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PROGRAM STRUCTURE

OBJECTIVE

The Fuel Tank Replacement Initiative is a proactive approach, which allows existing homeowners the opportunity to upgrade their aging aboveground fuel tanks. The Initiative will cover the replacement costs up to a maximum of \$15,000, to modernize their fuel tanks to current standards to prevent fuel leaks/spills and to obtain insurance.

FORM OF ASSISTANCE

Clients receive assistance in the form of forgivable loan to replace and install above ground fuel tanks and/or associated components that are in poor condition, and/or do not meet current CSA B-139-09 standard codes.

A one-time forgivable loan of up to \$15,000 is available to the homeowner; the assistance excludes freight, airfare, and accommodations costs.

For applicant's whose income is over \$59,999, they will be required to co-pay 10% of the repair costs. The applicant's portion must be paid prior to the start of the repairs.

Income	Co-Pay amount
\$0 - \$59,999	No co-pay
\$60,000 to CNIT	10% of the repair costs

ENABLING LEGISLATION

Northwest Territories Financial Administration Act

Housing Northwest Territories must operate within the parameters established under the *Financial Administration Act*.

Housing Northwest Territories (HNWT) Act (R.S.N.W.T. 1988, c. N-1)

Section 10 (d) Housing NWT may “make grants or loans to individuals, municipalities and other corporate bodies for the purpose of acquiring, constructing or improving housing.”

Section 10 (j) Housing NWT may “prescribe forms of mortgages, agreements and other documents and execute and deliver deeds, grants, conveyances, transfers, releases, discharges or other documents as may be necessary in the conduct of its business.”

POLICY ADHERENCE

The policies developed for the Fuel Tank Replacement Initiative are the governing rules that must be adhered to when providing assistance to existing homeowners. Policy will override a procedural directive if there is a conflict between the policy and a procedure.

POLICY CHANGES

Any requests for changes to this policy are submitted on a *Request for Policy Review Form* to the Programs and District Operations Division in Head Office. The President and CEO must sign and approve any changes before taking effect.

PUBLIC PROMOTION

Public notification and promotion of the Fuel Tank Replacement Initiative is required as a part of the program delivery process.

DELIVERY PROCEDURES

The Fuel Tank Replacement Initiative is to be administered in accordance with the procedures that have been specifically developed for this program (*see Procedures*).

HNWT-IMS

Housing NWT Information Management System (HNWT-IMS) contains copies of all the required forms and agreements required to effectively deliver the Fuel Tank Replacement Initiative.

DELIVERY AGENT

Housing NWT is the delivery agent.

RESTRICTED DWELLINGS

Assistance is limited to dwellings that are located within municipal boundaries and have access to a continuous supply of electricity, potable water, and heat. Additionally, there is to be a functional sewage containment system.

Only properties deemed for residential use will be eligible for assistance.

The following properties are not eligible for assistance:

- Properties where municipal zoning by-laws do not permit residential use,
- Houseboats, recreational properties, or cabins; or,
- Properties located outside community boundaries (***Appendix B***).

CLIENT SELECTION

APPLICATION REQUIREMENT

All applicants are required to complete an application form with a representative from Housing NWT or its designated agent. Applicants are not permitted to complete the application on their own.

Fuel Tank Replacement Initiative will be offered on a year-round basis to all communities.

CLIENT COUNSELLING

Client counselling is required at all stages during the application process. It is necessary to provide applicants with relevant information regarding eligibility criteria, assistance levels, eligible project costs, the Fuel Tank Replacement Initiative Agreement and homeowner responsibilities, including the importance of fuel tank maintenance and home insurance.

ELIGIBILITY CRITERIA

Assistance is available to residents in all communities in the NWT.

Age:

The applicant(s) must be 19 years of age or older as of the date of the application.

Residency:

The applicant(s) must have lived in the NWT for three years; and with one continuous year in the community of application prior to approval.

The applicant(s) must have owned and lived in the home for a minimum of a one-year period before applying for the program.

Income:

The applicant(s) income must be below the Core Need Income Threshold (CNIT) for their community as outlined in the CNIT tables. The CNIT used is based on the *National Occupancy Standard* (NOS) (which determines the number of bedrooms a household requires given its size and composition) and NOT the actual number of bedrooms in the unit.

Arrears:

Applicants in Zones B and C who have mortgage arrears with Housing NWT are eligible for the program but are encouraged to sign on to the Revised Mortgage Repayment Plan (RMPP).

Applicants who currently reside in the market communities (Zone A) of Fort Smith, Hay River, Fort Simpson, Yellowknife, Norman Wells, and Inuvik and hold land tenure in the Northwest Territories are ineligible to receive assistance if they have any arrears associated with the land, lease, or property taxes.

Existing mortgage clients (seniors) in Zone A who have mortgage arrears and who have signed the RMPP or a repayment plan with Housing NWT, are eligible to apply for the Home Repair Program after six (6) consecutive months of successful payments. If these clients have not adhered to the repayment agreement, they will not be eligible to receive assistance.

Land tenure:

Applicants must prove ownership of their residence. This ensures that Housing NWT has the appropriate authorization to arrange for work to be done on the home. This also provides proof that

the homeowners meet the residency requirements of the program.

Suitable documentation is required to prove residency and ownership of residency:

- Land lease; or
- Fee simple title; or
- Band Council Resolution (BCR); or
- Permission to occupy; or
- Other document that proves ownership of residence.

The names on the land tenure documents must match the names on the application.

The home must be the applicant's permanent, principal, and sole residence.

Credit Worthiness

Although a good credit rating or acceptable Gross Debt Service Ratio (GDS) (30%) and Total Debt Service (TDS) (40%) ratios are not required for the program, applications may be declined in situations where the applicants are facing the loss of their home (i.e. tax sales, foreclosures or potential loss where legal action has not yet started).

For example, applicants who currently reside in the market communities are ineligible to receive assistance if they have any arrears associated with the property/land, as these properties can be subject to tax sales.

If applicants who currently reside in the non-market communities are at risk of losing their homes due to arrears associated with the land, lease, and property taxes, they will be ineligible to receive assistance.

Verification of Information

All information on applications is verified for accuracy. Applications are cancelled if verification does not confirm the information provided by the applicant was truthful.

Senior Citizens

For Housing NWT programs, a Senior Citizen is a person 60 years old or older. The eligibility criteria apply to Senior Citizens in the same way as other applicants, including the verification of their income.

Housing NWT Employees

The eligibility criteria apply to Housing NWT employees in the same way as other applicants. However, the final eligibility status and confirmation will be determined and issued by the Programs and District Operations Division in Head Office. All approval signatures, technical inspections must be at arm-length from the employee's District or Division. Head Office's Infrastructure Services Section will be responsible for completing or reviewing the technical inspections.

ASSISTANCE**Previous Assistance:**

Applicants who have received previous assistance from any Housing NWT programs and have met the current eligibility criteria are eligible for assistance through the Fuel Tank Replacement Initiative.

Current Assistance:

The assistance provided is to only replace and install an above ground fuel tank and its associated components.

Fuel Tank Replacement Initiative cannot be combined with any other subsidized programs delivered by Housing NWT. For example, the Fuel Tank Replacement Initiative cannot be used to top-up the Emergency Repair Program, Seniors Aging in Place, Preventative Maintenance, Home Repair Program or Mobility Modification Program.

Future Assistance:

The Fuel Tank Replacement Initiative is a once in a lifetime forgivable loan.

Organizations

As Housing NWT programs are geared to homeownership clients, profit or non-profit organizations/businesses are **not** eligible for this Program.

INCOME VERIFICATION

Income verification is required for acceptance into the program.

The income of the applicant and co-applicant will be verified. The incomes are verified by using Housing NWT's *Verification of Income (VOI) Policies & Procedures*.

PRIORITIZATION OF APPLICANTS & CLIENT SELECTION

Only applicants who have met the eligibility criteria are to undergo prioritization.

The annual Fuel Tank Replacement Initiative allocation is limited and based upon available funding. Therefore, not all eligible applicants may be chosen for the program. Clients are selected according to level of need using the Housing NWT PASS. The use of the PASS is mandatory for the Fuel Tank Replacement Initiative.

Assistance must be allocated in a manner whereby applicants with higher PASS scores receive assistance before those with lower PASS scores.

Allocation of assistance is program specific; applicants applying for Fuel Tank Replacement Initiative are not to be compared with applicants applying for other programs when determining priority.

CONDITIONAL APPROVAL OF ELIGIBLE CLIENTS

Within 60 days of the application date, clients who have met the eligibility criteria (age, residency, household income, arrears, land tenure, credit worthiness and previous programs) must be given a Conditional Approval letter signed by the District Director.

The letter must state that the final decision will be made at the time that all Fuel Tank Replacement Initiative applications for the fiscal year are complete and prioritized using (PASS).

Based on the estimate of the initial Scope of Work, the co-payment amount and the date the funds should be received must also be included in the letter. The client should be counselled that these funds must be received by the District Office prior to the start of the repair project.

FINAL CLIENT APPROVAL

Clients selected for participation in the Fuel Tank Replacement Initiative must be given an Approval Letter signed by the District Director.

The letter must state the amount of assistance the client is eligible to receive based on the Scope of Work, confirmation that the co-payment amount has been received as well as basic instructions regarding the next steps that will be taken by Housing NWT and the client.

The final Scope of Work must be discussed and acknowledged by the client before any of the work begins.

The client will be provided with contact information to access updates on the status of their repair project.

TECHNICAL REQUIREMENT

TECHNICAL REPORT

Housing NWT or a designated agent must complete a Technical Report to determine the condition of the fuel tank/stand/related components prior to consideration for assistance as well as provide an estimated cost for the repairs.

TECHNICAL ASSISTANCE

Housing NWT will be responsible for coordinating the Fuel Tank Replacement Initiative, including the Scope of Work and inspections outlined in the *Technical Guidelines* (excluding inspections that are the responsibility of other regulatory agencies) for work that is to be completed under the Fuel Tank Replacement Initiative. (See Appendix C1, CSA B-139-09 standard codes & checklist)

The Technical Section must adhere to the Contract Administration Manual when organizing the repair work.

ELIGIBLE PROJECT COSTS

Only fuel tank replacement and its related expenses will be eligible for this project.

Following approval of the application, completion of the upgrades and a final inspection by the technical staff, payment of the eligible costs will be made, including:

1. Program assistance will cover the cost of materials and labour.
2. Other eligible costs to be paid by the District Office include:
 - Freight,
 - Airfare,
 - Accommodations,
 - Applicable permits,
 - Applicable inspections; and
 - Any applicable taxes.

MANDATORY INSPECTIONS

For the Fuel Tank Replacement Initiative, the technical staff must issue a Final Certificate of Completion at project completion, as outlined in the CSA B-139 standard code manual as may be amended from time to time.

REPAIR STANDARDS

All repairs must meet or exceed the standards set forth in the latest edition of the *National Building Code* and any *Canada Mortgage and Housing Corporation (CMHC)* and Housing NWT standards. In some homes, this may not be feasible. This requirement is to be deemed satisfied for the item or component to the extent that the condition or performance of the item or component is acceptable to the local authority and does not represent a hazard to the health and safety of the occupants. (See *Procedures- Appendix C – Minimum Standard for Repairs.*)

BUSINESS INCENTIVE POLICY

The Business Incentive Policy (BIP) of the Government of the Northwest Territories applies; see the following website:

<http://www.itl.gov.nt.ca/en/services/business-incentive-policy>

NORTHERN MANUFACTURED PRODUCTS

The requirement to use Northern Manufactured Products is within the BIP and applies; see the following website:

<http://www.iti.gov.nt.ca/en/services/nwt-manufactured-products-policy>

PROGRAM AGREEMENT

LOAN SECURITY

The client must provide loan security that is acceptable to Housing NWT.

Program Agreement

The client is required to sign two (2) copies of the Fuel Tank Replacement Initiative Agreement. The agreements must be signed by all parties prior to any funds being advanced or the start of the project.

Security

Loans will be secured with a promissory note (Schedule A) signed by the client(s).

SIGNATURES

The clients receiving assistance must sign all required documentation before any funds are disbursed. (*See Procedures*)

The names on all program agreement documents and Promissory Note (Schedule A) must match those names on the Lease, Fee Simple Title, Band Council Resolution (BCR) documents or Permission to Occupy letters or other ownership documents deemed acceptable by Housing NWT.

FORGIVENESS

Assistance will be forgiven at the end of the fiscal year provided that the project is complete, and the FCC date has been entered in HNWT-IMS.

PRINCIPAL RESIDENCE AND ACCEPTABLE USE

The client(s) must maintain the home as their principal and sole residence for the term of the forgivable loan.

The home cannot be for seasonal use or used as a means to generate revenue (rental property).

If the client stops living in the home during the loan period or the home is used for alternative purposes, the client is in default of the agreement and the remaining outstanding balance of the forgivable loan becomes due and payable to Housing NWT.

PROGRAM ADMINISTRATION

SELLING OF HOME

In cases where the home is sold before the loan is completely forgiven, the remaining outstanding balance of the forgivable loan becomes due and payable to Housing NWT.

DEFAULT

A client is considered to be in default for failing to comply with the terms of the promissory note, or program agreement. Loan forgiveness ceases from the day of default. In the case of default, the outstanding loan balance becomes due and payable to Housing NWT.

FAMILY/MARITAL SEPARATION

In the event of family/marital separation and one of the partners wants to take ownership of the home and assume the responsibility for the mortgage loan agreement, Housing NWT requires that both partners receive independent legal advice and provide the necessary legal agreements as supporting documentation before transfer of ownership will be considered.

ESTATE AFTER CLIENT'S DEATH (Market Communities)

In cases where the loan was given to only one person, upon the death of the single client, the loan balance becomes due and payable from the estate. Housing NWT retains its interest in the property until the outstanding balance of the loan is paid in full.

In cases of marriage and common law relationships, upon the death of either partner, the surviving partner may remain in the home assuming sole responsibility for the loan agreement and other expenses. If the surviving partner sells or vacates the home, the remaining outstanding balance of the forgivable loan becomes due and payable to Housing NWT.

In cases where the loan was given to a couple and upon the death of both partners during the term of the loan, the outstanding balance becomes due and payable from the estate. Housing NWT retains its interest in the property until the outstanding balance of the loan is paid in full.

ESTATE AFTER CLIENT'S DEATH (Non-Market Communities)

Refer to the Housing NWT's **Loan Assumption and Amendment Policy**.