

Required Documentation Checklist

New Construction Stream

The following checklist outlines the minimum documentation required at each stage of the process. Inability to provide the outlined documents at each stage in the process will inhibit progression of the file and may result in withdrawal of the submission.

Please note that the documentation listed below are the minimum documents that are needed at a particular stage for processing the application, however, to expedite the process, it is advisable that the documents are submitted well in advance.

If you have questions regarding the documentation requirements please contact your Client Solutions Specialist for support. The NHCF process has 4 stages as noted below.

Application

Letter of Intent (LOI)

Loan Agreement

First Advance

Applicant-related Documentation Required

Signed integrity declaration:

All applicants must provide a newly signed CMHC Integrity Declaration¹, even if one has been provided previously for another CMHC application.

Constating Documents of the Borrower:

All the documents listed below, as applicable:

- Articles of incorporation including all supporting documentation, such as, but not limited to – a business name registration, articles of organization, constitutional documents, etc.

- Letters, Patent, Bylaws, and any applicable operating and shareholders' agreements.
- Detailed information about the entity's ownership structure, including any related entities.
- The name and relationship of all registered and beneficial owners of the property (not applicable if the property is in Quebec)

Considerations for On-Reserve Applicants:

- Chief and council should be included in the organization chart.

¹ <https://assets.cmhc-schl.gc.ca/sites/cmhc/professional/project-funding-and-mortgage-financing/funding-programs/integrity-declaration-en.pdf>

3 years financial statements or an acceptable alternative for new entities:

- Audited financial statements for the most recent three years (Review Engagement may be accepted in the sole discretion of CMHC) for the applicant(s) and for each Guarantor(s) (if applicable);

Considerations for On-Reserve Applicants:

- Financial information which has been provided to ISC can act as an alternative to financial statements.

Provide list of all new construction and renovation projects currently underway, regardless of whether financed by CMHC

Demonstrated development experience:

- The applicant, and/or their contracted builder or developer must provide a resume or resumes which demonstrates their experience in construction, including: a list of completed and current projects of similar size and scope as the subject building with details of location (property address), type of property, number of levels, number of units, overall project budget, year completed.

Demonstrated property management experience:

- A resume or resumes from the applicant which outlines the experience of the entity and individuals managing the property including the following details: the locations being managed (property address), the type of property, tenant profile, number of levels, number of units and number of years of management experience.
- If the management of the property will be contracted out, the resume of the contracted property manager outlining their related experience in managing properties of similar size (including the details outlined above) should be provided.

Note: The applicant and/or Corporation that will be the property manager must have at least five (5) years of demonstrated management experience in operations and management of similar type and size property, as the proposed project.

Project Details

Evidence of Community Need:

At least one of the following documents clearly demonstrating the project's unique offering and its demand:

- Letter of support from the Municipality or the Province/Territory or Indigenous Government highlighting their commitment to the project.
- Market study, with quantitative and/or qualitative indicators demonstrating housing need.
- Documentation describing waiting lists for existing social housing within the same community.
- Municipal plan for site area or municipal Affordable Housing Strategy.
- Vacancy information of the local rental market conditions (e.g. number of existing rental properties available, number of individuals requiring housing, etc.) and of any buildings on the same land to demonstrate continued need for the housing project.

Considerations for On-Reserve Applicants:

- The following documents may also be provided:
 - Band Council Resolution.
 - Community Comprehensive Plan which is no more than 5 years old.
 - First Nation Infrastructure Plan.

Cost estimates for the project:

- **Class B Quantity Survey** or cost consultant certified report, or at a minimum a breakdown of forecasted hard and soft costs provided by a certified architect or engineer, issued within the last 12 months.

Note: Following prioritization a cost consultant certified report will be required to complete underwriting.

Confirmation that land is secured:

If the land is a recent or upcoming purchase/lease:

- Copy of Purchase and Sale Agreement, an abstract of Title, a copy of property tax assessment or any other document that confirms the ownership of the subject property and its Legal Description (PIN or PID).
- Copy of all lease agreements (if applicable). For example, operating leases, land leases, subleases, headleases, etc.
- Copy of Land Donation if applicable.

Considerations for On-Reserve Applicants:

- The “land status report” issued by Indigenous Services Canada (ISC) can respond to this requirement.
- Ministerial Loan Guarantee (MLG): this document or an eligible security is required.
- In the case where a MLG will be provided, a letter from ISC confirming the First Nation eligibility is sufficient at this stage.

Approved Zoning:

- Document from municipality outlining that the zoning aligns with the project.

Considerations for On-Reserve Applicants:

- In-lieu of documentation demonstrating that the project is appropriately zoned, a land status report issued by ISC can satisfy part of this requirement.

Architectural designs:

- Preliminary plans and specifications outlining: the number of suites, suite layout, building amenities, non-residential space specifications, square footage, elevations, etc.

Attestation for Energy Efficiency

Signed by recognized professional to confirm Energy Efficiency and Greenhouse Gas emissions reduction.

Attestation for Accessibility Target

Signed by a by a recognized professional to confirm Accessibility.

Financials

Completed Financial Viability and Prioritization Worksheet²:

Completed copy (worksheet available on CMHC website with details including Rent affordability, Project budget, Identification of other funders, Pro-forma analysis (Residential), Pro-forma analysis (Non-Residential), Prioritization scoring.

Evidence of support from another level of government:

- A draft letter from another level of government (including Indigenous governments), which outlines their support for the project. Support can be in the form of investment of resources but could also be in the form of a letter stating endorsement for the project.

Identification of co-funders, source, and use of funds:

A list of all co-funders, and all the documents listed below, as applicable:

- Capital Funding: Letter or other documentation supporting all sources of financing, including grants, in-kind, forgivable loans, and waiver of development charges & fees (as applicable).
- Operational Funding: letter or other documentation for all sources of operational funding support (e.g. rent supplement, operating subsidy, property tax waiver, etc.);
- For operational funding arrangement not available for full term of the target affordability period, provide a working plan on how the project will remain viable.

Understanding that funding can be contingent on CMHC support, documents can be preliminary and include estimates or ranges with the understanding that fully executed agreements must be received prior to issuance of loan agreement by CMHC.

² <https://www.cmhc-schl.gc.ca/en/nhs/co-investment-fund---new-construction-stream>

Application

Letter of Intent (LOI)

Loan Agreement

First Advance

Project Details

Market feasibility study:

The study must be completed by a professional independent third party and include results related to: project feasibility, submarket analysis, project pro forma analysis, estimated absorption time, and affordability of project rents relative to demographics in the submarket.

Environmental Site Assessment:

- Environmental assessment reports: Phase 1 environmental site assessment and Phase 2 environmental site assessment (if applicable). Record of Site Condition application (if applicable), risk assessment (if applicable), and confirmation of site remediation (if applicable).

Considerations for On-Reserve Applicants:

- If an ISC was provided with the application and the ISC required an ESA, a separate ESA is not required.

Appraisal Report:

The appraisal report must meet the following requirement:

- Completed by an independent appraiser holding an Accredited Appraiser Canadian Institute (AACI) designation.

Include comments on economic life of the project, “as-is” and “as-improved” values using appropriate methodologies, comparison of valuation across different valuation methodologies, market feasibility, etc.

Note: Valuation using income approach should be based on affordable rents **NOT** market rents

Financials

Confirmation of commitment from all Co-funders:

- In lieu of the final agreements, CMHC may accept letters of intent or draft funding agreement by each co-funder (including any conditions for funding).
- Operating Agreements (if applicable).

Application

Letter of Intent (LOI)

Loan Agreement

First Advance

Project Details

On-Site Tenant Support Agreements:

In case of third-party service provider. Letter and/or agreement confirming the types of support that will be provided on site for tenants that represent priority groups. (if applicable)

Detailed Building Plans:

Detailed building plan including electrical, mechanical, structural specifications, finishes and amenities along with construction/repair schedule.

Co-funding agreements complete:

A co-funder agreement has been agreed to and signed between all co-funders for the project (as determined by CMHC Legal Council).

Financials

Finalized Drawdown Schedule:

- A forward-looking advance schedule outlining future requested payment dates (including the payment amounts) for the approved funding amount from NHCF and all the other funding sources. Applicant's cash equity injection should also be included in the schedule.

Quantity Surveyor (QS) Report:

Minimum of Class A estimate report and must include:

- Provide confirmation to CMHC of the project budget (hard costs, soft costs, etc.), project cash flow, and project funding sources.

- Include evidence of a fixed price contract or construction management arrangement wherein fixed price contracts are entered into for no less than two-thirds (2/3) of the hard construction cost and identification of all material contracts (contract that is 5% or more of the hard construction cost).
- Include a labour and material, and a performance bond for which CMHC is listed as a dual obligee (minimum of 50% of labour and material and 50% of performance).
- Include development and compliance documentation such as zoning, permits, agreements, legal survey, etc.
- Include details of all insurance policies in place during construction as per CMHC's insurance requirement.

Labour, Materials, and Performance Bond:

- Evidence that Labour, Material, and Performance Bond is in place. Each must be in an amount of not less than 50% of the contract price and CMHC should be listed as a dual obligee.

Insurance Consultant Report:

- An Independent Insurance Consultant's report prepared by a professional holding a Certificate in Risk Management (CRM) designation and/or Construction Risk and Insurance Specialist (CRIS) designation. The report must:
 - Meet the requirements set in the Insurance consultant's scope of work.
 - Include details of all insurance policies in place during repairs as per CMHC's insurance requirement; and
 - Include certificate(s) of insurance.

Confirmation of support from another level of government:

- A letter from another level of government (including Indigenous governments), which outlines their support for the project. Support can be in the form of investment of resources but could also be in the form of a letter stating endorsement for the project.

Application

Letter of Intent (LOI)

Loan Agreement

First Advance

Project Details

Confirm finalized drawdown schedule:

- Confirmation of the finalized timeline outlining payment dates including 3rd party funding, any client equity injection, and when CMHC forgivable or repayable funding is provided.

Municipal approvals:

- Confirmation of zoning (if applicable);
- Copy of site plan application (if applicable);
- Copy of site plan agreement (if applicable);
- Copy of building permits.

Updated Quantity Surveyor's report:

- Updated report, provided to CMHC prior to each advance, to demonstrate costs incurred versus cost-to-complete, cost-to-date reconciliation, committed costs, construction schedule (and rationale for any deviations from the initial schedule), contingency budget details, use of funds, etc.

Property Management Company experience:

- Copy of Property Management Company experience (where third party will manage the property)

Financials

Borrower certificates:

- A certificate or agreement outlining the client's commitment and associated terms with other lenders.

Note: CMHC reserves the right to request additional documentation not included in this list at any time, at CMHC's sole discretion on a case-by-case basis.

Notes :

For the avoidance of doubt, Professional reports are to be prepared:

- By independent, arms-length professionals holding a current, industry recognized designation in their field and be in good standing with their governing body, unless prior approved by CMHC;
- Not more than 12 months (18 months for Environmental Site Assessment Report) old from the date of the NHCF application;
- Prepared for CMHC or accompanied by reliance/transmittal letter from the author acknowledging that CMHC will be relying on the report for funding purposes;
- Copy of professional liability (Errors and Omissions) insurance of dollar value as required by CMHC and with no conditions.