be funded is deemed to be an eligible capital expense (based on the classifications set out in Section 1.6); and,
- Must ensure that capital work is commenced in 2009 and completed by the end of 2010.

1.9 EVALUATION COMMITTEE

A Capital Funding Committee (CFC) has been established to undertake the evaluation and selection process and provide recommendations on capital repairs to be funded to the NRH Board of Directors for final approval. This committee consist of the following members:

- Committee Chair - Patrick O'Neill, NRH Board Member
- Committee Co-Chair - Bruce Timms, NRH Board Member
- Technical Expert - Dave Little, Capital Works Manager, NRH
- Financial Expert - Donna Mino, Financial Analyst, NRH
- Program Expert - Manager Housing Programs, NRH

The Committee will be assisted by an Administrative Assistant, who will not be a member of the Committee. Minutes will be taken by the Administrative Assistant and signed by the Committee Chair. The minutes will note the date and time of the meeting, and the names of members present. The minutes will contain detailed information about each business case evaluated, including:

- business case number;
- project affected;
- brief description of work required;
- reference to any disqualifications that may be a contentious issue in the future; and,
- decisions and recommendations made, with reasons where appropriate.

The CFC's role will be to review the Business Case Submissions and rate each of them based on the following priorities:

- Emergency /Health and Safety
- Replacing Aging Systems
- Renewal of Housing Stock
- Energy Conservation
- Other

SECTION 2.0

TERMS AND CONDITIONS

2.1 INSTRUCTION TO HOUSING PROVIDERS

2.1.1 Receipt of Submissions

NRH will only accept Business Cases in the prescribed form delivered in the prescribed manner. All applications not received in this manner will be deemed ineligible.

2.1.2 Multiple Capital Repair Needs

It is recognized that some housing providers may have more than one capital repair for which they wish to request funding. In such cases, all capital repair requests must be listed on the Business Case Summary and Signoff Sheet (section 5.1) in order of priority (highest to lowest) and enclosed in the same envelope as part of the main submission. A separate Business Case Submission Form (Section 5.2) must be completed and submitted for each request. These additional repairs must be submitted under the conditions of this RFBC.

NRH is not obligated to award funds to all capital repair requests for any given Housing Provider, where there are multiple capital repair needs identified in the Business Case Summary and Signoff Sheet.

2.1.3 Date and Place for Receiving Business Cases

Business Cases will be received by Lora Beckwith, General Manager, Niagara Regional Housing, Campbell East, 2201 St. David's Road, P.O. Box 344, Thorold, ON L2V 3Z3, on or before **Friday, February 6, 2009 no later than 4:00 p.m.** **NRH reserves the right to return submissions received after 4:00 p.m.**

The following table shows key dates for responding to this RFBC and the anticipated evaluation and approval timetable.

Description	Dates/Times
Release of RFBC	November 17, 2008
Closing date for receiving Business Cases	February 6, 2009 by 4:00 p.m.
Review and Evaluation of Business Cases	February 2009
Interviews and/or phone calls with short listed Housing Providers (if required)	During month of February 2009
NRH Board Approval of CFC Recommendations	March 2009

2.1.4 Submission of Business Cases

Proponents must submit **1 original** and **6 copies** of all submission forms and attachments enclosed in an envelope addressed to: Lora Beckwith, General Manager, NRH at the address noted in **Section 2.1.3** above, which clearly identifies the document(s) enclosed as a Submission.

2.1.5 Required Contents of Business Case Submissions

i. Business Case Summary and Signoff Sheet

List in order of priority, all of the capital repair requests included in your submission package. Include the total estimated costs of each repair and the associated timelines. The Business Case Summary and Signoff Sheet (Section 5.1) must be dated and signed by two Board Members with authority to bind the corporation. By signing of this document, the Housing Provider agrees to the terms, conditions and provisions of this RFBC.

ii. Business Case(s)

Submission packages must include a completed Business Case (section 5.2) for each capital repair request. The Business Case must include the Housing Provider information, a general description of the capital repair request including pictures, estimated costs, classification, and commencement and completion dates. Justification for undertaking the capital repair must also be included up to and including any consequences and/or associated costs of inaction or delaying the work. If there is an impact on tenant/members, a detailed tenant/members communication and/or accommodation plan must be included.

All costs must be clearly indicated in written figures in the Financial Section of the Business Case (section 5.2.3). Identify the amount of funds available to dedicate to the capital repair. A line by line justification should be provided in the section below and clearly show how any final costs were arrived at. Construction costs should be based on an estimate by an architect or other field professional. Explanations should also be provided with any assumptions for all funds available, final costs and the amount of funds requested. If estimated values are used, Housing Providers must attach the calculation along with an explanation for the estimation.

The Business Case must not be restricted by a statement added to the submission form or by a covering letter, or by alterations to the submission form(s), as supplied by NRH, unless otherwise provided herein.

iii. Supporting Documentation

Supporting documentation (i.e., pictures, assessments, surveys, professional opinions (i.e., technical or legal), and/or invoices, for each capital repair request must be attached to the Business Case(s). Each attachment must clearly be identified with the Housing Provider's name and the repair that the attachment relates to.

2.1.6 Withdrawal of Submission

Housing Providers will be permitted to withdraw their Business Case after it has been submitted, if such a request is received by NRH in writing.

2.1.7 Clarification

It will be the Housing Provider's responsibility to clarify any details before submitting a Business Case. All questions should be directed to the Manager Housing Programs or the applicable Housing Administrator, Niagara Regional Housing, at 905 682-9201. Questions and Answers regarding this RFBC will be posted on NRH's website at www.nrh.ca.

If there are any changes to the RFBC requirements, an addendum will be issued to persons in receipt of the RFBC. The Housing Provider shall acknowledge in the attached *Business Case Summary and Signoff Sheet* that it has received and reviewed all addenda. Copies of any/all addenda will also be posted on the NRH website.

2.1.8 Selection Process

The selection of Business Cases will be based upon a competitive process. Selection will be governed by the consideration of which Business Cases best meet the requirements of the Capital Repair Program. Each Business Case must outline the capital repairs to be undertaken, the amount of funds being requested and the timelines for undertaking the capital work.

The process for selection is as follows:

- NRH staff will review submissions and determine if complete. If not complete, Housing Providers will be given an opportunity to submit the required information within a specified deadline for review.
- The CFC will undertake the evaluation and selection process of all complete submissions.
- At the discretion of the CFC, interviews and/or phone calls may be conducted with housing providers to further clarify and assess the Business Cases, expenditure budgets, capital repair work, timelines and tenant/member plans (if impacted by capital works). These interviews/phone calls, if required, will be conducted in the month of **February 2009** or as scheduled by NRH.
- Recommendations from the CFC will be reviewed by the General Manager of NRH and a recommendation will be formalized in a report to the NRH Board of Directors for review and approval at their **March 2009** meeting.
- A Final Capital Repair Plan will be submitted to the Ministry of Municipal Affairs and Housing (MMAH) based on the estimated expenditures and approved capital repairs.

- Successful Housing Providers will be notified by NRH by way of a Conditional Letter of Approval that sets out the conditions for funding.
- Successful Housing Providers will be required to sign a *Deferred Funding Agreement* with NRH and submit interim and final capital repairs progress reports (as determined by NRH) tied to the completion of key milestones and any associated payment schedules.
- NRH reserves the right to reject or decline any or all submissions in response to this Request for Business Cases. NRH reserves the right to solicit further information from Housing Providers after the closing date for delivery of responses to this RFBC.

Note: One of the mitigation strategies identified in the Capital Reserve Strategy, established by NRH on November 30, 2006 is to optimize on bulk purchasing / joint tendering opportunities. This approach will be explored by the CFC in an effort to optimize use of funds and to address capital repairs in the most efficient and cost effective way.

2.1.9 Evaluation Criteria

The evaluation of Business Case Submissions will be done according to the criteria set out in Section 3.0 of this RFBC. The evaluation process will have a maximum score of 100 and consist of:

- Identifying high priority repairs based on degree of urgency;
- Determining amount of funds required; and,
- Determining impact of capital repair request on project viability.

All documentation is subject to review by NRH for mathematical accuracies and compliance with the program specifications and terms and conditions.

2.1.10 Disbursement Method

Disbursement of approved funds will be determined by way of an assessment of the Housing Provider's latest Operational Review, as set out in Section 1.3.6.1 of this RFBC. NRH will provide assistance to all Housing Providers approved to receive funds under this program. NRH will retain a direct relationship with the Housing Providers, and the Housing Providers will retain a direct relationship with contractors, consultants, etc. hired to assist in the capital repairs.

2.1.11 No Obligation to Award Funds

This RFBC does not commit NRH to award funds. NRH reserves the right to accept or reject any submission for any reason whatsoever, and to accept any submission if considered that it best meets the objectives of the program. Funding may be provided for a complete capital repair or a portion, depending on financial analysis (see Section 3.2).

In the event that a submission does not precisely and entirely meet the requirements of this RFBC, NRH reserves the right to enter into negotiations with the selected Housing

Provider(s) to arrive at a mutually satisfactory arrangement with respect to any modifications to the submission(s).

2.1.12 No Obligation to Continue Capital Repair Program

It is hoped that, through offering a low-interest loan for capital repairs, with the possibility of a grant portion, NRH will be able to replenish and sustain a capital repair revolving fund for Housing Providers. NRH reserves the right, however, to discontinue the availability of capital repair funds, if the revolving fund becomes insufficient or depleted.

SECTION 3.0

EVALUATION CRITERIA

3.1 Degree of Urgency	Potential Score
<p>The degree of urgency will be assessed based on the following factors:</p> <ul style="list-style-type: none"> • Type of repair: Is repair required to meet legislative or code requirements? Is it considered fundamental to the health and safety of the tenants/members? Is it considered fundamental to the structural, mechanical or electrical component of the building? • Age of building/component: Is it considered at the end of life expectancy given the age of the building and maintenance requirements to date? Is it more economical to replace than to continue repairing? Will delaying the repair have an impact on revenue or vacancy loss? <ul style="list-style-type: none"> ▪ High Urgency ▪ Medium Urgency ▪ Low Urgency <p><u>Supporting Documentation</u></p> <p>The following information, included in your Business Case, will be used to determine the degree of urgency for your capital repair request:</p> <ol style="list-style-type: none"> 1. Clear explanation of the existing condition (including pictures) 2. Functionality of elements 3. Remaining useful life 4. Previous repair history 5. Any physical/social benefits relevant to the request 6. Any potential savings 7. Capital work mitigates any additional deterioration and/or financial loss 8. Consequences & associated costs of inaction or delaying the work. 9. Impact on operating expenses and/or revenue stream 10. Impact on overall project viability 11. Impact on Tenants / Members 12. Supporting documentation, i.e., technical &/or legal opinions <p>Various tools will be used to assess and determine the highest priority repairs. These include:</p> <ul style="list-style-type: none"> • results of the Housing Providers' Building Condition Assessments and 5-year Capital Plan to identify required capital repairs from a technical aspect, both immediate and long-term; • Annual Information Returns (AIRs), specifically actual capital funds and capital expenditures, utility costs versus benchmarks, any excessive operating expenses and/or revenue loss related to capital issues (i.e., high vacancy rates due to uninhabitable, 	<p>Max. of 50 Max. of 30 Max. of 10</p>

<p>unsafe and/or inappropriate unit types);</p> <ul style="list-style-type: none"> • results of project operational reviews, specifically the maintenance administration section and emergency maintenance plan; and, • self-identification by housing providers through the submission of a Business Case. <p>Note: If you are required to undertake an assessment/study directly related to identifying the need for capital repairs, please include this information in your Business Case Submission. These 'soft costs' may be considered for funding under the program, at CFC's discretion and will be subject to funding availability.</p>	
<p>3.2 Financial Analysis</p>	<p>No Score Applied</p>
<p>The amount of funds to be allotted to each selected capital repair will be based on the Housing Provider's:</p> <ul style="list-style-type: none"> • Current Capital Reserve Balance: Is it depleted or near depletion? What other capital repairs are identified in the Housing Provider's Building Condition Assessment (BCA) and 5-year plan that will need to be funded out of the capital reserves? • Capital Reserves Available for Repairs: How much reserves can be put towards the capital repair(s) without risking depletion of capital reserves? • Accumulated Surpluses: Are there any surpluses that can be used towards the capital repair(s)? • Escrow Account (if any): Does the Housing Provider have any funds available to put towards the capital repair(s)? • Other Funding Sources, if Available: Has the Housing Provider sought (and secured) funding from other available sources to assist with the capital repair(s)? Have reasonable efforts been made to obtain funding, if any, for the capital repair(s)? • Estimated Cost of Capital Repair: Is the estimated cost of the repair reasonable? Given all of the above, how much funding is required to allow the Housing Provider to proceed with the capital repair(s) within a reasonable timeframe? • Amount of Funds Requested: Is the amount of funds requested reasonable, given all of the above? Can the amount of funds allotted be adjusted based on all of the above? 	
<p>3.3 Impact on Project Viability</p>	<p>Potential Score</p>
<p>Where there are two identical and/or equally important capital repair requests, and limited funds available, the impact on project viability will be the determining factor in terms of which Housing Provider is recommended to receive the funds. Project viability for this purpose will be defined as the Housing Provider's ability to manage their housing portfolio within the established benchmarks/budgets without it resulting in:</p>	

<ol style="list-style-type: none"> 1. non-compliance with legislative and/or code requirements 2. further risk to the physical assets and/or tenants/members 3. an accumulated operating deficit 4. depleted capital reserves 5. significant vacancy loss <p>With these five measures in place, the Committee will assess the impact of the project's overall viability if the capital repair were delayed and/or not undertaken.</p> <ul style="list-style-type: none"> • High Impact • Medium Impact • Low Impact 	<p>Max. of 50 Max. of 30 Max. of 10</p>
TOTAL POTENTIAL SCORE	100

SECTION 4.0

AGREEMENT

4.1 Agreement Summary

Successful Housing Providers will be required to enter into a *Deferred Funding Agreement* with NRH. A sample agreement is attached.

SECTION 5.0

SUBMISSION REQUIREMENTS

5.1. BUSINESS CASE SUMMARY AND SIGNOFF SHEET

List all of the capital repairs identified in your submission, including estimated costs and proposed timelines (commencement and completion dates), in order of priority (highest to lowest):

#	Type of Capital Repair	Total Estimated Costs	Associated Timelines	
			Commencement	Completion
1				
2				
3				
4				
5				

I/We hereby submit our Business Case for consideration under the terms, conditions and provisions outlined in this RFBC.

I/We, the undersigned, acknowledge that I/We have received Addendum/Addenda Numbers 1 to ____ inclusive, and that all changes specified therein have been included in the Submission Requirements.

SIGNED SEALED AND DELIVERED in the presence of:

Authorized Signing Authority: (Must be signed off by two Board Members with authority to bind the corporation)	
Print Name:	Print Name:
Position or Title:	Position or Title:
Signature:	Signature:
Date:	Date:

I/We have the authority to bind the corporation.

5.2. BUSINESS CASE

Please provide all of the information requested below. You must complete this form for each capital repair request and include all supporting documentation. Be sure to include financial considerations and proposed commencement and completion of work dates for each capital repair request. If the repair has an impact on tenants/members, please include details on how tenants/members will be kept informed of the capital work, and if necessary, include a tenant/member relocation and placement plan.

5.2.1 HOUSING PROVIDER INFORMATION

Housing Provider: _____ **Total Number of Units:** _____
Project Address: _____ **Number of Units Affected:** _____
_____ **Number of Buildings:** _____
_____ **Number of Buildings Affected:** _____

Provider Type: Non-Profit Co-operative

Client Type: Seniors Families Singles Supportive Aboriginal
Other (list) _____

Building Type: High-rise Low-rise Townhouse Semi-detached
Single detached Other (list) _____

Age of building(s) requiring capital repairs: _____

Any outstanding municipal/regional work-orders or Fire Code Violations? YES NO
If yes, include a copy with your submission.

5.2.2 CAPITAL REPAIR INFORMATION

a. General Description _____

Estimated Cost: \$ _____ Funds Requested: \$ _____

b. Classification

- emergency / health and safety
- replace aging systems (mechanical, electrical, structural)
- renewal of housing stock (retrofit)
- energy efficiency
- other, specify _____

c. Proposed Commencement Date _____

d. Proposed Completion Date _____

