

Yale First Nation Housing: Making Affordable Housing, Affordable, with Tiny Row Homes

Green Homes, Warm Homes: Energy Efficient First Nations Housing Workshop

May 11th, 2018

Camp Squeah, Hope, BC

Presented by Colin Doylend, VP Sales *(CertCIH)*

The Facts

- Indigenous communities throughout Canada are facing a housing crisis.
- Poorly constructed, inefficient homes with mold, pollution, inadequate services and other significant issues are commonplace, with homes often not meeting applicable building codes.
- Inadequate funding and inspections often lead to builders cutting corners and building substandard homes.
- This situation is exacerbated in remote communities where labour and transport costs are significantly higher than in urban settings .
- Standing Senate Committee on Aboriginal Peoples report from 2015 found that approximately one-half of all housing in First Nations communities was neither adequate nor suitable for the residents, and the situation has only deteriorated since then.
- According to the Assembly of First Nations, 23.4% of First Nation adults lives in overcrowded housing.
- In this same report, it is estimated that between 80,000 to 135,000 homes are needed meet current housing demand. Assembly of First Nations.

Shelter Allowance

- INAC provides approximately \$118 million each year to First Nations on reserve in the form of Shelter Allowance payments under the Income Assistance Program.
- In Westcoast's work with Indigenous communities, their team members have observed that access to funding, regardless of source, is more influential in determining reinvestment in housing on reserve and not the impact of policies or preconditions from government.
- Therefore, it is the position of Westcoast that access to adequate funding/financing that meets current community needs is more important in supporting the overall housing stock than the impact of policies and preconditions on Shelter Allowance or any other government-based funding program.
- While capital programs are supporting reinvestment in on-reserve housing, the need to provide safe and affordable housing by communities exponentially outpaces the supply of available funds

Shelter Allowance

- The current Shelter Allowance rate offered by BC Income Assistance Program is:

\$375.00 per month (Single/Couple)

\$570.00 per month (One-parent families)

- The proposed Row Housing designs may generate the following monthly revenue:

One module of three bachelor style units: \$1,125 per month in rental revenue

One module of two 2BR style units: \$1,040 per month in rental revenue Income

Bank Financing by BMO

Preliminary Indicative Term Sheet

Terms:

- Available to any First Nation in financial good standing
- A demand loan non-revolving or fixed rate term loan not to exceed 100% of cost
- Bank's Prime Lending Rate (3.20%) + 1.00% per annum, payable monthly in arrears. BMO and commitment fee of 0.25% of the amount authorized.
- 25 year amortization

BMO Bank of Montreal

May 9, 2018

Colin Doyle
VP, Sales
Westcoast Outbuildings Inc.
39200 Government Road
Squamish, BC
V8B 6A0

Re: On reserve building financing

Dear Colin:

As per your request for an expression of interest we have prepared a "preliminary" Indicative Term Sheet based on the information you provided in order to confirm our understanding of your requirements and assist in identifying any aspects requiring further negotiations.

Please note that this is presented for discussion purposes only and does not, at this time, represent a statement of intent or commitment, implied or otherwise, on the part of yourself or the Bank. In order to issue a Discussion Paper and subsequently a formal commitment would require a satisfactory due diligence review and authorization of the proposal through the Bank's internal credit approval process.

Purpose: To assist with the financing of housing to be installed on reserve and owned by the First Nation/Indian Band for community owned rental purposes.

Guarantors: Not applicable, the loan will be direct to the First Nation/Indian Band.

Loan Amount: +/- \$150,000 per home. A demand loan non-revolving or fixed rate term loan not to exceed 100% of cost as confirmed by Westcoast Outbuildings with the overall budget and repayment to be satisfactory to the Bank.

Interest Rate: Bank's Prime Lending Rate + 1.00% per annum, payable monthly in arrears. BMO, Bank of Montreal prime rate is currently 3.20%. Commitment fee of 0.25% of the amount authorized. The loan may also be fixed for terms of up to 5 years. As an indication of rates, the current 5 year fixed rate is 4.5%. These rates are subject to market until drawn by the Borrower.

Security: All risk course of construction insurance, fire and liability insurance, with the Bank as first loss payee. The Bank's Letter of Agreement outlining the terms of the loan. A Band Council Resolution authorizing the borrowing as outlined in the Letter of Agreement.

A member of BMO Financial Group

Repayment: Interest only for a period of up to 12 months until the project is completed. Repayment to be monthly with first payment within 30 days of substantial completion. Overall repayment including the interest only period is not to exceed 25 years.

A \$150,000 loan repaid over 25 years using 3% interest to allow for potential future rate increases, would have a monthly payment of \$876.89.

Principal:	\$150,000.00
Annual Interest Rate:	5.0000%
Payment Schedule:	monthly
Loan Term (years):	25
Balloon Payment (opt):	\$0.00
Blended Payment Amount	\$876.89

Other Conditions: Conditions Precedent, Drawdown Controls, Reporting Requirements & General Conditions to be normal for a financing of this nature.

Add'l Information: Financial statements from the Borrower
Overall plans and budget for the project
Other such information as deemed necessary will be required in order to issue a more formal Discussion Paper and subsequent Commitment Letter.

We thank you in advance for the opportunity to look at financing your property development and ask that you contact the undersigned if you have any questions regarding the foregoing. We look forward to developing a mutually beneficial relationship.

Yours truly,



D.J.A. (James) Dusik
Vice President Business Banking
Cell 250-718-7788

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Loan Term (years):	25
Balloon Payment (opt):	\$0.00
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BMO Bank of Montreal Page 2 of 2
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The Financial Model

- The constant and reliable funding source of Shelter Allowance may be used to secure financing separate from traditional Indigenous housing programs like those offered by CHMC and INAC. Commercial financial institutions, like the Bank of Montreal, have developed trusted relationships with Indigenous communities and offer an extensive list of financial products and services
- One of these services includes the provision of financing based on a collection of secured revenue streams received by Indigenous communities by other levels of governments.
- Using this secured finance offering, the allowable funding that can be provided by Shelter Allowance revenue may offer a new solution to building safe and affordable homes.

Amortization:	25 Years
One module of three bachelor style units:	\$192,442.55
One module of two 2BR style units:	\$177,902.45

The designs: One Bedroom



WESTCOAST
OUTBUILDINGS

STUDIO | CABIN | TINY HOUSE | LANEWAY

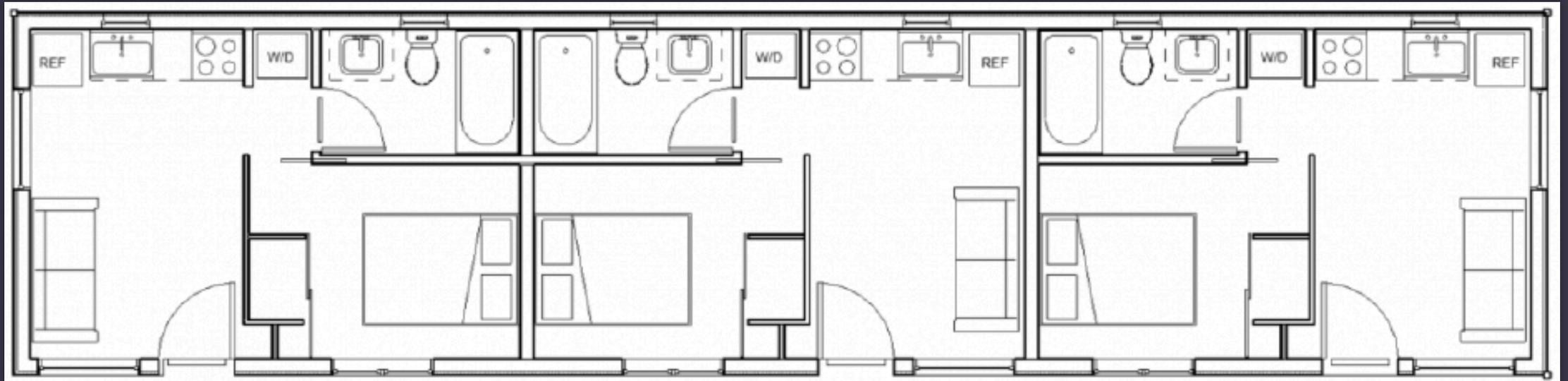


The designs: One Bedroom



WESTCOAST
OUTBUILDINGS

STUDIO | CABIN | TINY HOUSE | LANEWAY



The designs: Two Bedroom

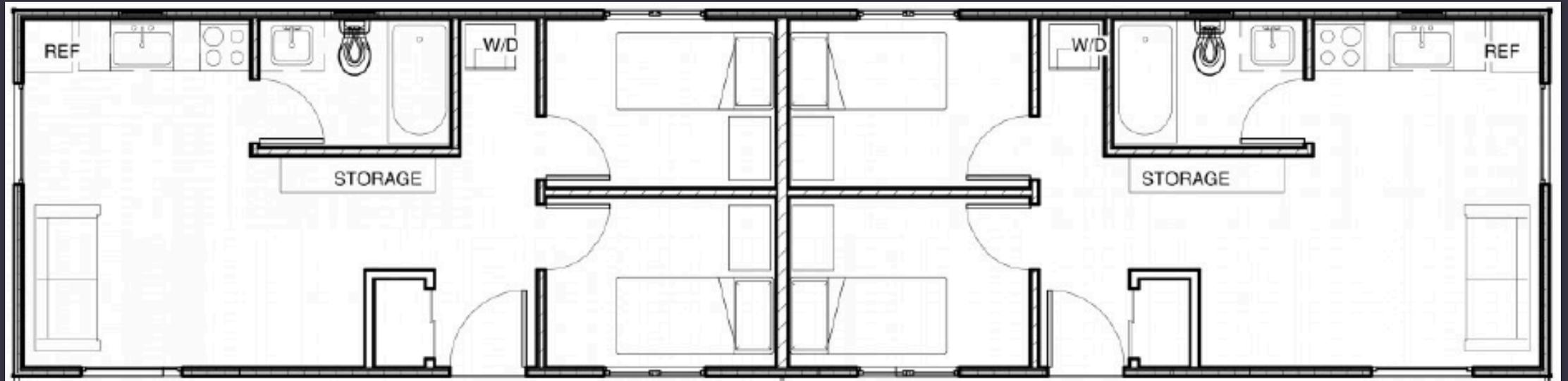


WESTCOAST
OUTBUILDINGS

STUDIO | CABIN | TINY HOUSE | LANEWAY



The designs: Two Bedroom



The designs: Four Bedroom



WESTCOAST
OUTBUILDINGS

STUDIO | CABIN | TINY HOUSE | LANEWAY

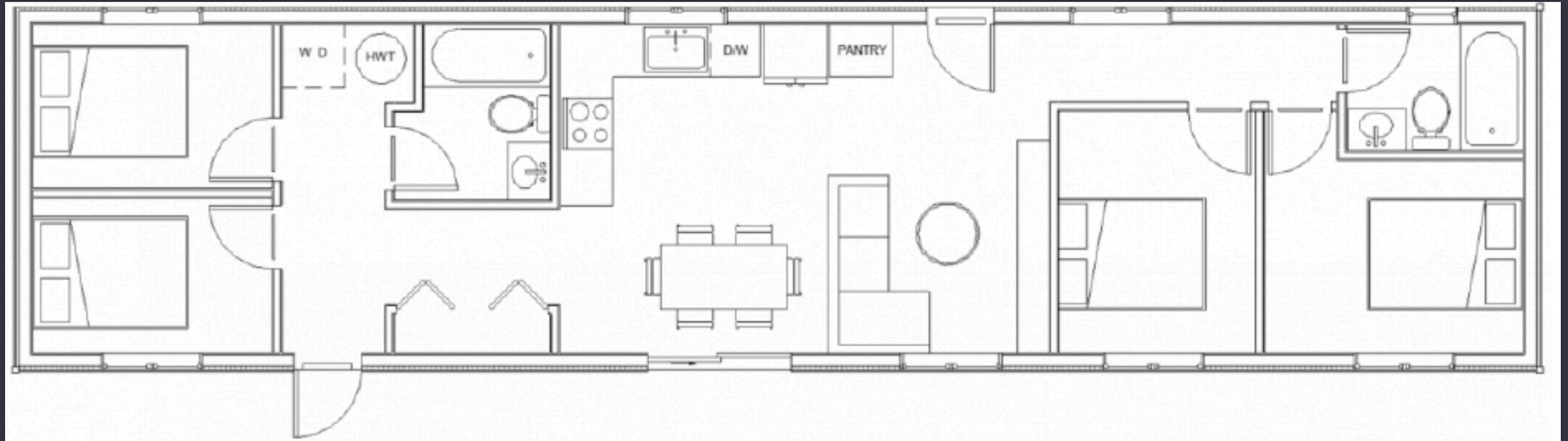


The designs: Four Bedroom



WESTCOAST
OUTBUILDINGS

STUDIO | CABIN | TINY HOUSE | LANEWAY



The Cost to Build and Install

- Typical costs to manufacture, transport and install
- Fits within the total financing amount made available to communities from BMO
- Leaves enough revenue each month to cover maintenance and replacement
- Our team at Westcoast will continue to improve the construction package

	Two Bedroom Family Units	Three Studio Units
Manufacturing Building Complex and Install Cost	Total Cost (Taxes Not Included)	Total Cost (Taxes Not Included)
Total Manufacturing Costs	\$112,000.00	\$133,000.00
Total Consultant Costs	\$5,750.00	\$5,750.00
Total Transportation Costs	\$9,500.00	\$9,500.00
Total Installation Costs	\$30,800.00	\$32,250.00
Total Site Works Costs	\$12,910.00	\$17,865.00
Project Total Cost	\$170,960.00	\$198,365.00

	Two Bedroom Family Units	Three Studio Units
Manufacturing Building Complex and Install Cost	Total Cost (Taxes Not Included)	Total Cost (Taxes Not Included)
Total Manufacturing Cost Per Unit	\$112,000.00	\$133,000.00
Westcoast Project Management	\$2,500.00	\$2,500.00
Design Phase	\$1,500.00	\$1,500.00
Construction Phase	\$1,000.00	\$1,000.00
Westcoast Design	\$1,000.00	\$1,000.00
Westcoast Consultants (Structural Engineer)	\$2,250.00	\$2,250.00
Total Consultant Costs	\$5,750.00	\$5,750.00
Transportation		
Transport - 16'x65'	\$9,500.00	\$9,500.00
Extra Load for site materials	\$-	\$-
Extra site time	\$-	\$-
Shuttle Units to Crane from Staging Area on Site	\$-	\$-
Total Transportation Costs	\$9,500.00	\$9,500.00
Installation	\$5,000.00	\$5,000.00
Construction Equipment	\$-	\$-
Crane	\$-	\$-
Mob & De-Mob (\$7,000.00 each way based out of Terrace BC)	\$-	\$-
Craning (270 T Crane - \$880/hr; 2 - 8 hr, days)	\$-	\$-
Slings	\$-	\$-
Mechanical	\$-	\$-
Fire Suppression	\$-	\$-
HVAC (Commissioning)	\$-	\$-
Plumbing (Client to bring in water/waste/storm services to within battery limits of the building)	\$2,000.00	\$2,500.00
Electrical (Client to bring in Power services to within battery limits of the building)	\$1,000.00	\$1,500.00
Fire Detection and Alarm	\$300.00	\$450.00
Intruder Detection and Alarm	\$-	\$-
Communications	\$350.00	\$450.00
Resource Furniture Additions	\$20,000.00	\$25,000.00
Miscellaneous	\$2,150.00	-\$2,650.00
Bonding	\$-	\$-
Insurance COC	\$500.00	\$500.00
Licenses, Permits, Fees (General)	\$150.00	\$150.00
Deficiency Allowance	\$1,500.00	\$2,000.00
Total Installation Costs	\$30,800.00	\$32,250.00
Blocks and Crib Foundation	\$3,000.00	\$3,000.00
Stairs and Ramps (P/T Wood)	\$9,910.00	\$14,865.00
Stairs - (8 x 5 pressure treated deck and stairs for wheelchair ramp all wood railings. 1 set for each Unit)	\$5,140.00	\$7,710.00
Canopies - (canopy to 8x5 deck of each unit).	\$4,770.00	\$7,155.00
Total Site Works Costs	\$12,910.00	\$17,865.00
Total Manufacturing Costs	\$112,000.00	\$133,000.00
Total Consultant Costs	\$5,750.00	\$5,750.00
Total Transportation Costs	\$9,500.00	\$9,500.00
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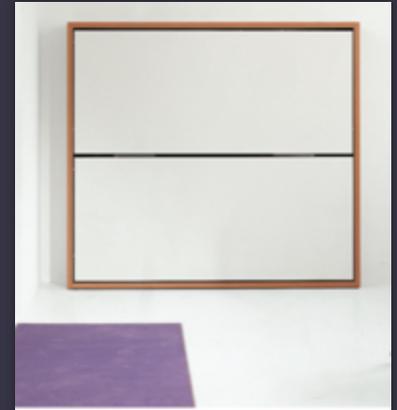
Making best use of space



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STUDIO | CABIN | TINY HOUSE | LANEWAY

May also include space
spacing furniture

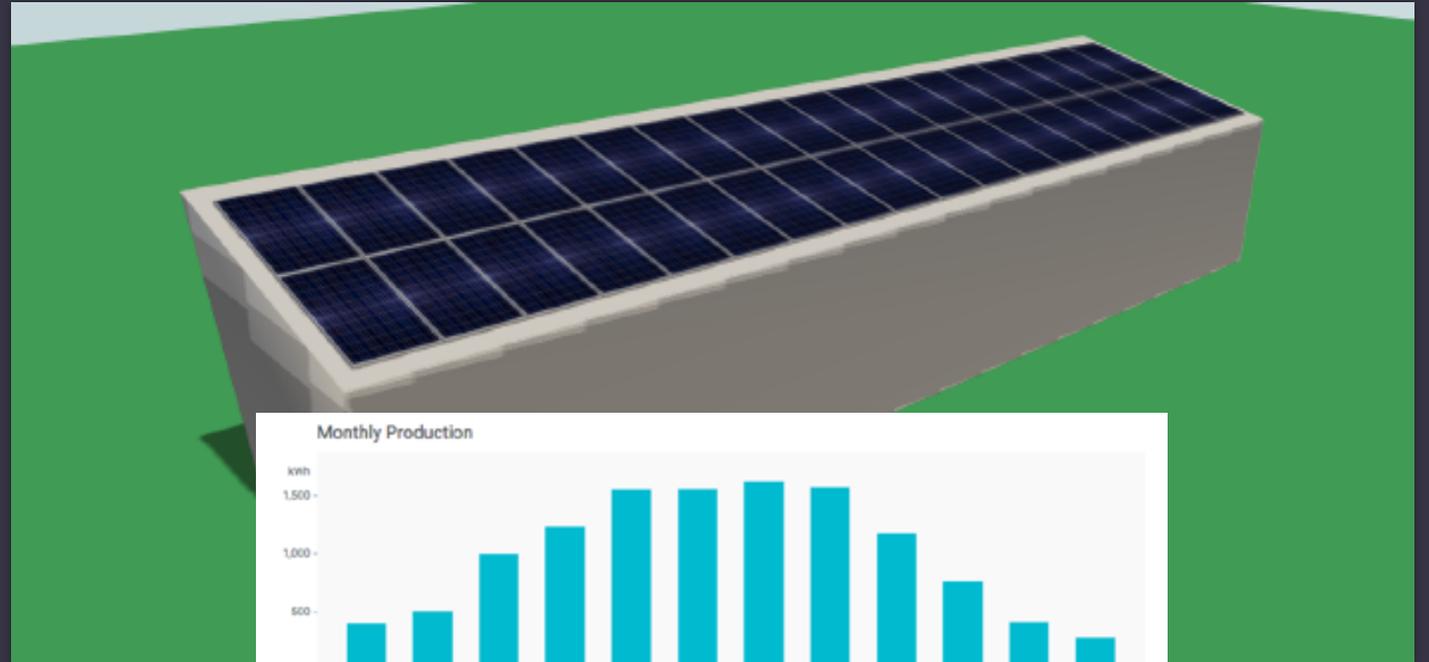


Truly Affordable: Net-Zero

High Performance Wall System from BASF
Achieving optimum R-value



11.7 kW (36 x 325W panels) Solar Array
Producing an estimated 12,000 kWh a year





Green Roof

- They can improve storm water management by reducing runoff and improving water quality, conserve energy, mitigate the urban heat island, increase longevity of roofing membranes, reduce noise and air pollution, sequester carbon, increase urban biodiversity by providing habitat for wildlife, provide space for urban agriculture, provide a more aesthetically pleasing and healthy environment to work and live.



A New Affordable Housing

- Shelter Allowance is a necessary source of funding. It is typically a last resort, short-term funding option for individuals and families who need help meeting their basic shelter needs.
- Westcoast believes that the financing and construction program detailed above, offers an immediate and sustainable funding solution for the construction new homes for Indigenous community members who receive social assistance and are in need an temporary housing option before a long-term placement is secured.
- Proud to partner with the Yale First Nation



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Thank you

If you have any questions please contact me anytime.

Colin Doylend, VP Sales

Cell: 1-604-338-8543

colin@outbuildings.ca