

Board of Directors Meeting Agenda

CCHC Boardroom

June 18, 2014

1:15pm* – 3:00pm

** Meeting time change due to the AGM being held from 1:00pm-1:15pm*

1. **Approval of Agenda**
2. **Approval of May 21, 2014 Minutes**
Motion to approve the minutes as presented/amended
3. **Business arising from minutes**
 - a. MGA Review submission
Motion to accept the report for information
4. **Committee Reports:**
 - a. Executive Committee: none
 - b. Corporation Strategic Review Committee: oral report
 - c. Project Committee: written report
5. **Report from Managing Director**
Motion to accept the report for information
6. **New Business**
 - a. CCHC and Canada's Anti-Spam Legislation
Motion to accept the report for information
 - b. 2014 PAH Build Guidelines
Motion to approve the 2014 PAH Build Guidelines
7. **In Camera Items (motion to follow in camera)**
 - a. Client Issue
 - b. Client Issue
Motion to approve the sublease of a PAH home
 - c. Development Issue
8. **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.

Board of Directors Meeting Minutes

Wednesday, May 21 2014
CCHC Boardroom
1:00-3:00pm

Board Members in Attendance: Camille Hemingson Bob Kocian (1:40pm)
Sean Krausert Garth Lyon
Joanna McCallum Kimber Meister
Cathy Robinson Dan Sparks

Others in Attendance: Jennifer Bisley, Managing Director, CCHC
Bob Ellard, CCHC consultant

Regrets Joanna McCallum

There being a quorum, Garth Lyon called the meeting to order at 1:03 pm.

1) Agenda Approval

Moved by Dan Sparks to approve the agenda as presented, noting that the in camera agenda item had been moved up for scheduling purposes.

Carried unanimously

2) Approval of Minutes

Motion 2014.20

Moved by Cathy Robinson to approve the Minutes of the April 16 2014 Board meeting as presented.

Carried unanimously

3) Business Arising from Minutes: none

4) In Camera Items

Moved by Sean Krausert to go in camera at 1:05pm.

a) Development Issue

Moved by Camille Hemingson to come out of camera at 1:20pm.

APPROVED Motion 2014.25
CANMORE COMMUNITY HOUSING CORPORATION

Motion 2014.21

Moved by Kimber Meister that CCHC award the contract for architectural services for the 100 Dyrgas Lane Affordable Housing Project to BRZ Architecture Inc. for a fixed fee of \$97,200.

Carried unanimously

Motion 2014.22

Moved by Sean Krausert that costs for the architectural, civil and structural engineering, landscape architect and project management services for the development of 100 Dyrgas Lane Affordable Housing Project be funded from the CCHC capital reserves to a maximum of \$300,000.

Carried unanimously

Bob Ellard left the meeting at 1:28pm

5) Committee Reports:

- a) Executive Committee: none
- b) Corporation Strategic Review Committee: none
- c) Project Committee: verbal report

6) Report from Managing Director

Bob Kocian entered the meeting at 1:40pm

Motion 2014.23

Moved by Cathy Robinson to accept the May 21, 2014 Managing Director's Report for information.

Carried unanimously

7) New Business:

- a) Municipal Government Act (MGA) Review Submission

Motion 2014.24

Moved by Camille Hemingson that the Managing Director make a submission as part of the *Municipal Government Act Review* identifying changes to facilitate the provision of more affordable housing.

Carried unanimously

7) Motion to Adjourn

Moved by Sean Krausert to adjourn the meeting at 2:26 pm

Carried unanimously

Chair

Managing Director

APPROVED Motion 2014.25
CANMORE COMMUNITY HOUSING CORPORATION

June 10 2014

Alberta Municipal Affairs
Municipal Government Act Review
Email: mga.review@gov.ab.ca

RE: MGA Review Submission

The Canmore Community Housing Corporation (CCHC) appreciates the opportunity to provide input with respect to the MGA review. We believe that changes to the MGA are needed to reflect the increased responsibility of local municipalities to provide essential community services, particularly in the area of affordable housing. Affordable housing offers a particular challenge to municipalities which possess limited financial and policy based resources to respond.

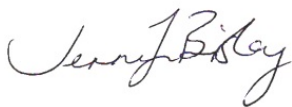
Canmore has some of the highest shelter costs and the highest cost of living in Alberta. There is a housing affordability gap between what Canmore residents and workers can afford and the price of market rental and ownership housing. As our community continues to grow as a resort and tourism-based economy, it faces distinctive housing challenges which require innovative solutions at the local level.

The CCHC is a non-profit municipal corporation with the objective of providing housing solutions to support a healthy and balanced community. Established in 2000 under the *Alberta Companies Act*, and wholly owned by the Town of Canmore, the CCHC provides a range of housing that is appropriate and affordable for the community's needs. The CCHC aims to bridge the affordability gap with long-term affordable options for the well-being and sustainability of our community.

At present, the CCHC has an inventory of 104 ownership and rental affordable housing units in its Perpetually Affordable Housing (PAH) programs. The CCHC also owns land for affordable housing purposes, including land leased to a housing cooperative that administers its own 44 unit PAH program, and a reserve of land for future development. The municipality has a goal of creating 1,000 affordable housing units when the town has reached build out. Changes to the MGA will help the municipality reach that goal by providing additional policy instruments that increase affordable housing.

The CCHC has four recommendations for changes to the MGA. Each of the recommendations is outlined in the attached document. Should you have any questions or require further information, please contact Jennifer Bisley, CCHC Managing Director, at 403.609.9983 or by email at jennifer@canmorehousing.ca.

Sincerely



Jennifer Bisley, Managing Director
Canmore Community Housing Corporation
403.609.9983 | jennifer@canmorehousing.ca

Municipal Government Act Review Submission

Submitted by: Canmore Community Housing Corporation

Submitted on: June 10, 2014

RECOMMENDATION 1:

That the MGA give municipalities the authority to implement inclusionary zoning policies to increase the supply of affordable housing.

Inclusionary zoning refers to a regulatory instrument available to local government that either encourages or requires the provision of affordable housing as part of residential developments. Typically, an inclusionary policy will require new residential developments to include a percentage of affordable housing units as a condition of development approval.

The provision of inclusionary zoning, especially when combined with incentives such as density bonusing, has strong potential to: 1) increase the supply of affordable housing; 2) create socially and economically integrated communities; and 3) provide opportunities for residents to obtain affordable housing in locations that are well located to employment, transportation choices and services. This is particularly true in strong market conditions.

The MGA does not explicitly allow for inclusionary zoning. In contrast, in British Columbia, the authority to implement an inclusionary zoning policy arises from the general zoning powers specified in the Local Government Act (LGA) Section 903. It is not prescriptive. It simply gives the municipalities the tools to introduce inclusionary housing if they choose to do so.

CCHC would like changes to Section 640 of the MGA in order to expressly allow for inclusionary zoning. This would offer a municipality an added policy instrument to allow for the creation of affordable housing by enabling a municipality to pass a land use bylaw that includes inclusionary zoning provisions.

RECOMMENDATION 2:

That the MGA include provisions that expressly provide that restrictive covenants can be registered on title by municipalities and be binding against subsequent owners for affordable housing purposes.

The BC Local Government Act enables local housing authorities to use restrictive covenants and deed restrictions by expressly providing that restrictive covenants can be registered on title and be binding against subsequent owners for affordable housing purposes. The Alberta MGA does not. Instead, should a municipality use a restrictive covenant and thereafter register a charging caveat on title to an affordable housing agreement, there are no guarantees that they will be enforceable against current or subsequent owners. Legal advice suggests that this is largely due to a potential public policy conflict, specifically the restraint against one's ability to dispose of his/her property.

The CCHC currently relies on a leasehold ownership structure instead of caveats to ensure affordable housing can be preserved in perpetuity and the terms and conditions of its programs enforced. However, it creates unnecessary complexity and costs for our owners, the lenders and program administrators.

CCHC would like changes to the MGA to expressly provide that restrictive covenants can be registered on title and be binding against subsequent owners. This would be a clear statement of public policy and reduce the risk that the caveat would not be enforceable against current or subsequent owners. It would give municipal housing proponents greater ability to retain affordable housing in perpetuity, and more flexibility to better meet the community's affordable housing needs.

RECOMMENDATION 3:

That the MGA allow the municipality to transfer municipal reserve lands for purposes of community services reserve.

The MGA stipulates in Section 671, that municipal reserve, school reserve, or municipal and school reserve lands may be used by a municipality or school board for a public park, public recreation area, school board purposes, and to separate areas of land used for different purposes. The MGA also stipulates that a community services reserve can be used for affordable housing or any of the other permitted community facilities.

The MGA allows the transfer of land dedicated for municipal reserve for school purposes. It also sets out the process to transfer land that has been dedicated but is no longer needed for school purposes as community services reserve. However, the MGA does not allow the municipality to transfer municipal reserve land directly for community services reserve purposes.

In view of the growing responsibilities of municipalities to provide community services, such as affordable housing, CCHC would like changes to the MGA to enable the municipal to transfer municipal and/or school reserve lands for community service reserve purposes.

RECOMMENDATION 4:

That the MGA allow the municipality to use the proceeds of the disposition of municipal reserve lands for the purposes of community services reserve, which includes affordable housing.

Further to recommendation 3, the MGA currently permits the municipality or school board to sell, lease or otherwise dispose of the municipal reserve land upon the removal of a municipal reserve designation by public hearing, but the proceeds from the disposition must be used only for the same purposes of municipal/school reserve lands and not for community services or other municipal purposes.

The CCHC would like changes to the MGA to allow municipalities to use the proceeds from the disposition of municipal reserve lands for a broader range of permitted uses, specifically for the same purposes of community services reserve. This would increase the supply of municipal land for the purpose of affordable housing.

**PROJECT COMMITTEE
Report to the CCHC Board
June 18 2014**

COMMITTEE PURPOSE:

To provide direction to and support the organization in assessing options and implementing strategies and phase one objectives in CCHC's Business Plan (2013-2015) with respect to the purchase or building of additional affordable housing inventory.

STRATEGIES

1 Increase availability of affordable housing units by building new units

1.1 Develop Lot 39 TSMV to bring on housing units within two years for rental purposes.

Q1/2 2014:	Feasibility Phase (<i>completed</i>)
Q2/3/4 2014:	Predevelopment, pending outcome of feasibility phase (<i>in progress</i>)
Q4 2014–Q4 2015:	Construction

Status Update:

- Feasibility phase completed within budget and on schedule.
- Currently in predevelopment phase.
- Council approved development concept
- Contract awarded for architectural services.
- In process of engaging civil, structural, mechanical, and electrical engineers and landscape architect.
- The revised schedule of key milestones is as follows:

July 8/14	Neighbourhood meeting to review design development
July 10/14	Design development review by Project Committee
July 14/14	Development permit application by Architect
Aug 7/14	Contract document review by Project Committee
Aug 11/14	Building permit application by Architect
Aug 25/14	Construction tender notice issued by Architect
Sep 19/14	Construction tender bidding period closes
Sep 25/14	Project committee review of tenders
Oct 1/14	CCHC Board award contract, approve funding/financing model
Oct 7/14	Request to Town Council to approve funding/financing model

Oct 13/14 Construction start
Sep 30/15 Construction end

1.2 Request that the Town commit to affordable housing on the Larch site (former daycare site) and to work in conjunction with CCHC on its redevelopment.

Q1/2/3, 2014: Community Consultation (*initiated*)
Q4 2014-Q2 2015: Predevelopment (*contingent on municipal decisions*)
Q3 2015 - : Construction (*contingent on municipal decisions*)

Status Update:

- On June 3, 2014, Town Council directed administration to move forward with determining development scenarios for the site which may include market housing, affordable housing and green space.
- The Town Planning Department is leading a community engagement process and will start with hold a community meeting on June 18th at which time it will provide an overview of the process and estimated timelines going forward.

1.3 Update CCHC's 2010 land inventory listing and engage with the Town and other stakeholders on options to mitigate flood risks at the Palliser Trail lands

Q2/3/4, 2014: Review and Update (*will start in Q3*)

Status Update:

- A term Housing Officer has been hired to undertake this work. Work on this strategy will be initiated in the third quarter.
- Additional sites have been identified by the Town (the Fairholme site) to be added to the inventory.
- The Town will be completing a hazard assessment by the end of summer that will inform the land inventory and development potential assessment.

2. Increase availability of affordable housing units by utilizing market units for affordable housing purposes

2.1 Encourage secondary suite development and renovation to create appropriate and adequate rental properties

Q2/3/4 2014: Assess secondary suite potential; develop pilot project as appropriate (*will start in Q3*)
Q4, 2014-Q4, 2015: Implement and assess pilot project.

Status Update:

- The term Housing Officer is undertaking the work on this strategy, which will be initiated in the third quarter of 2014.

2.2 Facilitate conversions of visitor accommodation for PAH rental purposes

Q1/2, 2014	Land Use Bylaw changes by Town (<i>in progress</i>)
Q2/3, 2014	Pilot project development (<i>in progress</i>)
Q3, 2014-Q3, 2015	Pilot project implementation

Status Update:

- Town Council passed the first reading of the land use bylaw amendments with respect to conversions of visitor accommodation for PAH and staff housing purposes. A public hearing is scheduled for June 24 2014.
- The Housing Officer is working with the Managing Director on assessing options for the pilot project. Options will be proposed for review by the Project Committee in July 2014.

2.3 Explore regional partnerships in housing

Q1, 2014 - :	Ongoing communication with housing providers in region
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Status Update:

- The Managing Director continues to communicate with regional housing proponents. It is noted that the Banff Housing Corporation CAO is stepping down at the end of August 2014.

Committee Structure:

- Bob Kocian stepped down from the Committee due to a potential conflict of interest. Current membership includes the following members:
 - > Internal members: Camille Hemingson, Sean Krausert, Joanna McCallum, Dan Sparks and Jennifer Bisley
 - > External members: Town of Canmore Planning Manager/Officer



Canmore Community Housing Corporation

For Information

DATE OF MEETING: June 18 2014 Agenda Item: 5

SUBJECT: Managing Director’s Report

RECOMMENDATION: For information

EXECUTIVE SUMMARY

The Managing Director’s Report summarizes activities relative to the Business Plan 2013-2015. This report refers to year-to-date activities in 2014.

KEY STRATEGIES UPDATE

1. **Build new units and utilize existing market units to increase availability of affordable housing**
See June 18 2014 Project Committee Report to the Board (Item 4c of the June 18 2014 Board meeting)
2. **Innovative finance and housing programs to improve housing access**
On hold pending the outcome of the Corporation Strategic Review (see below).
3. **Improve organizational capacity to deliver programs and develop properties**
A draft housing needs assessment report has been completed. The organizational assessment relative to needs is delayed due to human resource constraints but is expected to be completed by September.

OPERATIONS UPDATE

APPLICATIONS AND WAIT LIST

Ownership

Wait List:	22*
Applications YTD:	7
Applications 2013:	13

**Subject to change after annual confirmation of eligibility process.*

- > No current listings. The last listing occurred in 2013. There have previously been 3-8 homes available to purchase in previous years. The rental lease of the condominium unit owned by CCHC ends on November 30, 2014. CCHC is assessing the situation to determine whether to sell or continue renting out this property upon lease expiry.

Hector Rental

Wait List:	11
Applications (YTD):	20
Applications 2013:	64
Current Occupancy:	100%
Turnover YTD:	20%

INQUIRIES

	Jan-May 2014	Jan-May 2013	Jan-May 2012
Rent	149	149	90
Own	34	50	50
Other/General	<u>7</u>	<u>3</u>	<u>2</u>
Total	190	202	142

- > Rental inquiries are averaging 30 per month, similar to 2013 levels and much higher than the 18 per month during the same period in 2012. Appear to be a high number of inquiries from seasonal workers, people looking to move to Canmore for lifestyle, and new lone parent families within Canmore.
- > Ownership inquiries are much lower than 2013 and 2012 levels for the same period, but applications are at similar or even higher levels. The lower number of inquiries is likely due to the lack of units available to purchase and the lack of advertising.

PROGRAM ADMINISTRATION

Ownership

- > Annual eligibility confirmation for PAH list members is underway. The deadline to confirm eligibility is June 15, 2014.

Rental

- > The Province has communicated some changes to the administration of The Hector criteria for existing occupants. It is considering allowing Canmore to use core needs income threshold (CNIT) limits for Banff. These income limits are generally higher than Canmore's with the exception of the three-bedroom. A comparison of the CNITs calculated for Canmore and Banff is below.

	Studio	One Bed	Two Bed	Three Bed	Four Bed
Canmore	29,500	32,500*	39,500*	68,000	71,000
Banff	36,000	45,000	55,500	60,500	85,500

**The current income limit for Canmore for a one bedroom is \$39,000 and \$54,000 for a two-bedroom. These were allowed as exemptions in 2010 and 2012 respectively and have not changed since.*

PROPERTY MANAGEMENT

Hector at Palliser Village

- > Spring walkabout scheduled for June 17 2014
- > Annual inspection of all units will take place in June.

- > Seasonal maintenance organized including parking lot and lane sweeping, ERV HVAC filter cleans, annual fire inspections (in addition to monthly), windows, eaves and breezeway cleaning as well as biannual dryer vent cleaning.

Palliser Lands

- > Local mitigation measures have been taken in case of another flood event including the installation of temporary lock blocks at the entrance of Palliser Lane, purchase of sandbags and fill, and an emergency preparedness and action plan.
- > Drainage and landscaping still needs restoration over summer.

GENERAL ADMINISTRATION

- > AGM scheduled for June 18th at 1:00pm to be held in conjunction with the CCHC Board meeting.
- > Housing Officer started work on June 2, 2014.

Prepared by: Jennifer Bisley, Managing Director

Prepared on: June 18, 2014



Canmore Community Housing Corporation

For Information

DATE OF MEETING: June 18, 2014 **Agenda Item: 6a**

SUBJECT: CCHC and Canada's Anti-Spam Legislation (CASL)

RECOMMENDATION: For information.

EXECUTIVE SUMMARY

Canada's new anti-spam law will enter into force on July 1, 2014 and impacts CCHC as an organization in Canada who uses electronic communication to a recipient, whether they are businesses, consumers or individuals. CCHC is implementing changes to ensure compliance with CASL as outlined in the attached report.

PREVIOUS BOARD DIRECTION OR POLICY

None

DISCUSSION

CCHC communicates with its clients and the general public by email to administer its programs and to provide updates on CCHC and its programs. Attached is a backgrounder on CASL, a listing of the contact groups that CCHC maintains that are covered under CASL and required and recommended changes to ensure compliance with CASL for each contact group.

ALTERNATIVES:

The Board may direct the Managing Director to request a legal opinion on CASL compliance. This is not necessary at this time as public information is adequate to determine compliance for organizations which engages in limited electronic communications outside of communication for administering its programs.

FINANCIAL IMPACTS: None

ATTACHMENTS: CCHC and CASL Report

Prepared by: Jennifer Bisley

Prepared on: June 11 2014

CCHC and Canada's Anti-Spam Legislation (CASL)

June 11 2014

What is CASL?

Canada's new anti-spam law was passed in December 2010 and will enter into force on July 1, 2014. It has the ability to impact any individual or organization in Canada who sends e-mails, texts, social media messages, or any other form of electronic communication to a recipient, whether they are businesses, consumers or individuals.

What's prohibited?

- Sending of commercial electronic messages (CEMs) in any form without the recipient's consent unless a statutory implied consent or exemption rule applies. Express consent requires a positive action or opt in by the recipient.
- "Commercial" includes activities carried on without the prospect of gain, which potentially captures not-for-profit organizations and charities.
- Even with a recipient's consent, the sender of an electronic message will need to include certain identifying information in their electronic communications and provide a way for recipients to unsubscribe from receiving further messages.
- CASL also prohibits a number of fraudulent and misleading activities such as phishing, hacking, malware and spyware, harvesting of email addresses and other activities.

What's exempt?

- Business-to-business communications. CASL applies broadly to all CEMs. However, the new regulations include exemptions for CEMs sent within a business, and CEMs sent between businesses that are in an ongoing business relationship. The messages must be sent by an employee, representative, contractor or franchisee, and be relevant to the business, role, function or duties of the recipients. Similarly exempt are communications sent to third-party business partners, such as marketing agencies, recruiting firms and insurance carriers.
- Messages sent to consumers in response to a request for information. The new regulations address this unintended consequence by exempting messages sent in response to requests, inquiries or complaints.
- Messages sent to enforce a legal right. Examples include messages sent for debt collection, licensing and enforcing contractual obligations.
- Third-party referrals.

Requirements for sending a commercial electronic message (CEM)

There are three general requirements for sending a commercial electronic message (CEM) to an electronic address: (1) consent, (2) identification information and (3) an unsubscribe mechanism.

1. Consent

Consent under CASL can be express or implied.

Express

- It does not expire until the recipient withdraws their consent.

- It can be obtained either in writing or orally.
- Specific requests for consent in question must be clearly identified to the persons from who the consent is being sought. It must not be bundled with consent to the general terms and conditions of use or sale.
- The onus is on the person who is sending the message to prove they have obtained consent to send the message so must track whether consent when it was obtained, why it was obtained, and the manner in which it was obtained.
- To demonstrate oral consent in situations where information is collected over the phone or in person, oral consent must be verified by an independent third party, or a complete and unedited audio recording of the consent is retained.
- Written consent includes both paper and electronic forms of writing and must be verified. Acceptable means include checking a box or icon on web page to indicate consent where a record of the date, time, purpose and manner of that consent is stored in a database, and filling out a consent form in person.

Implied consent

- Consent may be implied in any of the following circumstances:
 - > the sender and recipient have an existing business relationship (e.g., the recipient has made a purchase within the past two years, or an inquiry within the past two months);
 - > the sender and recipient have an existing non-business relationship;
 - > the recipient has conspicuously published their electronic address (e.g., on a website), has not expressly stated that they do not wish to receive unsolicited messages, and the message is related to the recipient's professional capacity; or,
 - > the recipient has disclosed their electronic address directly to the sender, has not expressly stated that they do not wish to receive unsolicited messages, and the message is related to the recipient's business or official capacity.
- Implied consent expires 24 months after the relationship was formed. You can send a confirmation email to get express written consent which does not expire.

2. Identification

The name of the person sending the message, and on whose behalf the message is sent if different, must be clearly and simply identified, with contact information for either of those persons which includes mailing address and either a telephone number, email address or web address.

3. Unsubscribe Mechanism

The CEM must contain a mechanism that allows the recipient to easily unsubscribe at no cost, which could, for example, consist of a reply to an email address or a web-based unsubscribe page.

Penalties and enforcement

- CASL is enforced by the CRTC. Related amendments to the Competition Act and PIPEDA are enforced by the Competition Bureau and the Office of the Privacy Commissioner of Canada (OPC) respectively.
- The CRTC has the ability to impose administrative monetary penalties for violations of CASL of up to \$10 million per violation.
- CASL also includes a private right of action, which allows any person affected by a violation of CASL and related amendments to PIPEDA and the Competition Act to sue for actual and/or statutory damages. The private right of action comes into force on July 1, 2017.

CASL and CCHC

CCHC communicates with its clients and the general public by email to administer its programs and to provide updates on CCHC and its programs. Below is a summary of the contact groups that CCHC maintains for CEM purposes, the nature of the business relationship and existing consent, and any required and recommended changes to ensure compliance with CASL.

1. Clients: PAH Waitlist

- These clients have applied for and been approved for our rental or ownership programs.
- Receiving electronic communications is a term of participating in the program. They are informed verbally that our communications with them regarding approval, availability of units, and eligibility confirmation will be by email unless there are exceptional circumstances which prevent them from having electronic communication.
- CCHC has an existing and ongoing business relationship with these clients and consent is implied. Consent is not necessarily implied in relation to general communications on CCHC and PAH that do not relate specific to their application.

Recommended Changes:

- Include a statement in the application form/statutory declaration that for purposes of administering the program, communication will be primarily through electronic communication.
- In the application process, include a written consent form with a checkbox for consent to the terms of the program

Required Changes

- In the application process, include a written consent form with a checkbox for consent to receiving general updates of CCHC and the PAH Program for purposes of the general distribution list (see 4 below).
- Ensure all CEMs meet the 3 CASL requirements of consent, identification and unsubscribe mechanism.

2. Clients: PAH Owners

- These clients have purchased a PAH leasehold estate from CCHC. We do not include owners of fee simple condominiums with a PAH caveat on title.
- CCHC communicates electronically with owners to update them on CCHC and program matters that impact them, including PAH waitlist updates, eligibility criteria changes, CPI information, changes to PAH lenders, and seasonal maintenance reminders.
- Any electronic communication to enforce a legal right with respect to the lease, including lease breaches, consent to subleases, transfers and mortgages, and residency requirements, would be exempt
- CCHC has an established and ongoing business relationship with these clients.
- Consent is implied for any communications directly related to that business relationship. Consent is not necessarily implied in relation to general communications on CCHC and PAH that do not relate specific to their ownership.

Recommended Changes:

- Establish express consent by sending confirmation emails to get written consent for purposes of updates related specifically to the PAH ownership program

Required Changes

- Seek separate express written consent for the receipt of general updates of CCHC and the PAH Program for purposes of the general distribution list (see 4 below).
- Ensure all CEMs meet the 3 CASL requirements of consent, identification and unsubscribe mechanism.

3. Clients: PAH Tenants

- These clients have entered into a residential lease.
- CCHC communicates electronically with tenants to update them on CCHC and program matters that impact them, including eligibility criteria changes, as well as information on our ownership program.
- Exempt communications for purposes of enforcement of legal rights with respect to the lease include lease expiry notifications and confirmation of ongoing eligibility. These notices are sent electronically and followed up by phone and in person if no response is received.
- PEKA, CCHC's agent for property management purposes, only responds to tenant emails and otherwise hand delivers written notices.
- CCHC and PEKA have an established and ongoing business relationship with these clients.
- Consent is implied for any communications directly related to that business relationship. Consent is not necessarily implied in relation to general communications on CCHC and PAH that do not relate specific to their tenancy.

Recommended Changes:

- Establish express consent by sending a confirmation email to get written consent for purposes of updates specific to matters that impact PAH tenants

Required Changes

- Seek separate express written consent for the receipt of general updates of CCHC and the PAH Program for purposes of the general distribution list (see 4 below).
- Ensure all CEMs meet the 3 CASL requirements of consent, identification and unsubscribe mechanism.

4. General Distribution List

- This list includes individuals, businesses and organizations that have inquired about the program in person, by email, or phone and have either asked to be added to the list or when asked to be added to the list, provided their email address for this purpose.
- We have not added anyone to any distribution list without their oral or written consent, and have an unsubscribe message on each email sent. However, we do not have verification of consent.

Required Changes:

- Establish express consent by sending a confirmation email to get written consent for the receipt of general updates of CCHC and the PAH Program.
- Ensure all CEMs meet the 3 CASL requirements of consent, identification and unsubscribe mechanism.



Canmore Community Housing Corporation

Request for Decision

DATE OF MEETING: June 18, 2014 **Agenda Item: 6b**

SUBJECT: 2014 PAH Build Guidelines

RECOMMENDATION: That the Board approve the 2014 PAH Build Guidelines.

EXECUTIVE SUMMARY

The PAH Build Guidelines contained in the Town's PAH Policy are intended to provide guidance on the price that CCHC will pay for new PAH units. This price corresponds with the estimated affordable purchase price of median income households. The Town PAH Policy directs the CCHC Board to review the guidelines annually.

PREVIOUS BOARD DIRECTION OR POLICY

1. Town of Canmore PAH Policy (April 19, 2011), Section 8 refers to PAH Build Guidelines and its relationship to median income to ensure that they are affordable and appropriate.
2. **CCHC Motion 2011.54 (December 2011)**
Moved by John Borrowman that the Board: 1) Recommend to Council that no changes be made to the PAH Build Guidelines for 2012 as presented.
Note that no changes were made in 2013 as estimated median income did not increase and the timing of the review was changed to coincide with the calculation of new annual income limits in May of each year.

DISCUSSION

The PAH Build Guidelines consist of three items:

- 1) Purchase price per square foot which is affordable for median income households
- 2) Amenities
- 3) Priority of units required

1. Purchase Price/sf

To calculate the affordable sales price per square foot, CCHC uses a model that incorporates 4 factors associated with affordability:

- 1) Median Income by Household Type from Statistics Canada tax filer information adjusted by the percent change in average weekly earnings (AWE) for Canada.
- 2) Gross Debt Servicing (GDS) Ratio by Household Type (30-35%)
- 3) Estimated Housing Costs by Household Type: property tax, condo fees, heat
- 4) Mortgage Payment Factor based on the Bank of Canada qualifying interest rate for a specified amortization period.

There is typically a direct relationship between affordable purchase price per square foot (sf) and size. For example, the median income of single income households is significantly lower than couple households. Therefore, the affordable price per square foot of a one bedroom unit ends up being much less than the

affordable price per square foot for a two or three bedroom unit. This is not consistent with the inverse relationship between construction costs and size, where construction costs/sf typically decrease as unit size increases. To account for this inverse relationship, adjustments were made upward for smaller units and downward for larger units. This still results in a large spread between the price per square foot of a one and three bedroom which is not consistent with the reality of construction costs.

The process has been changed in 2014 to average the affordable purchase price of all units to create a single price/sf. It makes it simpler for CCHC and builders and does not create disincentives towards the provision of one bedroom units. It also considers changes to information provided by Statistics Canada. Previously, median income of couple households without children was used to calculate the affordable purchase price of 2 bedrooms. Replacing it by the median income of all couple households has significantly increases the price/sf for two bedrooms.

The table includes a comparison of the current and proposed purchase prices/sf.

Unit Size	Current	2014 proposed
Studio/One bedroom	\$200/sf	\$235/sf
Two bedroom	\$225/sf	
Three+ bedroom	\$250/sf	

This guideline should not be applied for the purchase of purpose-built rental units as the numbers are derived solely from affordable purchase prices by households. It does not factor in long term debt financing and affordable rents.

2. Amenities

No changes identified for 2014. All units require window coverings, range, fridge, and storage. Requirements for a dishwasher and washer/dryer vary depending on unit size and building type (apartment or townhouse). Parking is required as per municipal bylaw. See table below of current amenity requirements.

Unit Type	Min size		Amenities
	ft ²	m ²	
Bachelor Apartment	400	37	Window Coverings, Range, Fridge, Storage, W/D access or rough-in
One-Bedroom Apt	550	51	Window Coverings, Range, Fridge, Storage, W/D access or rough-in
Two-Bedroom Apt	700	65	Window Coverings, Range, Fridge, Storage, Dishwasher, W/D access or rough-in
Two-Bedroom TH	750	70	Window Coverings, Range, Fridge, Storage, Dishwasher, Washer, Dryer
Three-Bedroom Apt	900	84	Window Coverings, Range, Fridge, Storage, Dishwasher, W/D access or rough-in
Three-Bedroom TH	950	88	Window Coverings, Range, Fridge, Storage, Dishwasher, Washer, Dryer

3. Priority of units required

- One-bedroom apartments are priority units for rental purposes
This is based on the demonstrated demand for The Hector rental and findings from the recent conversation on housing.
- Two and three bedroom townhomes are priority units for ownership purposes.
This is based on the demonstrated demand from PAH applicants and resale activity.

ALTERNATIVES:

The Board may choose not to approve the proposed guidelines and revised process. This is not recommended. The guidelines and process will be reviewed as part of the municipal policy review of the CCHC corporate strategic review.

FINANCIAL IMPACTS:

The average purchase price/sf of PAH units will increase by 4.4%, the first increase since 2011.

ATTACHMENTS: Proposed 2014 PAH Build Guidelines and worksheet

Prepared by: Jennifer Bisley

Prepared on: June 14 2014

PAH BUILD GUIDELINES - ASSUMPTIONS

The PAH Build Guidelines are revised annually following the annual release of Statistics Canada median income data. The following four (4) sections are to be reviewed each year:

1. Gross Debt Servicing Ratios
2. Median Income
3. Household Costs
4. Mortgage Payment Factor

Enter information in the blue boxes only.

Applicable Year using 2013 tax assessment notices

1 Gross Debt Servicing Ratios

The PAH Definition states that PAH households should spend between 30% and 35% of their gross household income on housing for both ownership and rental homes in accordance with Canada Mortgage and Housing Corporation (CMHC) Gross Debt Servicing (GDS) ratio general guidelines.

- a) Housing costs for owners include mortgage payments, property taxes, heating costs and a share of condo fees.
- b) Housing costs for renters include rent and heating costs.

Banks generally use a GDS ratio of 32% for mortgages, but also take into account that total monthly debt load should not exceed 40% of gross monthly income. As lower income households have less disposable income to cover other debt, a lower GDS ratio might be applied to these households. As higher income households have greater disposable income, a higher GDS ratio might be applied to these households. However, CMHC defines housing affordability in general terms as having total monthly housing costs no more than 30% of gross household income.

Enter in the applicable Gross Debt Servicing Ratio between 30% and 35% by household category.

Household Category	GDS
Single	32%
Lone Parent	32%
Couple NC	32%
Couple Families	32%

2 Median Income

PAH Policy states that the purchase price of ownership PAH shall be affordable to households earning up to a maximum of 120 percent of Area Median Income (AMI), based on recommended Gross Debt Servicing (GDS) ratios. The rental rate for rental PAH shall be affordable for households earning up to a maximum of 100 percent of Area Median Income (AMI), based on recommended Gross Debt Servicing ratios.

CCHC uses median income for four household categories from Statistics Canada tax filer data ordered each May.

(GDS) ratios

As the previous year's income is used to qualify for the following year's housing, median incomes are adjusted by the % change in the national average weekly earnings. The earnings statistics are typically released at the end of March so the most current YTD number is used for 2011.

Enter in the applicable Median Income by household category

Household Category	Year	Source	Median Income	Adjustment Factor (% National AWE change)		Median Income
				2012	2013	2013
Single	2011	StatsCan tax	35,920	2.51%	1.79%	37,481
Lone Parent	2011	StatsCan tax	45,260	2.51%	1.79%	47,227
Couple Families	2011	StatsCan tax	96,260	2.51%	1.79%	100,442

3 Household Costs

In addition to mortgage costs, housing costs for ownership include property taxes, heat and a share of condo fees. For rental units, housing costs include rent and heating. Smaller households typically live in smaller homes and have lower household costs.

Enter housing costs by household category.

Household Category	PAH Annual Property Tax	Monthly Condo Fees	Monthly Heat
Single	1000	250	100
Lone Parent	1500	250	120
Couple Families	2000	325	150

4 Mortgage Payment Factor

The mortgage payment factor is used to calculate the total mortgage amount based on income available for housing. It is located in the "Monthly Mortgage Tables" publication and depends on the amortization period and interest rate.

Mortgage Payment Factor

Assumptions:

Amortization period years

5 year rate Bank of Canada qualifying rate at time of calculation (4.79%) +/- 0-.5% based on economic assumptions

5 Mortgage Insurance Premiums

To obtain CMHC Mortgage Loan Insurance, lenders pay an insurance premium. Typically, your lender will pass these costs on to you. Your lender will give you the exact price when you apply for a mortgage.

The CMHC Mortgage Loan Insurance premium is calculated as a percentage of the loan and is based on the size of your down payment. The higher the percentage of the total house price/value that you borrow, the higher percentage you will pay in insurance premiums.

Loan to Value	MI premium
Up to and including 95%	3.15%
Up to and including 90%	2.40%
Up to and including 80%	1.25%

5 Minimum unit size

Minimum unit sizes are established in the Town of Canmore PAH definition and can only be modified with approval by Town Council

	Minimum	
	ft ²	m ²
Bachelor Apartment	400	37
One-Bedroom Apartment	550	51
Two-Bedroom Apartment	700	65
Two-Bedroom Townhouse	750	70
Three-Bedroom Apartment	900	84
Three-Bedroom Townhouse	950	88

2014 PAH Build Guidelines by CCHC

PAH AFFORDABILITY SUMMARY

YEAR: 2014

PAH Maximum Qualifying Income		
PAH Rental (non CNIT)	\$ 100,442	100% Median Income: Couple Families
PAH Ownership	\$ 120,531	120% Median Income: Couple Families

Household Category	GDS	60% Median Income	80% Median Income	100% Median Income	120% Median Income
Single	32%	22,488	29,985	37,481	44,977
Lone Parent	32%	28,336	37,781	47,227	56,672
Couple Families	32%	60,265	80,354	100,442	120,531

Household Category	Affordable Purchase Price Median Income			Affordable Monthly Rental Median Income		
	80%	100%	120%	60%	80%	100%
Single	90,900	127,888	164,877	500	700	899
Lone Parent	114,358	159,541	204,724	636	887	1,139
Couple Families	298,427	394,523	490,618	1,457	1,993	2,528

Unit Type	Minimum		Amenities
	ft ²	m ²	
Bachelor Apartment	400	37	Window Coverings, Range, Fridge, Storage, W/D access or roughin
One-Bedroom Apartment	550	51	Window Coverings, Range, Fridge, Storage, W/D access or roughin
Two-Bedroom Apartment	700	65	Window Coverings, Range, Fridge, Storage, Dishwasher, W/D access
Two-Bedroom Townhouse	750	70	Window Coverings, Range, Fridge, Storage, Dishwasher, Washer, Dry
Three-Bedroom Apartment	900	84	Window Coverings, Range, Fridge, Dishwasher, Storage, W/D access
Three-Bedroom Townhouse	950	88	Window Coverings, Range, Fridge, Dishwasher, Washer, Dryer, Stora

2014 PAH Build Guidelines by CCHC

Purchase price per square foot based on 80% of Median Income of corresponding Household Category a

Unit Type	Corresponding Household Category	Price/sf	Average Price/sf	Unit Price at Min Size
Bachelor Apartment	Single	\$ 227	\$ 235	93,943
One-Bedroom Apartment	Single	\$ 165	\$ 235	129,171
Two-Bedroom Apartment	Lone Parent/Couple	\$ 295	\$ 235	164,400
Two-Bedroom Townhouse	Lone Parent/Couple	\$ 275	\$ 235	176,143
Three-Bedroom Apartment	Lone Parent/Couple	\$ 229	\$ 235	211,371
Three-Bedroom Townhouse	Lone Parent/Couple	\$ 217	\$ 235	223,114