



**CANMORE COMMUNITY
HOUSING CORPORATION**

Board of Directors Meeting Agenda

**April 15, 2010
5:30 pm – 7:30 pm
CCHC Boardroom**

1. Approval of Agenda
2. Approval of March 18, 2010 Minutes
3. Business Arising from Minutes
4. Committee Reports
 - a. Executive Committee – none
 - b. Communication Committee
 - i. Guiding Directives Review
 - c. PAH Demand Assessment Committee
 - i. 2010 Gross Household Income
5. Report from Managing Director - *for information*
6. New Business
 - a. The Hector at Palliser Village update
7. In Camera
 - a. Draft Audited Financial Statements
 - b. Intergovernmental Issue

Notice of motions to follow in camera discussions:

Motion to approve the 2009 audited financial statements
Motion to pay \$162,500 to the Town of Canmore as partial repayment of development loan

8. Direction to Council
9. Next meeting dates:
 - a. Quarterly Shareholder Meeting and AGM May 11, 2010
 - b. Board meeting May 13, 2010
10. Meeting adjournment

A majority of the Directors in office shall constitute a quorum. In the case of an equality of votes, the Chair shall be entitled to a second or casting vote.



**CANMORE COMMUNITY
HOUSING CORPORATION**

**Board of Directors Meeting Minutes
DRAFT FOR APPROVAL**

**Thursday, March 18, 2010
CCHC Boardroom**

Board members in attendance:

Cathy-Anne David	Kimber Meister
Andre Gareau	Brent Rosvold
Karen Greene	Heather Schilling

Regrets: Shane Jonker, Eric Ostman

Others Present: Rod de Leeuw, Town of Canmore Liaison to CCHC
Jennifer Bisley, Managing Director, CCHC

There being a quorum, Cathy-Anne David called the meeting to order at 5:37 pm.

1) Agenda Approval

Moved by Heather Schilling to approve the agenda as presented.
Carried unanimously.

2) Review and Approval of Minutes

Motion 2010.4

Moved by Karen Greene that the Board approve the Minutes of the February 11, 2010 Board meeting as presented.
Carried unanimously.

3) Business Arising from Minutes: update given on motions and directions from previous meeting.

4) Committee Reports:

a) Executive Committee: no report

b) Communications Committee:

i) Terms of Reference: Guiding Directives Review – document discussed and accepted for information

c) PAH Demand Assessment Committee:

i) Annual PAH Eligibility Criteria Review

Motion 2010.5

Moved by Cathy-Anne David that the Board recommend to Council that no changes be made to the Eligibility Criteria (section 6) or to the PAH Partnership Agreement (section 7) of the PAH Policy dated May 12, 2009.
Carried unanimously.



**CANMORE COMMUNITY
HOUSING CORPORATION**

The CCHC Board directed the Managing Director to draft revised *CCHC Palliser Village Rental Eligibility Criteria* for the Board's consideration.

- 5) Report from Managing Director
Managing Director's Report presented, discussed and accepted for information.

- 6) New Business

- 7) In Camera

Moved by Brent Rosvold to go in camera at 6:55pm. Carried unanimously.

- a) Draft Audited Statements

Kimber Meister disclosed a conflict of interest in relation to 7(b) and left the meeting at 7:37pm

- b) Contract Issue

- c) Intergovernmental issue

Moved by Andre Gareau to come out of camera at 8:01pm. Carried unanimously.

Rod de Leeuw left the meeting at 8:01pm

Motion 2010.6

Moved by Heather Schilling that the Board approve the "Agreement Consenting to Mortgage" (document severed as disclosure harmful to business interests).
Carried unanimously.

- 8) Direction to Council: Remind Council members of the Shareholders meeting scheduled for April 13, 2010.

- 9) Next Meeting Dates:

- a) Board meeting: April 15, 2010

- b) Annual General Meeting: prior to June 30, 2010 (date to be determined)

- 10) Motion to Adjourn

Moved by Heather Schilling to adjourn the meeting at 8:09 pm
Carried unanimously



Briefing Note

TO: CCHC Board

MEETING DATE: April 15, 2010

SUBJECT/TOPIC: 2010 Gross Household Income Limit

PURPOSE: To approve the 2010 Gross Household Income Limit as calculated in accordance with PAH Policy

ISSUE: To be informed of and approve the process to calculate the 2010/11 Gross Household Income limit for General PAH Ownership in accordance with the Town of Canmore PAH Policy (May 12, 2009).

BACKGROUND:

Section 6.5 of the Town of Canmore's *PAH Policy* (May 2009) states the following:

6.5 Gross Household Income

6.5.1 To qualify to own a PAH unit, annual Gross Household Income shall not exceed 120 percent (%) of the AMI [Area Median Income] for couple families

6.5.2 To qualify to rent a PAH unit, annual Gross Household Income shall not exceed 100 percent (%) of the AMI [Area Median Income] for couple families.

The current year gross household income limit is based on the previous year's estimated median income to match the year of tax information submitted to apply. This criterion applies from May 1 to April 30 of each year to match CRA's tax filing year.

In 2009/10, the gross household income limit was \$105,000 determined to be 120% of the 2008 estimated median income of \$88,100. Applicants are required to submit 2008 tax information in support of their application.

2010/11 gross household income is to be calculated as 120% of the 2009 estimated median income. Applicants will be required to submit 2009 tax information in support of their application.

Median income is derived from Statistics Canada data. CCHC orders a special Family Data report from Statistics Canada each year. This report is derived from the databank on census families which is compiled from information obtained through annual personal income tax returns. The census family data include parent(s) and children living in the same dwelling, including same-sex and common-law couples.

CCHC received the 2006 Family Data report in June 2008. In ordering the 2007 Family Data report last year, CCHC was informed by Statistics Canada that due to a change in the way the databank is used, this report was not available, but the 2008 Family Data report is expected to be published in 2010 for use in the calculation of 2011/12 gross household income limits.

In the past, CCHC took the 2006 median income for all couple families (with/without children) for Canmore and adjusted it by the percent change in the Consumer Price Index (CPI) for a two year period to calculate most recent years estimated income. This yielded an estimated median income of \$88,100 for 2008 that was used in the 2009/10 application period.

Given the unavailability of 2007 Family Data this year, CCHC will need to adjust the 2006 Family Data for another year.

The use of CPI as an adjusting factor of income is questionable as it is not an index of earnings or income. Prior to the change in PAH Policy, which saw gross household income limits tied to median income as opposed to the most expensive PAH home, it was not as important to have a formal process for this calculation. Due to this change in policy, CCHC needs to determine the most appropriate method to determine the estimated median income from which the maximum household income limit is derived.

Accordingly, alternate and more appropriate adjustment factors should be considered for the calculation this year and in future years.

Establishing the Gross Household Income is a two-stage process:

- 1) Estimate 2009 median income and multiply by 120%
- 2) Test the resulting income limits to ensure that the most expensive PAH home is still affordable to eligible households.

STEP 1: Estimation of 2009 Median Income

Three indices have been identified as potential adjusting factors to be applied to 2006 Family Data to yield 2009 estimated median incomes and the corresponding gross household income limit to buy PAH:

- 1) All-items Consumer Price Index (CPI) annual average % change for Canada
- 2) Average Weekly Earnings (AWE) annual % change for Canada
- 3) Average Weekly Earnings (AWE) annual % change for Alberta

Each factor is calculated and published by Statistics Canada each year.

It makes sense that an income index (AWE) is more appropriate than a price index (CPI) to adjust earnings. It could also be argued that the use of a national index would yield more stable results less prone to regional fluctuations that may or may not be relevant to Canmore. The table below shows the range of estimations for median income depending on the index used.

TABLE: Estimations of 2009 Median Income

	Actual Median Income	Adjusting Factor by Year			Estimated Median Income	Gross Household Income
		2006	2007	2008		
Year	2006	2007	2008	2009	2009	2009
CPI	86,100	2.2%	2.3%	0.3%	\$ 90,288	\$ 108,346
AWE-Canada	86,100	4.3%	2.8%	1.6%	\$ 93,794	\$ 112,553
AWE-Alberta	86,100	5.8%	6.0%	3.0%	\$ 99,456	\$ 119,347

STEP 2: Test income limits by estimating maximum affordable mortgage values

As of December 31, 2009, the maximum value of a PAH home was \$386,000.

Any gross household limit must be adequate so that the most expensive PAH home is still affordable to eligible households based on income limits. This is critical for the ongoing success of the entire Program.

Two scenarios were developed and presented below and applied to the three Gross Household Income limit options. One scenario is more conservative using a shorter amortization period, a higher 5-year closed interest rate, and a lower gross debt servicing (GDS) ratio.

Based on the table below, each option reasonably meets the test. The only potential concern is that a household earning \$108,500 would not qualify for the most expensive home under the most conservative assumption presented. However, this is only an issue should the government reduce maximum amortization periods to 25 years and increase the required downpayment to 10%. At this time, this is not perceived as a significant risk.

SCENARIO ASSUMPTIONS	1: More Conservative	2: Less Conservative
Amortization Period	25 year	35 year
5 year closed interest rate	6.0%	5.5%
Gross Debt Servicing Ratio (GDS) see note	30%	32%
Monthly household costs	\$375	\$375
Mortgage Insurance		
5% down	2.75%	3.15%
10% down	2.00%	2.40%
20% down	1.00%	1.40%
MAXIMUM PURCHASE PRICE		
\$108,500 Gross Household Income		
5% down	\$ 373,345	\$ 480,990
10% down	\$ 394,000	\$ 507,585
20% down	\$ 434,075	\$ 559,190
\$112,500 Gross Household Income		
5% down	\$ 389,525	\$ 501,630
10% down	\$ 411,075	\$ 529,085
20% down	\$ 452,885	\$ 582,875

\$119,500 Gross Household Income		
5% down	\$ 417,270	\$ 537,017
10% down	\$ 440,350	\$ 566,710
20% down	\$ 485,140	\$ 624,325

Note: Genworth (PAH mortgage insurer) allows a GDS ratio of 35% or higher and a total debt servicing ratio of 42 to 44% depending on the applicant's credit score.

RECOMMENDATION:

That the Board approve the use of the national Average Weekly Earnings for Canada as the index to adjust median income for purposes of calculating the Gross Household Income limits under Section 6.5 of the PAH Policy (May 12, 2009). This would yield a 2010/11 Gross Household Income limit of \$112,500 to own a PAH unit.

ATTACHMENTS: none

Prepared by: Jennifer Bisley, Managing Director
Prepared on: April 12, 2010

ESTIMATED MEDIAN INCOME 2009 WORKSHEET

Adjusting Factor	Year	Source		Actual Median Income	Adjusting Factor by Year			Estimated Median Income	Gross Household Income
					Year	2006	2007		
		2006 StatsCan tax							
Inflation (national CPI change)		StatsCan	CPI	86,100	2.2%	2.3%	0.3%	90,288	108,346
Weekly Earnings Growth- Canada		StatsCan	AWE-Canada	86,100	4.3%	2.8%	1.6%	93,794	112,553
Weekly Earnings Growth - Alberta		StatsCan	AWE-Alberta	86,100	5.8%	6.0%	3.0%	99,456	119,347

Comparison of Accuracy of Adjustment Factors

Year	2006	2007	2007 MI	2007 MI	Difference
CPI	86,100	2.2%	87,994	90,270	2,276
AWE-Canada	86,100	4.3%	89,802	90,270	468
AWE-Alberta	86,100	5.8%	91,094	90,270	-824

Updated April 13, 2010

Adjusting Factor	Year	Source		Actual Median Income				Estimated Median Income	Gross Household Income
					Year	2007	2008		
		2007 StatsCan tax							
Inflation (national CPI change)		StatsCan	CPI	90,270	2.3%	0.3%	92,623	111,148	
Weekly Earnings Growth- Canada		StatsCan	AWE-Canada	90,270	2.8%	1.6%	94,282	113,139	
Weekly Earnings Growth - Alberta		StatsCan	AWE-Alberta	90,270	6.0%	3.0%	98,557	118,268	

Table F-5A Family data — Couple Families by Total Income and by Number of Children, 2007

CityID	Postal area	Postal walk	Level of geo	Place name	Median income
9099	Z99099		12	CANADA	73420
9048	T99048		11	ALBERTA	89720
5393	T95393		8	CANMORE	90270

Source: Statistics Canada, Small Area and Administrative Data Division, 2007, Annual Estimates for Census Families and In



BOARD MEETING DATE: April 15, 2010

SUBJECT/TOPIC: **Managing Director's Report**

PURPOSE: For information

PRIORITY HIGHLIGHTS

1) PAH Development Plan

The Affordable Housing Demand Survey is in progress. It launched on March 15, 2010 and will close on May 10, 2010. To date, 121 respondents have completed the survey. This information is expected to form the basis of the demand information for the development plan.

2) 2009/2010 Communication Plan Implementation

- a) A plan to complete the review of CCHC's Guiding Directives has been drafted for approval by the Board.
- b) CCHC Marketing & Communications Officer started on April 13, 2010 as a part-time term position to December 10, 2010. The first priority is to market the survey to the public.

MANDATE AND ACTIVITY HIGHLIGHTS

1. Research and Advice

- Survey underway to measure the demand for affordable housing in Canmore. It has run for a four week period and will run for another 4 weeks.

Interim Survey Highlights

- 121 respondents have completed the survey, of which 74 respondents were looking to buy affordable or appropriate housing and 22 respondents were looking for affordable rental housing.
- Of 74 respondents, only 15 (20%) indicated that growth of investment was a priority compared to stability of homeownership, security of investment, and don't know.
- 26 respondents have requested coupons of \$100 off the application fee to buy PAH; 14 have asked to be invited to a focus group, and 34 have asked to be on an email distribution list. Weekly follow up on these requests is done.
- Reviewed the Town of Canmore Draft Employee Housing Regulations (Activity 1.5)
- Continue to monitor rental statistics. See the table below for a summary of first quarter statistics and a comparison between 2009 and 2010.
- The total number of available units is consistent between the quarters in 2009 and 2010

- Average rental rates for bachelors, one- and four+ bedrooms increased from 2009 to 2010, but decreased for other unit types.

Canmore Average Rental Rates and Availability Q1

Unit Type		2009 Q1 Jan-Mar	2010 Q1 Jan-Mar	2009-2010 Change
Shared	Rent	\$ 585	\$ 540	-7.7%
	Available Units	34	39	-14.7%
Bachelor	Rent	\$ 789	\$ 825	4.6%
	Available Units	3	5	66.7%
1 Bedroom	Rent	\$ 946	\$ 1,019	7.7%
	Available Units	33	34	3.0%
2 Bedroom	Rent	\$ 1,363	\$ 1,254	-8.0%
	Available Units	73	63	-13.7%
3 Bedroom	Rent	\$ 1,684	\$ 1,530	-9.1%
	Available Units	29	30	3.4%
4+Bedroom	Rent	\$ 1,884	\$ 2,857	51.6%
	Available Units	3	5	66.7%
Total Units		175	176	0.6%

2. Management of Housing Inventory

- The PAH Demand Assessment Committee commented on the process to determine the estimated median income used for purposes of establishing gross household income limits for ownership. (Activity 2.2)
- Received authorization from the Province to use an interim income limit of \$39,000 to rent one-bedroom affordable units in Canmore which includes The Hector and Mountain Haven Coop. The Province also released 2010 CNIT levels on April 1, 2010, which would see the two bedroom income level drop about 15% to \$40,000 and the three bedroom by 9% to \$58,000. These numbers are a concern and CCHC has already contacted the Province about interim income limits for the two and three bedroom units so that they remain at the 2009 CNIT levels of \$46,500 and \$63,500 respectively.

PAH Development Updates

COYOTE RIDGE

- The new condominium bylaws have been registered which allows more than one owner to participate on the Board. The current board consists of Jennifer Bisley from CCHC and Brent Rosvold and Jane Greene as Coyote Ridge owners.
- A revised final draft of the Reserve Fund Study was circulated to Condo Board members on April 13, 2010 for approval. A spring walk around is scheduled for May 25, 2010 and the AGM for July 14th, 2010.
- Landscaping work needs to be completed on several trees in order to receive the Development Completion Certificate. Three outstanding interior deficiency items remain, two of which have been completed but need to be signed off on by Pat Griffith as CCHC's representative, and one on the garage floor that can be completed in Spring.

DYRGAS LANE

- Final paving work for Dyrgas Lane will be done in early May providing that temperatures are acceptable

RIVERDALE CENTRE

- The PAH unit in Riverdale Centre is on schedule for a May 31, 2010 possession date.

THE HECTOR AT PALLISER VILLAGE (April 13, 2010):

- 49 units, or 82% of units are leased.
- Six applications were approved between March 10th and April 13th. Note that no applications had been approved in the previous month.
- An Open House is scheduled for Wednesday April 21, 2010 from 11am to 2pm.
- More details on strategy to rent vacant units, the eligibility criteria and revised 2010 budget are provided under a separate agenda item for the April 15, 2010 Board meeting.

The Hector Availability as of April 13, 2010:

Unit type	Units Available	Total Units	% Leased	Income Limit
Studio/Bachelor	3	8	63%	\$ 27,000
One-bedroom	0	28	100%	\$ 39,000*
Two-bedroom	5	20	75%*	\$ 46,500
Three-bedroom	3	4	25%	\$ 63,500
Total	11	60	82%	

**change from previous reporting period*

PAH SALE UPDATE

- SOLD: 2 Mineside Court. This unit was for sale by owner, closing date April 25 – conditional sale within 24 hours of informing CCHC of notifying PAH Wait List.
- NEW LISTING: Mineside Court – notice of intent to sell received on April 12, 2010. Details will be available April 19.

PAH LIST UPDATE: (April 13, 2010)

Last reporting period statistics in parentheses

Status	Master List	Sub-lists	
		General PAH	PV Rent
Approved	21(16)	17(14)	4(2)
Pending	0 (0)	0(0)	0(0)
Total	21(16)	17 (14)	4(2)

3. Communications

- Aspire Communications has been engaged to facilitate the review of CCHCs Guiding Directives with a plan to be presented to the Board for approval on April 15, 2010. (Activity 3.1; Priority 2)

- Marketing & Communications Officer employed as of April 13, 2010 who will support the implementation of outreach activities and raising awareness of the Affordable Housing Survey (Activity 3.2; Priority 2)
- Continue to update the website and drive traffic to the site. There was a noticeable increase in traffic in March likely due to the launch of the survey and the new PAH listing. Canmore continues to be the top visiting city indicating that CCHC continues to reach its primary target market – previously, Calgary was consistently the top visiting city.

	Jan	Feb	Mar
VISITS			
Total Visits	876	646	1200
New Visits	510	346	642
Returning Visitors	366	300	558
PEKA Hector Visits	71	307	397
TOP VISITING CITIES			
Canmore	210	78	299
Calgary	122	104	174
Banff	40	12	19

4. Administration

- Final draft of the audited financial statements was submitted to the Board for approval.
- AGM scheduled for May 11, 2010.
- All activities arising from 2009 Board motions are now completed.

PERFORMANCE MEASURES

1. Occupancy rate at The Hector:

Target:	95%
Leased:	82%

2. Number of Applications Approved:

Number of Applications Approved by Sub-list in 2010

	Approved	Target	Achieved
(1) General PAH Ownership	5	20	25%
(2) Palliser Village Rental	14	40	35%
TOTAL	19	60	32%

3. Customer Satisfaction Survey: reporting in December 2010

Prepared by Jennifer Bisley, Managing Director
April 13, 2010