



K'ómoks First Nation

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New Home Build-Housing Construction Policy

POLICY PURPOSE

The purpose of the policy is to update guidelines and procedures for the construction of new homes on K'ómoks First Nation lands.

GUIDING PRINCIPLES

Fairness/Consistency: The policy will be applied fairly and in a consistent manner guiding new house construction for all K'ómoks First Nation members.

Openness: All information about the housing construction process is available at the Band office and on the K'ómoks First Nation's web site. Applicants will be informed regarding decisions throughout the process in a timely fashion; normally 10 business days except when clearly outlined otherwise.

Safety: Safety of members and the protection of the environment/K'ómoks First Nation property are necessary and often mandatory considerations in the application of guidelines (e.g., fire protection insurance during construction).

Cost Efficiency: K'ómoks First Nation will support applicants in maximizing the value of the housing funds through initiatives such as 'sweat equity programs'

OVERVIEW/INTRODUCTION OF HOUSING CONSTRUCTION PROCESS

Presently the K'ómoks First Nation's new home build process consists of a certified contractor fully directing and ensuring there are appropriate skilled workers for the house construction.

- The contract between the homeowner and certified contractor must clearly define each of their roles
- Insurance is required by the homeowner and the certified contractor and must be handed into the Housing Coordinator. WCB is required by the homeowner and the certified contractor and must be handed into the Housing Coordinator.

Through this updated policy a new option is being proposed where K'ómoks members can significantly contribute labour to their house construction under the direction of a certified contractor.

In this 'do-it-yourself' option members can realize more value for their funds and towards the overall cost of the new home build. More information is provided under the heading 'Owner Participation in Construction'.

Normally Band members apply to the K'ómoks First Nation for a housing subsidy to assist with construction costs. The subsidy funds are allocated to the K'ómoks First Nation, not the homeowner, by the federal government (ISC).

In applying for a housing subsidy the Band member is agreeing to complete a house within a reasonable time. Under the terms of ISC this means that the house is totally finished inside and out including driveways, take out all invasive species and, sidewalks, if required.

The house be completed within that fiscal year (April 1 to March 31). This will be a case by case given the time of year the house is to be built.

The subsidy will be granted to the individual new home owner, at the K'ómoks First Nation's discretion, after they have fulfilled requirements.

The housing subsidy/grant does not cover the total cost of new construction (the subsidy is \$42,891 including building inspection costs through NAHS). The subsidy or KFN Housing Grant to be applied to the mortgage and not added as the applicant's equity. The remainder of the house construction is financed by the Band Member applicant often through a mortgage from a bank/financial institution. If approved, the bank gives a letter of intent to approve a mortgage which the Band can use to review a member's housing application.

Because banks cannot resell homes on reserve they will not lend money without the K'ómoks First Nation essentially becoming a co-signer to the loan through a Mortgage Guarantee. Currently Council has placed a limit of \$350,000 on mortgage guarantees for individuals, so if a home is going to be more than \$350,000 than the individual Band Member must have the balance in cash before construction begins.

There are several steps in building a house on K'ómoks First Nation lands.

The steps involve:

- Determining Eligibility
- Lot selection
- Securing a Contractor
- House Plans
- Construction Estimates
- Contracts
- Financing
- Completion of Housing Application with K'ómoks First Nation

This policy provides further detailed information and guidelines for each of the steps involved in house construction.

ELIGIBILITY FOR CAPITAL HOUSING SUBSIDY

Who is eligible for a housing subsidy grant? Eligibility criteria are as follows:

Only a registered member of the K'ómoks First Nation that is over 19 years of age is eligible to receive a subsidy for a new home build provided that she/he has no debts and/or arrears owed to K'ómoks First Nation. If a debt is owed the Band member may negotiate a repayment plan and have it approved by the Band Administrator in writing before the housing application process can proceed.

Band members are not eligible to receive a capital housing subsidy if they received such a subsidy in the past.

In order for the Band member to be eligible for a housing subsidy the Band member must be able to match two dollars of their own funds to one dollar of the subsidy, if no mortgage is required.

Band members who have lost a home to fire and did not have adequate insurance coverage will not qualify for a housing subsidy if they have received any kind of subsidy in the past.

Spouses who are non-K'ómoks First Nation members cannot apply for a new home build subsidy.

APPLICATION PROCESS

Letters of Intent to build a house must be submitted to the Housing Coordinator of the K'ómoks First Nation, and if there is no Housing Coordinator, to the Band Administrator. This is considered to be the first step of an 'application'.

New applications shall be received by the K'ómoks First Nation at the reception desk and entered into the mail log by date received. All members are encouraged to also keep copies of their letter.

All Letters of Intent shall be kept on file and date stamped by reception staff.

After discussing the housing process with the Housing Coordinator and the time frame for applications, Band members with continued interest must proceed with completing the following documents for their housing construction application:

- Letter of Intent from financial institution (see Appendix A);
- Set of house plans;
- Signed contract with the contractor (with a clause saying subject to financing)
- Construction schedule and cash flow schedule;
- Cash deposit (if house plans exceed \$350,000);
- Estimated start and finish date for construction;
- Confirmation of fire insurance coverage during construction.

Within thirty (30) business days of receipt of the application, the Housing Coordinator reviews the application to:

Confirm the application is complete;

Confirm eligibility in accordance with the Housing Policy;

Provide written notification to the applicant to confirm or comment on eligibility.

Incomplete applications are returned to the applicant and/or the Housing Coordinator shall contact the applicant to confirm the information required to complete the application.

The Housing Coordinator may hold the incomplete application until the required information is provided by the applicant. However, after 30 days of the date the applicant is informed of the incomplete application, the Band Member must meet with the Housing Coordinator to set up a new time frame. The Housing Coordinator will assess the information and use his/her discretion on whether the time frame is realistic. If the Housing Coordinator thinks the process is being abused for the purposes of holding a Lot with no concrete plans or time frames, the Lot selected will be released and available for other Band members to apply for under the house construction policies and procedures.

SELECTION PROCESS

There will only be a waiting list if there are too many people that are eligible for a new home (number of eligible applicants exceeds number of available housing subsidies for housing construction). In this case, selection is by first-come, first serve.

With quorum established, the K'ómoks First Nation Housing Committee will review all recommended applications and approve a number of or all of the applicants that align with the available subsidy program.

A K'ómoks First Nation Council Resolution will be drafted and signed by the K'ómoks First Nation Council confirming all successful applicants.

The Housing Coordinator or delegate, on behalf of the K'ómoks First Nation Council, shall contact in writing the successful applicant(s) within ten (10) business days of the K'ómoks First Nation Council meeting when housing applications were reviewed and approved.

Applicant(s) shall have ten (10) business days to confirm acceptance of their application and to make arrangements for an in-person meeting with the Housing Officer or delegate to sign any required documents.

Failure by the applicant to confirm acceptance within ten (10) business days shall result in the application being deemed to have 'withdrawn'. The Lot will revert back to the Band for use by other Band member applicants.

All unsuccessful applicants will be informed in writing of the status of their application. They may appeal the decision as outlined below.

APPEAL PROCESS

Any applicant whose housing application is refused by the K'ómoks First Nation may appeal the decision in writing within fifteen (15) days of receiving refusal.

Applicants will appeal directly to the K'ómoks First Nation.

The K'ómoks First Nation shall hear the appeal within fifteen (15) working days of receiving the appeal letter.

The matter shall be referred to an arbitration panel consisting of one Councillor for the Band, one Elder and a third impartial individual.

The arbitration panel shall be instructed to reach a decision within 30 calendar days.

The decision of the arbitration panel is final.

LOT SELECTION AND LOT USE TIMELINE

Units shall be located to take maximum advantage of existing infrastructure.

- All building sites must be on unencumbered lands, serviced and surveyed.
- If the construction of the home is too far from utility services such as hydro, telephone, water or sewer services, the homeowner is responsible for providing the necessary services and/or costs to the Lot.

Approved occupants for a new home build may be given an option to identify their preferred Lot location; however, Council reserves final authority to confirm the eligibility of the Lot location for construction of new homes.

Lots will not be provided until after the application for a new home is approved.

Completion of a house is expected within the fiscal year or Chief and Council will take the project over.

Chief and Council will not approve or allocate a Lot for Mobile Homes/Trailers or Heritage homes. Recycled homes may be considered if the home meets the current BC Building Code and if fits in aesthetically within the subdivision.

BUILDING CONSIDERATIONS ON LOT:

Setback: In considering the placement of the home, no building or structure, except a fence, shall be located within the setback prescribed below. Setback means the minimum required distance between a building or structure and each of the respective Lot lines.

Front – 4.5m from the front Lot line;
1.5 for an open carport from the front Lot line; or
1.5 for a closed-in carport from the front Lot line provided that one-half of the carport height is below street grade

Rear – 4.5m for a building containing a dwelling from the rear Lot line;
1.5m for accessory building from the rear Lot line;
Side- 4.5 from an exterior side Lot line; or
1.5m from an interior side Lot line

Perc Tests: All land must pass regulatory tests (PERC) standard to Health Canada.

LOT SERVICING SPECIFICATIONS:

There are many considerations in the construction of a new home that deal with Lot grading especially on Comox IR #1 where there are flood plains, steep banks, and hard pan. In selection of a housing plan/Lot, Members need to consider Appendix B, Lot Servicing Specifications, before construction begins.

CONSTRUCTION PROCESS OVERVIEW:

Approved applicants must contract their own certified construction contractor. Applicants are encouraged to get at least three (3) quotes from certified contractors. In order to save money to use for construction applicants may consider participating in the construction – see paragraph below. This is an item to consider with the contractor and the Housing Coordinator. Once a quote is accepted the individual member enters into a house construction contract with the contractor 'subject to financing'.

OWNER PARTICIPATION IN CONSTRUCTION:

Prior to confirming a contract with a contractor an applicant may wish to consider contributing labour to the construction of the unit to save costs; these funds would then be used elsewhere in the house construction.

Examples of possible contributions by applicants:

- Painting
- Laying carpet or flooring
- Cupboard installation
- Roofing

The possibility and types of contributions by a homeowner are at the discretion of the contractor and Housing Coordinator/Band Administrator. Homeowners must demonstrate their experience and skill in the area they wish to contribute to the satisfaction of the contractor and Housing Coordinator of the K'ómoks First Nation. This must be clearly defined in the contract. The certified contractor must adhere to the estimates submitted. Proper insurance and wcb must be submitted to the Housing Coordinator in order for the homeowner to have family and friends help and lower some costs.

The work must be overseen by a contractor and is subject to inspections. Homeowners must do written cost estimates of the work they will be contributing and have it approved by the contractor.

Where there is NOT a possibility for homeowners to contribute labour include:

Electrical
Plumbing

An exception would be if a homeowner is properly certified in the above sub-trades and upon the agreement of the contractor and Housing Coordinator.

- Apart from contributing labour to the home construction, confident Band members may wish to find a contractor who is willing to work with them in areas where they can find their own workers for certain tasks (act like their own contractor). As above, this option is at the discretion of the contractor and K'ómoks Coordinator/Band Administrator. The work would also be overseen by a contractor and subject to inspections.

GENERAL CONSTRUCTION RULES:

All construction must be overseen by the Housing Coordinator;

All construction must have housing plans, blue prints and all contracts approved by the K'ómoks First Nation;

All construction must follow K'ómoks First Nation approved construction and inspection practices and process;

Must be a certified contractor with a construction management plan.

All workers on a construction site must be covered by Work Safe BC;

All construction activities must be covered by construction insurance and submitted to the Housing Coordinator. The K'ómoks First Nation is not responsible for the costs of any insurance associated with the new home build.

Construction standards shall be in accordance with;

a British Columbia Building Code (latest edition);

The National Building Code of Canada (latest edition);

Supplement to the National Building Code of Canada (latest edition);

Building Standards for the Handicapped (Supplement to the National Building Code – latest edition);

National Fire Code of Canada (latest edition);

Measures for Energy Conservation in New Buildings (E.M.R. – latest edition);

Canadian Standards Association Standards;

Environment Canada standards for waste water/sewage;

Dominion Fire Code;

Canada Drinking Water Standards and Objectives (M.S.B. – latest edition);

All other K'ómoks First Nation specific bylaws and regulations.

INSPECTIONS

All construction must be inspected at specified intervals by a qualified building code inspector:

Footings;
Foundation;
Framing
Lock-up;
Vapor Barrier
Final Inspection

Draws:

- First Draw of the money is for footing and foundation.
- Second Draw of the money is for framing to lockup.
- Third Draw of the money is for wrapping, rough in plumbing, and electrical;
- Fourth Draw of the money is for vapor barrier insulation.
- Fifth and final draw of the money is for final inspection.

Any costs of inspections are at the expense of the homeowner.

If the inspection procedure and reporting is not followed, the Housing Coordinator may shut down the construction site until inspections are completed.

A qualified BC Electrical Inspector must inspect all electrical work. A certified plumber must do all of the plumbing. All water lines should be tested before the drywall stage and all water and sewer lines should be tested before cover up. All inspection reports must be submitted to Housing Coordinator or the project will come to a halt until all paper work is caught up.

INSURANCE RESPONSIBILITY

A homeowner is solely responsible for acquiring and paying for construction insurance.

Upon completion of a privately owned home, a home owner must possess home and contents insurance.

Life Insurance for the Borrower(s) and their spouse is mandatory with loss payable firstly to lender, loss payable secondly to KFN.

A homeowner is solely responsible for making any and all insurance claims that fall under her/his home and/or contents insurance.

Any and all repairs of damages to a privately owned home are the sole responsibility of a private home owner. The K'omoks First Nation does not cover the costs of non-insurable repairs to privately-owned homes.

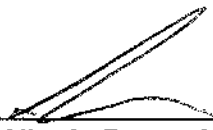
MATRIMONIAL PROPERTY

- A new provincial Act has been passed dealing with matrimonial property. This New Act protects rights connected to Family Homes on-reserves, including matrimonial interests or right.
- These protections apply to all individuals living on-reserve during a relationship, in the event of a relationship breakdown, and on the death of a spouse or common-law partner
- Matrimonial Real Property refers to the house or land that a couple lives on or benefits from while they are married or in a common-law relationship
- The K'omoks First Nation is gathering information on how these laws can or will be implemented and will have them on the website for members' information.

DEFAULT OF HOUSING MORTGAGE PAYMENT

If a member defaults on mortgage payments and the bank begins the process of foreclosure, the home will revert to the Band as a Band owned house.

Signed on the 24th day of September, 2020 by the following:



Chief Nicole Rempel



Councillor Richard Hardy



Councillor Barb Mitchell

Councillor Katherine Frank

***APPENDIX A – Instruction to Approved Lenders
Letter of Intent***

Once approved for a mortgage, the applicant's bank/financial institute must complete a letter of intent with the following information:

1. Full Name (s) of Borrower (s)
2. Loan Amount
3. Interest Rate
4. Amortization Period
5. Contact Person
6. Lender Certification

a) We certify that we have complied with the National Housing Act and the National Housing Loan Regulations.

b) We are satisfied that the borrower had the financial capacity, the equity, and income and credit worthiness to fulfill obligations under the mortgage loan.

The letter of intent must also enclose a copy of the Loan Application. The letter, along with the Loan Application, must be submitted with other required documents in the application to the K'omoks First Nation to construct a house on Band lands.