

Board of Directors Meeting Agenda

CCHC Boardroom

April 15 2015

1:00pm – 3:00pm

1. **Approval of Agenda**
2. **Approval of March 18 2015 Minutes**
Motion to approve the minutes as presented
3. **Business arising from minutes**
 - a. **Officer Appointments**
Motion to appoint Officer and/or Director to fill vacant positions.
4. **Reports:**
 - a. **Managing Director's Report**
Motion to accept the report for information.
5. **New Business**
 - a. **PAH Policy Review**
Motion to recommend to the Town of Canmore changes to the Perpetually Affordable Housing (PAH) Policy (Resolution 145-2011) as presented.
Motion to approve the following, subject to Town of Canmore approval of CCGC recommended changes to the Perpetually Affordable Housing (PAH) Policy.
 - 1) CCHC Statements of Policy and Procedure: 3.01 PAH Program Primer, 3.02 PAH Own Program, and 3.03 PAH Rent Program
 - 2) PAH Rent Program income limits for 2015/16
 - 3) 2015 PAH Build & Price Guidelines for PAH Program purposes
 - b. **The Hector at Palliser Village Rental Rate Changes**
Motion to approve an average rental rate increase of 3.9% at The Hector at Palliser Village, subject to approval by the Province under the terms of the Rural Affordable Housing Partnership Initiative (RAHPI) grant agreement.
6. **In Camera Items (motions to follow in camera session)**
 - a. Development Issue
 - b. Contract Issue
 - c. Intergovernmental Issue
Motion to award the contract for residential property management services for 100 Dyrgas Lane.
7. **Meeting adjournment**

Board of Directors Meeting Minutes

Wednesday, March 18 2015
CCHC Boardroom
1:00pm-3:00pm

Board Members in Attendance: Cheryl Godefroy Camille Hemingson
Bob Kocian Sean Krausert
Garth Lyon Joanna McCallum
Kimber Amping (Meister)

Others in Attendance: Jennifer Bisley, Managing Director, CCHC
Alaric Fish, Manager of Planning, Town Liaison to CCHC
Calvin Scott, Young Parkyn McNab LLP Chartered Accountants

Regrets Dan Sparks

There being a quorum, Vice-Chair, Garth Lyon, called the meeting to order at 1:04 pm.

1) Agenda Approval

Moved by Bob Kocian to approve the agenda as amended, with item 6a being moved up and item 7b removed from the agenda.
Carried unanimously

6) New Business

a) 2014 Audited Statements

Draft 2014 audited statements were presented by the auditor, Calvin Scott, of Young Parkyn McNab LLP Chartered Accountants.

Motion 2015.08

Moved by Kimber Amping to approve the draft 2014 audited statements amended as follows:

Note 12: Internally restricted surplus (reserves) – 2014 Capital Reserve Fund amount to be changed from \$744,053 to \$519,726 to reflect \$224,327 spent in 2014 as an investment in future housing development.

Note 16: Specify that the lands that may be impaired due to flood damage are located in the Palliser area.

Carried unanimously

Calvin Scott of YPM left the meeting at 1:45 pm

*APPROVED April 15 2015 Motion 2015.11
CANMORE COMMUNITY HOUSING CORPORATION*

2) Officer Appointments

The March 4, 2015 letter of resignation from the Board by Cathy Robinson was provided to the Board. The Vice-Chair will assume duties of Chair until such time other officers are appointed. Appointments deferred to the next Board meeting.

3) Approval of Minutes

Motion 2015.09

Moved by Camille Hemingson to approve the Minutes of the February 25 2015 Board meeting as presented.

Carried unanimously

4) Business Arising from Minutes: none

5) Reports

a) Managing Director's Report

Motion 2015.10

Moved by Joanna McCallum to accept the March 18 2015 Managing Director's Report for information

Carried unanimously

6) New Business:

b) Report: Accessory Suites in Canmore: Issues & Opportunities

Motion 2015.11

Moved by Cheryl Godefroy to approve the report, "Accessory Suites in Canmore: Issues and Opportunities," March 2015, and distribute it to the Town of Canmore and community as appropriate.

Carried unanimously

7) In Camera Items

Moved by Kimber Amping to go in camera at 2:26 pm

a) Development Issue

b) Intergovernmental Issue

Moved by Bob Kocian to come out of camera at 3:15 pm

9) Motion to Adjourn

Moved by Camille Hemingson to adjourn the meeting at 3:15 pm.

Carried unanimously

Chair

Managing Director

DRAFT



For Decision

DATE OF MEETING: April 15, 2015 **Agenda Item: 5a**

SUBJECT: PAH Policy Review

RECOMMENDATION:

That the Board make a motion to recommend, to the Town of Canmore, changes to the Perpetually Affordable Housing (PAH) Policy (Resolution 145-2011) as presented.

That the Board make motions to approve the following, subject to Town approval of the recommended changes to the Perpetually Affordable Housing (PAH) Policy.

- 1) CCHC Statements of Policy and Procedure: 3.01 PAH Program Primer, 3.02 PAH Own Program, and 3.03 PAH Rent Program
- 2) PAH Rent Program income limits for 2015/16
- 3) 2015 PAH Build & Price Guidelines for PAH Program purposes

EXECUTIVE SUMMARY:

The Town of Canmore PAH Policy is a comprehensive policy that sets out guiding principles, funding policy, eligibility criteria, administration requirements and price guidelines for Perpetually Affordable Housing (PAH). It provides the framework by which CCHC develops and administers PAH Programs. However, it is highly prescriptive and restricts CCHC’s ability to efficiently and effectively deliver PAH Programs especially as the PAH inventory and programs expand.

Changes are recommended to focus the Town PAH Policy on guiding principles and items directly under their administration, and new CCHC policy is recommended for the administration of PAH Own and Rent Programs. Ancillary to these policies are the 2015 PAH Build and Price Guidelines and PAH Rent Program income limits for approval.

PREVIOUS BOARD DIRECTION OR POLICY

24-Jan-13	2013.05	Moved that the Managing Director prepare a briefing for shareholders about proposed changes to the PAH Policy that would allow CCHC to have authority over the PAH eligibility criteria, partnership agreement and build guidelines
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Note: This was referred to the Corporate Strategic Review Committee and the concept introduced to the Shareholders. Final recommendations were deferred to coincide with the need to revise the eligibility criteria for the new rental development.

18-Jun-14	2014.30	Moved by Dan Sparks to approve the 2014 PAH Build Guidelines as presented, with the guideline price to be paid by CCHC for PAH units established at \$235/sf for all unit types.
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DISCUSSION

A revised municipal PAH Policy and new CCHC policies are attached, which collectively, cover all items in the existing municipal PAH Policy. Changes of note are summarized below:

PAH Policy - General

- Consistent messaging that PAH is intended to meet the housing demands of moderate income working households.
- The definition of Perpetually Affordable Housing has been pared back to focus on the three fundamental principles (below market prices/rents, available to eligible people, and be used as a primary residence) and who it is intended to serve in a general sense. Specifics are intended to be dealt with in funding and agency agreements and CCHC policies.
- Definitions were deleted where no longer referenced, new definitions were added, including “Moderate Income” and “PAH Provider”, while others were edited for clarity or accuracy.
- The guiding principles remain relevant and were edited for grammar and clarity only.
- Changes were made to the section that deals with Contributions to the PAH Reserve Fund, removing targeted surpluses from the Planning and Development Department as it is understood that development fees should be set on a cost-recovery basis rather than to intentionally create a surplus for other purposes. Surpluses are still included as a contribution source.
- The PAH Eligibility Criteria and PAH Partnership Agreement sections were pared down in the municipal policy with specifics added to CCHC policies.
- The PAH Build Guidelines have been renamed as PAH Build & Price Guidelines to more accurately reflect the intent of the guidelines. They were also severed from the policy as it became cumbersome and challenging to ensure the policy had the current guidelines referenced.
- The Hector PAH Eligibility Requirements were removed from this policy and are contained in CCHC policy as part of a broader PAH Rent Program to include all PAH rental properties. The PAH Rent Program policy is based on the Hector eligibility requirements, with minor modifications and exceptions for other rental properties.

CCHC Policies:

PAH Own Program

- Only minor changes were made to the eligibility criteria, although it is recognized that there is a need to more substantially review the criteria. Any significant changes which could change and limit who is eligible require broader consultation with mortgage insurers, lenders, PAH Owners, Waitlist members, and Council.

- Introduced the concept of single and multiple person households and the prioritization of three bedroom homes for sale by CCHC to multiple person households.
- Introduced new potential forms of PAH Partnership Agreements, including joint ownership agreement and mortgages, should the PAH Own Program expand.

PAH Rent Program

- The PAH Rent Program policy is based on The Hector eligibility requirements and our experience administering that program, rather than the General PAH Rental criteria referenced in the current municipal PAH Policy. The Hector criteria have generally worked well with the exception of income limits, lack of any asset restrictions, and residential priority.
- The income limit is to be set by unit type and at a level at which households are deemed to have difficulty finding housing in the Canmore market that is adequate, safe and affordable for its needs without spending more than 30% of gross household income for rent.

This definition is consistent with how the Province defines CNIT limits at The Hector. CNIT is derived from CMHC average market rental rates, which are typically much lower than the actual average market rental rates. The policy specifically references CNIT as the income limit for initial occupancy at The Hector.

CCHC will apply this definition to calculate income limits for all other PAH rental properties and successive tenancies at The Hector where appropriate, using CCHC average market rental rates of available units, which CCHC has been tracking since 2009.

Recommended PAH Rent Income limits for 2015/16 are highlighted below. They are derived from the 2014 average market rental rates of available unfurnished units adjusted for utilities.

Unit Size	CNIT limit	PAH limit	2014 Market Rent
Studio	\$ 36,000	\$ 40,000	\$ 917
1BED	\$ 45,000	\$ 55,000	\$ 1,195
2BED	\$ 55,000	\$ 70,000	\$ 1,616
3BED	\$ 68,000	\$ 85,000	\$ 2,073

- An asset restriction has been added to limit applicants from owning a residential property. As a change to the Hector criteria, it would require provincial approval due to the grant.
- The residential priority, which technically, is not eligibility criteria but a leasing and Waitlist management matter, has also been removed.
- As the primary purpose of the PAH Rent Program is to provide housing to Canmore workers, the leasing section refers to the setting of limits by the CCHC Board on the number of units either within a specific property, or across all properties, to be occupied by non-workers, and the prioritization of workers over non-workers when these limits have been met or exceeded.

2015 PAH Build & Price Guidelines

- There was no change in the process to calculate the affordable purchase price per square foot in 2015. CCHC uses a model that incorporates 4 factors associated with affordability:
 1. Median Income by Household Type
 2. Gross Debt Servicing (GDS) Ratio by Household Type (30-35%)
 3. Estimated Housing Costs by Household Type
 4. Mortgage Payment Factor based on the Bank of Canada qualifying interest rate for a specified amortization period.
- Lower mortgage interest rates and an increase in median incomes resulted in the calculation of an affordable PAH purchase price of \$250/sf, a 6.4% increase from the \$235/sf for 2014.
- No changes to amenities or sizes are recommended for 2015. 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

ALTERNATIVES:

1. The Board may choose not to recommend changes to the municipal PAH Policy, which is not recommended as it significantly constrains CCHC's ability to efficiently and effectively administer PAH Programs.
2. The Board may choose to amend policies to address specific concerns. This is recommended only if the full implications of changes can be understood, and if not, the decision to be deferred, which would be problematic as it is necessary to get appropriate PAH Rent Program criteria in place for the new rental development.

FINANCIAL IMPACTS: None

ATTACHMENTS: Revised Town of Canmore PAH Policy
 CCHC SPP 3.01 PAH Program Primer
 CCHC SPP 3.02 PAH Own Program
 CCHC SPP 3.03 PAH Rent Program

Prepared by: Jennifer Bisley

Prepared on: April 11, 2015



TOWN OF CANMORE POLICY

EFFECTIVE DATE: XXX
ADOPTED BY XXX
RESOLUTION:
POLICY TITLE: Perpetually Affordable Housing (PAH)
Policy
AMENDED BY
RESOLUTIONS:

TABLE OF CONTENTS:

1.	VISION ALIGNMENT	X
2.	PURPOSE	X
3.	DEFINITIONS	X
4.	GUIDING PRINCIPLES	X
5.	PAH CONTRIBUTIONS	X
6.	PAH ELIGIBILITY CRITERIA	X
7.	PAH PARTNERSHIP AGREEMENT	X
8.	PAH BUILD & PRICE GUIDELINES	X
9.	PRIOR PAH POLICY	X

1. VISION ALIGNMENT

The Town of Canmore has made affordable housing a strategic priority in its Business Plan and **Municipal Development Plan** (*Town to update with reference to relevant documents*). The Mining the Future vision identifies that a well stratified demographic profile and the provision of affordable housing are important elements of maintaining the community’s social fabric.

2. PURPOSE

The decreasing supply of affordable housing in Canmore is a community wide issue. The Town of Canmore recognizes that a permanent, year-round population plays an important role in the social and economic health of the community. The availability and affordability of housing plays a critical role in creating opportunities for members of the workforce to establish themselves in the community on a permanent basis.

Perpetually affordable housing (PAH) is a way of introducing a type of rental or owned housing that, while not part of the open market, meets the demand for affordable housing by providing resident workers with an additional housing option that is price and resale restricted to ensure affordability over the long term. PAH is intended to meet the housing demands of moderate income working households. PAH is not low income housing.

The basic principle of this policy is that the Town, CCHC, the residents of Canmore, the development industry and the business community all have a vested interest in finding solutions that will address the affordable housing issue and keep Canmore socially sustainable into the future. The development of PAH equity and rental units are intended to address the affordable housing demand of those Canmore residents unable to purchase or rent accommodation on the open market.

3. DEFINITIONS

“Area Median Income (AMI)” refers to the median income of Canmore as determined from Statistics Canada data.

“Business community” refers to any person or company that receives a tax assessment under the non- residential assessment code.

“CCHC” refers to the Canmore Community Housing Corporation.

“Council” refers to Council of the Town of Canmore.

“Development Industry” refers to any person, builder or other producer of lots or buildings for residential and non-residential use.

“Fund” refers to the PAH Reserve Fund

“Moderate Income” means an income level close to the median income in Canmore, which generally includes household incomes between 80% and 120% of the AMI.

“Non-residential property” refers to the commercial, industrial and institutional uses defined in the Canmore Land Use Bylaw 09-99 (*need Town to confirm bylaw*) by either definition or by purpose and intent of sections of each land use district.

“PAH Eligibility Criteria” refers to qualifications which prospective PAH owners and tenants must meet in order to qualify to purchase or rent a PAH unit.

“PAH Partnership Agreement” refers to the terms which govern both partners (PAH Providers and the PAH unit owner or tenant) once a PAH unit has been purchased or rented.

“PAH Provider” means an organization authorized by the Town of Canmore through a funding,

agency or other agreement, to administer PAH own and rent programs. This includes, but is not limited to, the CCHC.

“PAH Reserve Fund” is an account established by the Town of Canmore that receives monies to be used for the specific and sole purpose of developing **ownership** or rental PAH projects or facilitating any aspect of constructing, producing or delivering PAH units.

“PAH **Waitlist**” refers to a list of people who have met the PAH Eligibility Criteria, but who cannot purchase **or rent** a PAH unit because there are no suitable units available.

“Perpetually Affordable Housing (PAH)” is a range of housing types that shall be made available to eligible persons at below market purchase prices and rental rates, and be maintained as the occupants’ primary residence. PAH shall be restricted by occupancy, resale and rental price, and buyer or tenant eligibility criteria. It is intended to address the affordable housing demand of moderate income Canmore working households unable to afford to purchase or rent accommodation on the open market.

“Primary residence” means the residence that is the place the applicant will ordinarily and continually occupy as a residence on a full-time basis, as determined by the Town or the PAH Provider.

“Town” refers to the Town of Canmore.

4. GUIDING PRINCIPLES

- PAH will **be** housing with price and resale or rental rate restrictions.
- PAH will be restricted to people who are qualified, based on employment, residency, income, asset, and other qualifications as determined from time to time.
- PAH will be provided to meet the demand based on a variety of income levels above the level of social housing and below the level of market housing.
- PAH **will** be “needs based”, provided for those who are unable to afford to purchase or rent **suitable** housing on the open Canmore real estate market.
- PAH **will** be provided in a diversity of locations across the community.
- PAH **will** be in various housing forms including **accessory** suites, apartments, townhouses, and **multiplexes**.
- All monies received as part of this PAH Policy will be used to further the development of PAH within the Town of Canmore.

5. PAH CONTRIBUTIONS

This section of the Policy outlines the manner in which financial contributions are to be made by various segments of the community.

5.1 The PAH Reserve Fund

- (a) The PAH Reserve Fund is established and administered by Council. The Fund will be used solely for the creation of PAH **ownership** and rental units. The Fund will be reported in the Town's annual financial statements. A detailed reporting of revenue into and expenditures from the fund will be made available to the public on an annual basis. The Fund is an interest bearing reserve and all interest is to accrue to the Fund.
- (b) The PAH Reserve Fund shall be accessed only to:
 - i) use as working capital to build or contract the building of PAH projects,
 - ii) purchase land and service land that PAH will be constructed on,
 - iii) use as equity on rental units,
 - iv) used to reduce the sales price of equity units, or
 - v) facilitate any aspect of delivering PAH units within the Town of Canmore.

5.2 Accountability to the PAH Reserve Fund

The use of the PAH Reserve Fund will be by decision of Council. Prior to the use of any funds from the PAH Reserve Fund, Council will obtain a recommendation from the CCHC Board.

5.3 Contributions to the Reserve Fund

- (a) The contribution amount from each sector for the development of PAH will be determined annually during the Town of Canmore's budget process.
- (b) All contributions net of the annual operating costs associated with CCHC will be transferred to the Fund.
- (c) Annual contributions to the Reserve Fund may be as follows:
 - (i) **Residential Property Owners**
The Residential Property Owners' contribution is expected to be collected via a fixed residential mill rate established each year by Council.
 - (ii) **Business Community (Non-Residential Property Owners)**
The Business community contribution is expected to be collected via a fixed non-residential mill rate established each year by Council.

In addition, any year-end surplus may be contributed to the PAH Reserve Fund as directed by Council.

6. PAH ELIGIBILITY CRITERIA

6.1 PAH Providers shall establish PAH Eligibility Criteria and administer an application process consistent with the guiding principles contained in this policy.

6.2 PAH Eligibility Criteria shall include requirements related to: age and Canadian legal status; a connection to Canmore through employment and/or residency; and the need for affordable housing through income and/or asset limits. Specific Eligibility Criteria requirements must be contained in funding, agency or other agreements between the Town of Canmore and the PAH Provider.

6.3 Once an applicant household has been approved as meeting the eligibility criteria, and should there be no PAH units available to purchase or rent that meet the applicant household's requirements, the PAH Provider shall maintain a PAH Waitlist.

6.4 As long as the PAH Eligibility Criteria are met, no one (including any elected official; municipal, provincial, or federal government employee; member or employee of a PAH Provider) is ineligible by virtue of their job or volunteer position.

7. PAH PARTNERSHIP AGREEMENT

7.1 PAH Providers shall enter into a PAH Partnership Agreement with purchasers and renters of PAH, which will govern the terms of ownership and tenancy. Specific terms of the PAH Partnership Agreement will be contained in the appropriate and standardized agreements at the time of purchase, which may take the form of a Memorandum of Lease, Joint Ownership Agreement, Option Agreement, Restrictive Covenant, Mortgage or a Tenancy Agreement.

7.2 The PAH Partnership Agreement shall contain a PAH Residency Requirement. The PAH Residency Requirement will require that the PAH unit be the occupants' primary residence, with no rentals or sub-letting allowed without prior written consent from the PAH Provider.

7.3 For ownership programs, the PAH Partnership Agreement shall specify terms and conditions of resale, including administration fees and restrictions on buyers and the resale price.

7.4 For rental programs, the PAH Partnership Agreement shall specify terms and conditions of rent including lease terms, rents, fees, and use and occupancy restrictions.

8. PAH BUILD & PRICE GUIDELINES

8.1 PAH Build & Price Guidelines are intended to provide operational and practical clarity regarding the provision of PAH units so that they are both appropriate and affordable to households. The guidelines shall be used by PAH Providers, developers or partners that are providing PAH units, to ensure that they are appropriate and affordable.

8.2 The PAH Build & Price Guidelines will specify minimum sizes, required amenities by unit type and affordable purchase price of an ownership PAH unit relative to AMI.

8.3 The Town Planning Department shall, on an annual basis, consult with CCHC and other PAH Providers to review any PAH Build & Price Guidelines, determine the affordable purchase price of PAH units, and make any changes as necessary.

9 PRIOR PAH POLICY

9.1 This Policy replaces all other prior Perpetually Affordable Housing policies and all amendments thereto.

TOWN OF CANMORE

WHERE THERE IS ANY CONFLICT BETWEEN THE POLICIES ADOPTED BY THE TOWN OF CANMORE AND THE POLICIES SET FORTH IN A COLLECTIVE AGREEMENT ADOPTED BY CUPE LOCAL #37, OR POLICIES SET FORTH IN A STATUTE OF THE PROVINCIAL OR FEDERAL GOVERNMENT, THE COLLECTIVE AGREEMENT OR THE PROVINCIAL OR FEDERAL STATUTE SHALL SUPERCEDE SUCH OTHER POLICIES.
T.M.

Registered Trade Mark

STATEMENT of POLICY and PROCEDURE (SPP)			
POLICY	PAH PROGRAMS PRIMER	SPP No.	3.01
Section:	Program Administration	Issued:	April 15 2015
Issue to:	All Manual Holders	Effective:	April 15 2015
Motion/Date	MOTION XXXX April 15 2015	Page:	1 of 2

SPP 3.01 PERPETUALLY AFFORDABLE HOUSING (PAH) PROGRAMS PRIMER

1. PURPOSE

- 1.1. The purpose of this Statement of Policy and Procedure is to provide an introduction to Perpetually Affordable Housing (PAH) Programs and a foundation for other policies in this section.

2. SCOPE

- 2.1. This section on PAH Programs applies to both own and rent programs administered by CCHC.

3. RESPONSIBILITY

- 3.1. It is the responsibility of the Board of Directors and the Managing Director to ensure that program administration policies are in accordance with guiding principles contained in municipal affordable housing policies and any funding or agency agreements.
- 3.2. It is the responsibility of the Board of Directors to ensure that program administration policies, procedures and internal controls are in place as it deems necessary to provide assurance to its stakeholders that programs are being administered effectively to achieve the organization's objectives.
- 3.3. It is the responsibility of the Managing Director to develop, implement and manage program administration policies and procedures as are consistent with direction from the board of directors and necessary to ensure that the organization efficiently and effectively achieves the organization's objectives.

4. DEFINITIONS

- 4.1. **"Perpetually Affordable Housing (PAH)"** is a range of housing types that will be made available to eligible persons at below market purchase prices and rental rates, and be maintained as the occupants' primary residence. PAH will be restricted by occupancy, resale and rental price, and buyer or tenant eligibility criteria. It is intended to address the affordable housing demand of moderate income Canmore working households unable to afford to purchase or rent accommodation on the open market.

STATEMENT of POLICY and PROCEDURE (SPP)			
POLICY	PAH PROGRAMS PRIMER	SPP No.	3.01
Section:	Program Administration	Issued:	April 15 2015
Issue to:	All Manual Holders	Effective:	April 15 2015
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5. **POLICY**

None

6. **PROCEDURES**

None

7. **REFERENCES and RELATED STATEMENTS of POLICY and PROCEDURE**

Freedom of Information and Protection of Privacy Act

Alberta Real Estate Act

Alberta Residential Tenancies Act

Town of Canmore PAH Policy

CCHC Occupancy Guidelines

SPP 3.02 – PAH Own Programs

SPP 3.03 – PAH Rent Programs

8. **ATTACHMENTS**

None

Chair

Managing Director

STATEMENT of POLICY and PROCEDURE (SPP)			
POLICY	PAH OWN PROGRAM	SPP No.	3.02
Section:	Program Administration	Issued:	April 15 2015
Issue to:	All Manual Holders	Effective:	April 15 2015
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SPP 3.02 PERPETUALLY AFFORDABLE HOUSING (PAH) OWN PROGRAM

1. PURPOSE

- 1.1. The purpose of this Statement of Policy and Procedure is to set out policies and procedures for the administration of the Perpetually Affordable Housing (PAH) Own Program, pursuant to guiding principles contained in municipal affordable housing policies and any funding or agency agreements.

2. SCOPE

- 2.1. This policy applies to the PAH Own Program administered by CCHC. There may be variations within the program due to funding or agency agreements, as specified within this policy.

3. RESPONSIBILITY

- 3.1. It is the responsibility of the Board of Directors to ensure that program administration policies, procedures and internal controls are in place as it deems necessary to provide assurance to its stakeholders that the program is being administered effectively to achieve the organization's objectives.
- 3.2. It is the responsibility of the Managing Director to develop, implement and manage program administration policies and procedures as are consistent with direction from the Board of Directors and necessary to ensure that the organization efficiently and effectively achieves the organization's objectives.
- 3.3. It is the responsibility of the Board of Directors and the Managing Director to ensure regular reviews of this Policy, at a minimum annually.

4. DEFINITIONS

- 4.1. "Area Median Income (AMI)" refers to the median income of Canmore determined annually by CCHC using Statistics Canada data.
- 4.2. "CPI" refers to the national all-items Consumer Price Index for Canada calculated by Statistics Canada.

STATEMENT of POLICY and PROCEDURE (SPP)			
POLICY	PAH OWN PROGRAM	SPP No.	3.02
Section:	Program Administration	Issued:	April 15 2015
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- 4.3. "Employed" includes, but is not restricted to, being on maternity leave or sick/disability leave from a permanent position or having accepted a bona fide job offer.
- 4.4. "Multiple Person Household" refers to households of more than a single person who intend to occupy the PAH home as a primary residence. It includes lone parent and couple families, and two or more single persons who intend to be co-owners on title and occupy the PAH home as their primary residence.
- 4.5. "Primary Residence" means the place the occupant will ordinarily and continually occupy as a residence on a full-time day to day basis as determined by CCHC.
- 4.6. "Retiree" means someone who has ceased active employment, is over the age of 65 years old, and in receipt of Old Age Security pension.
- 4.7. "Self-employed" means someone who owns and performs services for their own business, of which they are the primary or sole operator.
- 4.8. "Single Person Household" refers to a household of a single person who has no spouse or dependents, who intends to be the sole owner of the PAH home and occupy the PAH home as a primary residence.
- 4.9. "Spouse" means a husband or wife to whom an individual is legally married or is a common-law spouse as defined by the Canada Revenue Agency.

5. POLICY

5.1. GENERAL GUIDELINES

- 5.1.1. The primary purpose of the PAH Own Program is to provide affordable housing to moderate income Canmore working households who are unable to afford to purchase suitable housing on the open market.
- 5.1.2. Municipal policy may contain guidelines on PAH prices, unit sizes and amenities and shall be used by CCHC when providing PAH units, to ensure that they are appropriate and affordable relative to market prices.
- 5.1.3. PAH owners should spend no more than 35% of gross household income on housing costs. Housing costs for home owners include mortgage payments, property taxes, heating costs and a share of condo fees.

STATEMENT of POLICY and PROCEDURE (SPP)			
POLICY	PAH OWN PROGRAM	SPP No.	3.02
Section:	Program Administration	Issued:	April 15 2015
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5.2. ELIGIBILITY CRITERIA

This section of the Policy outlines the qualifications that applicant households must meet to be eligible to purchase a PAH unit. An applicant household consists of any adult intending to be on title and reside in the unit, and their spouse. Applicant households are required to meet all PAH qualifications. Spouses of a deceased employee/retiree who between them would have met all PAH qualifications will also be considered as qualified applicant households. No preferences are given within qualifications.

5.2.1. **Age and Canadian Legal Status:** All applicants intending to be on title must be of Alberta legal age and be a Canadian Citizen or Permanent Resident, except a spouse.

5.2.2. **Employment:** At least one applicant in the household intending to be on title must meet one of three categories of Residency and Employment Criteria outlined below

a. **Canmore Permanent Employment**

Currently work in Canmore and shall have worked in Canmore for at least six (6) months prior to taking possession of a PAH home, as an employee working a minimum of thirty (30) hours per week in permanent employment with a licensed Canmore business.

b. **Canmore Residency and Employment**

Currently live in Canmore and shall have lived in Canmore for at least twelve (12) months prior to taking possession of a PAH home. The twelve (12) month residency requirement may be fulfilled through cumulative or consecutive months; **and**

Must be one of the following:

- i. employee working in Canmore a minimum average of twenty (20) hours per week for at least six (6) months prior to taking possession of a PAH home, with a licensed Canmore business; or
- ii. self-employed person with a Canmore business license or recognized equivalent performing services for the business a minimum average of twenty (20) hours a week for at least six (6) months prior to taking possession of a PAH home; or
- iii. retiree with at least sixty (60) months five years prior Canmore work experience within the ten (10) years prior to retirement.

c. **Canmore Long-Term Resident**

Currently live in Canmore and shall have lived in Canmore for at least sixty (60) months of the past ten (10) years, prior to taking possession of a PAH home. The sixty (60) month residency requirement may be fulfilled through cumulative or consecutive months.

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5.2.3. **Annual Gross Household Income:** Annual Gross Household Income shall not exceed 120 percent (%) of the Area Median Income for couple families.

5.2.4. **Net Household Assets:** Shall not exceed \$100,000, this amount being subject to change from time to time, excluding RRSP, RESP, RRIF, and Pension Plans. For the purposes of determining Net Household Assets, real estate will be valued based on the most recent Property Tax Assessments from the jurisdiction in which the property is located.

5.2.5. Administration has the discretion to approve applications with variations to either the Net Household Asset or Gross Household Income cap, provided the new combination of income and assets results in the household being in housing need. The household is determined to be in housing need if it is unable to afford the most expensive PAH unit suitable for the household type and size.

5.2.6. Applicants applying to purchase a PAH unit must provide a mortgage pre-approval.

5.2.7. Applicants applying to purchase a PAH unit must intend to occupy the PAH unit as a primary residence pursuant to the PAH Residency Requirement in the Partnership Agreement.

5.2.8. The Eligibility Criteria contained in this Policy may be altered either generally, or specifically with respect to a particular PAH project or development, with the approval of the CCHC Board, subject to requirements contained in applicable funding and agency agreements.

5.3. PARTNERSHIP AGREEMENT

5.3.1. CCHC shall enter into a Partnership Agreement with purchasers of PAH. The Partnership Agreement governs the terms and conditions of ownership and will be standardized agreements approved by the Board. These agreements may take the form of a Memorandum of Lease, Joint Ownership Agreement, Mortgage, Option Agreement or Restrictive Covenant.

5.3.2. The Partnership Agreement shall include a PAH Residency Requirement, which shall require that the PAH unit be the owners' primary residence, with no rentals or sub-letting allowed without prior written consent from the CCHC Board. Housemates and boarders will be allowed in PAH owned units as long as a titled owner continues to occupy the home as a primary residence. Once a PAH applicant household has purchased a PAH unit, CCHC will only monitor the PAH Residency Requirement, not eligibility.

5.3.3. The PAH Partnership Agreement shall specify terms and conditions of resale, including administration fees and resale price restrictions, as follows:

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- a. An administrative fee of 2.5% of the original purchase price, as agreed in writing by the applicant, shall be paid by the applicant to CCHC upon each PAH resale.
- b. The restricted PAH resale price is based on the original purchase price, multiplied by 110% of annual percentage change in CPI, prorated for the number of days owned in a year, and compounded annually. Resale price shall always be a maximum price, never a guaranteed price.

5.3.4. The PAH Partnership Agreement shall specify that all sales of PAH units must be to eligible persons and within the maximum PAH resale price.

6. PROCEDURES

6.1. APPLICATION PROCESS

- 6.1.1. The application form must be filled out in full and submitted in person, complete with supporting documentation. Incomplete forms will not be accepted. All applicants will be required to sign a statutory declaration stating that the information in the application is true and accurate, and that they are aware of specified terms and conditions of the program.
- 6.1.2. Personal information requested on the application form is collected and used solely for the purpose of administering the PAH Own Program as authorized by and subject to the Freedom of Information and Protection of Privacy Act (FOIP).
- 6.1.3. CCHC may charge an application fee to cover administration costs as approved by the CCHC Board.
- 6.1.4. Applicants will received notification as to whether they were approved or not. Applicants who are not approved and wish to appeal a staff decision, shall make an appeal to the CCHC Board. The CCHC Board has the discretion to consider how the Eligibility Criteria were interpreted and applied, and to change the Eligibility Criteria contained in the policy, but not the discretion to allow exceptions outside of approved policy. The decision of the CCHC Board is final.

6.2. WAITLIST MANAGEMENT

- 6.2.1. Approved applicants will be placed on the PAH Own Waitlist in the order by which they were approved. Approvals will be valid for a period not to exceed six months. Applicants must maintain their eligibility to remain on the Waitlist. They will be contacted to confirm they continue to be eligible and wish to remain on the Waitlist, at a minimum, annually. Non-

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response will result in the applicant being removed from the Waitlist.

6.2.2. Once a PAH applicant has purchased a PAH unit, they will be removed from the Waitlist. If the PAH applicant is interested in moving within the PAH Program, a new application must be submitted.

6.2.3. An applicant can be asked to be removed from the Waitlist at any time.

6.3. SALES AND RESALES

6.3.1. CCHC will administer and support sales and resales as permitted by the Partnership Agreement and the *Real Estate Act*.

6.3.2. PAH units sold by CCHC shall be sold by priority on the Waitlist as determined by the date the application is approved, with multiple person households receiving priority over single person households with respect to the purchase of homes with three or more bedrooms.

7. REFERENCES and RELATED STATEMENTS of POLICY and PROCEDURE

Freedom of Information and Protection of Privacy Act (FOIP)

Real Estate Act

Town of Canmore PAH Policy

SPP 3.01* – PAH Program Primer

**policies under development*

8. ATTACHMENTS

None

Chair

Managing Director

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SPP 3.03 PERPETUALLY AFFORDABLE HOUSING (PAH) RENT PROGRAM

1. PURPOSE

- 1.1. The purpose of this Statement of Policy and Procedure is to set out policies and procedures for the administration of the Perpetually Affordable Housing (PAH) Rent Program pursuant to the guiding principles contained in municipal affordable housing policies and any funding or agency agreements.

2. SCOPE

- 2.1. This policy applies to the PAH Rent Program administered by CCHC. There may be variations within the program due to funding or agency agreements, as specified within this policy.

3. RESPONSIBILITY

- 3.1. It is the responsibility of the Board of Directors to ensure that program administration policies, procedures and internal controls are in place as it deems necessary to provide assurance to its stakeholders that programs are being administered effectively to achieve the organization's objectives.
- 3.2. It is the responsibility of the Managing Director to develop, implement and manage program administration policies and procedures as are consistent with direction from the board of directors and necessary to ensure that the organization efficiently and effectively achieves the organization's objectives.
- 3.3. It is the responsibility of the Board of Directors and the Managing Director to ensure regular reviews of this Policy, at a minimum annually.

4. DEFINITIONS

- 4.1. "CNIT" is the Core Need Income Threshold published annually by the Province of Alberta, which is used as the gross annual income limit by unit type in developments funded by some provincial grants. CNIT applies to the PAH rental property, The Hector at Palliser Village due to the Rural Affordable Housing Partnership Initiative (RAHPI) grant agreement.

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- 4.2. **"Disability"** refers to a prolonged and/or permanent condition that substantially limits an individual's ability to earn a living. This may include, but is not limited to, recipients of the Assured Income for the Severely Handicapped (AISH) in Alberta and of the Canadian Pension Plan (CPP) Disability Benefit.
- 4.3. **"Employed"** includes, but is not restricted to, being on maternity leave or sick/disability leave from a permanent position or having accepted a bona fide job offer.
- 4.4. **"Homemaker"** means a spouse who is not an employee, but is caring for children not yet attending school full-time or caring for family members living in the residence who qualify under the disability criteria.
- 4.5. **"Primary residence"** means the place the occupant will ordinarily and continually occupy as a residence on a full-time day to day basis as determined by CCHC.
- 4.6. **"Retiree"** means someone who has ceased active employment, is over the age of 65 years old, and in receipt of Old Age Security pension benefits.
- 4.7. **"Self-employed" means someone who owns and performs services for their own business, of which they are the primary or sole operator.**
- 4.8. **"Spouse"** means a husband or wife to whom an individual is legally married or is a common-law spouse as defined by the Canada Revenue Agency
- 4.9. **"Tenants"** are all adult persons living in rental accommodation. All such persons must be applicants and on the lease.

5. POLICY

5.1. GENERAL GUIDELINES

- 5.1.1. The primary purpose of the PAH Rent Program is to provide affordable housing to moderate income Canmore workers who are unable to afford to rent suitable housing on the open market. PAH is not low income housing.
- 5.1.2. Municipal policy may contain guidelines on PAH unit sizes, prices and amenities and shall be used by CCHC when providing PAH units, to ensure that they are appropriate and affordable to market prices.
- 5.1.3. PAH rental rates will be established to be at least 10% below the local market rental rate for an equivalent unit.

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5.1.4. PAH renters should spend no more than 30% of their gross household income on housing costs. Housing costs for tenants include rent and heat.

5.2. ELIGIBILITY CRITERIA

This section of the Policy outlines the qualifications that applicants must meet to be eligible to rent a PAH unit. All adults intending to reside in the unit are applicants and must be on the lease, and are required to meet all PAH qualifications.

5.2.1. **Age and Canadian Legal Status:** All applicants of Alberta legal age must be listed as Tenants on the rental lease and must be a Canadian Citizen, or a Permanent Resident, or possess a valid Canadian work permit.

5.2.2. **Employment:** All Tenants must be one of the following:

- a. an employee working in Canmore a minimum average of no less than twenty (20) hours per week for a licensed Canmore business, and the spouse of the employee, who is a homemaker; or
- b. a self-employed person with a Canmore business license, or recognized equivalent, performing services for the business a minimum average of no less than twenty (20) hours a week; or
- c. a retiree who meets one of the following conditions, and the spouse or caregiver of the retiree:
 - a) was an employee working in Canmore a minimum average of no less than twenty (20) hours per week for a licensed Canmore business, for at least three of the five years prior to ceasing that employment, or
 - b) lived in Canmore a minimum of five (5) years within the ten (10) year period prior to applying;

or

- d. an individual who has a disability and meets one of the following conditions, and the spouse or caregiver of the individual
 - i. was an employee working in Canmore a minimum average of no less than twenty (20) hours per week for a licensed Canmore business, for at least three years, or
 - ii. lived in Canmore a minimum of five (5) years within the ten (10) year period prior to applying.

5.2.3. Gross Annual Household Income: Tenant households must meet annual income limits by unit size. Income limits will be set at a level at which households are deemed to have difficulty finding housing in the Canmore market that is adequate, safe and affordable for its needs without spending more than 30% of gross household income for rent.

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- a. Income limits for The Hector at Palliser Village are the Core Needs Income Threshold (CNIT) limits as approved by the Province of Alberta, or as otherwise agreed to by the Province of Alberta, and apply at the time of initial occupancy of the PAH unit.
 - b. Income limits for all other PAH rental units, and successive tenancies at The Hector at Palliser Village, are established and approved by the CCHC Board, and reviewed annually.
- 5.2.4. Net Household Assets: Applicants must not own, either personally, jointly, or indirectly through business assets, any residential real estate at the time of application or during the tenancy. An exception may apply to property that is being sold or is unavailable for occupancy due to a property settlement agreement or court order.
- 5.2.5. Applicants applying to rent a PAH unit must intend to occupy the PAH unit as a primary residence, on a continuous basis.
- 5.2.6. The Eligibility Criteria contained in this Policy may be altered either generally, or specifically with respect to a particular PAH project or development, with the approval of the CCHC Board, subject to requirements in applicable funding and agency agreements.
- 5.3. **PARTNERSHIP AGREEMENT**
- 5.3.1. CCHC, or its agent, shall enter into a tenancy agreement with renters of PAH, which will govern the terms and conditions of tenancy.
- 5.3.2. All tenant households must agree to the terms and conditions of the Program as provided for in the tenancy agreement, including lease terms, rental rates, other charges, and the use and occupancy rules.
- 5.3.3. The tenancy agreement will be a fixed-term lease. A new lease may be offered if the tenant has abided by the tenancy agreement and continues to be meet the Eligibility Criteria.

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6. PROCEDURES

6.1. APPLICATION PROCESS

- 6.1.1. The application form must be filled out in full and submitted in person, along with supporting documents. Incomplete application forms will not be accepted. All applicants will be required to sign a statutory declaration stating that the information in the application is true and accurate, and that they are aware of specified terms and conditions of the program.
- 6.1.2. Personal information requested on the application form is collected and used solely for the purpose of administering the PAH Rent Program as authorized by and subject to the Freedom of Information and Protection of Privacy Act (FOIP).
- 6.1.3. CCHC may charge an application fee to cover administration costs as approved by the CCHC Board.
- 6.1.4. Eligible applicants will be approved for specific rental properties and unit sizes based on income limits and CCHC occupancy guidelines.
- 6.1.5. Should applicants not be approved and wish to appeal a staff decision, appeals must be made to the CCHC Board. The CCHC Board has the discretion to consider how the Eligibility Criteria were interpreted and applied, and to change the Eligibility Criteria contained in the policy, but not the discretion to allow exceptions outside of the approved Policy. The decision of the CCHC Board is final.
- 6.1.6. In addition to meeting the Eligibility Criteria, all applicants must have positive landlord references and an ability to pay the rent. In the absence of a rental history or adequate income, a co-signor may be required.

6.2. WAITLIST MANAGEMENT

- 6.2.1. Approved applicants will be placed on the PAH Rent Waitlist in the order by which they were approved. Approvals will be valid for a period not to exceed six months. Applicants must maintain their eligibility to remain on the Waitlist. They will be contacted to confirm they continue to be eligible and wish to remain on the Waitlist, at a minimum, semi-annually. Non-response will result in the applicant being removed from the Waitlist.
- 6.2.2. Once a PAH applicant has rented a PAH unit, they will be removed from the Waitlist. If the PAH applicant is interested in moving within the PAH Program, a new application must be submitted.

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6.2.3. An applicant can be asked to be removed from the Waitlist at any time.

6.3. LEASING

6.3.1. CCHC, or its agent, will administer the leasing process.

6.3.2. The primary purpose of the PAH Rent Program is to provide housing to Canmore workers. In order to achieve program objectives, the CCHC Board may set limits on the number of units within a specific property, or across all properties, to be occupied by non-workers. Non-workers include retirees and individuals unable to work due to disability.

6.3.3. Placement will be based on priority on the Waiting List as determined by the date the application is approved, with the following exceptions:

- a. Eligible applicants who require an accessible or barrier-free unit for health reasons receive priority for accessible and barrier-free units; and
- b. Eligible employees and self-employed persons receive priority when limits established by the Board in accordance with 6.3.2 have been met or exceeded.

7. REFERENCES and RELATED STATEMENTS of POLICY and PROCEDURE

Freedom of Information and Protection of Privacy Act
 Alberta Residential Tenancies Act
 Town of Canmore PAH Policy
 CCHC Occupancy Guidelines
 SPP 3.01 – PAH Program Primer
 SPP 3.02 – PAH Own Program

8. ATTACHMENTS

Appendix A: Income Limits

Chair

Managing Director



For Decision

DATE OF MEETING: April 15, 2015 **Agenda Item: 5b**

SUBJECT: The Hector Rental Rate Changes

RECOMMENDATION:

That the Board make a motion to approve an average rental rate increase of 3.9% at The Hector at Palliser Village, subject to approval by the Province under the terms of the Rural Affordable Housing Partnership Initiative (RAHPI) grant agreement.

EXECUTIVE SUMMARY:

Operating budgets for The Hector in 2016 show operating costs will increase by 30%. The significant increase in operating costs is primarily due to a change in the property assessment classification of The Hector from an exempt classification to the applicable taxable assessment classification. It also takes into account a 20% increase in utilities. While a 6.4% rental rate increase in 2016 and a 1.9% increase in 2017 would be needed to offset this increase in operating costs, a more moderate increase of 3.9% is being proposed for 2016 with the expectation that another increase would follow in 2017. Approved rental rate increases are subject to approval by the Province.

PREVIOUS BOARD DIRECTION OR POLICY

Rental rates at The Hector were last increased in June 2013, the only increase in the six years the building has been occupied.

DISCUSSION

The Rural Affordable Housing Partnership Initiative (RAHPI) grant agreement with the province governs rental rates at The Hector. Rental rate changes must be approved by the Province and will only be permitted if operating costs have increased to result in a deficit and if market rental rates have increased.

Operating costs are expected to increase by 30% in 2016 due to increased property taxes, utilities and general inflation as shown in the Hector 2016 Operating Budget. A more moderate increase for inflation is expected in 2017. To completely offset the increased costs, a 6.4% increase would be needed to rents in 2016 and a 1.9% increase in 2017.

Scenarios were run taking into account the amount of the deficit to be covered and affordability parameters, which state that housing costs should not exceed 30% of incomes and affordable rents must be at least 10% below market rents. Three options were identified and analyzed.

1. **Breakeven - 6.4% increase in 2016, 1.9% in 2017 to cover operating deficit**
This is not recommended as it would exceed affordability parameters, subject tenants to a significant increase in rents at one time, and would likely not be approved by the province.
2. **Maximize Affordability Parameters - 5.3% increase in 2016, 3% in 2017**
This is not recommended as although it is within the affordability parameters, it would still subject tenants to a significant increase in a single year.
3. **Within Affordability Parameters - 3.9% increase in 2016, 3% in 2017**
This is recommended as it is well within the affordability parameters and allows more modest and manageable increases, even though a small deficit is anticipated at the end of each year.

OPTION 3 ANALYSIS

A summary of the impact of the average increase by unit type under option 3 is included in the operating statement and other tables below:

Operating Statement

- This option anticipates regular smaller increases until the rents catch up with the operating costs and begin to contribute to CCHC administrative costs.
- CCHC may need to request a greater contribution from the Town's PAH Fund to offset the deficits.

THE HECTOR AT PALLISER VILLAGE					
Operating Budget 2015-2017					
	Actual		BUDGET		
	2013	2014	2015	2016	2017
			0%	3.9%	3.0%
Rental Revenue	\$ 631,433	\$ 652,361	\$ 638,550	\$ 650,094	\$ 669,597
Total Operating Costs	\$ 162,916	\$ 161,308	\$ 167,397	\$ 216,787	\$ 225,519
Operating Surplus/(Deficit)	\$ 468,517	\$ 491,053	\$ 471,153	\$ 433,307	\$ 444,078
Financing Interest	\$ 262,978	\$ 255,788	\$ 248,235	\$ 240,300	\$ 231,966
Surplus/(Deficit) before Capital Payments	\$ 205,538	\$ 235,265	\$ 222,919	\$ 193,007	\$ 212,112
Capital Payments - Investment					
Debenture Financing Principal	\$ 142,613	\$ 149,803	\$ 157,356	\$ 165,290	\$ 173,624
Building Reserve Fund	\$ 14,131	\$ 34,281	\$ 38,169	\$ 42,322	\$ 46,926
Total Capital Investment	\$ 156,744	\$ 184,084	\$ 195,525	\$ 207,612	\$ 220,550
NET CASH SURPLUS/(DEFICIT)	\$ 48,794	\$ 51,181	\$ 27,393	-\$ 14,605	-\$ 8,438
CCHC Admin Fee	\$ 48,794	\$ 51,181	\$ 27,393		
Transfer from/(to) Operating Reserve	\$ -	\$ -	\$ -	\$ 14,605	\$ 8,438

Affordability Relative to Income										
	# Units	Hector Average Rents			Hector Range of Rents		2014-15 CNIT	Avg as % of CNIT	Min as % of CNIT	Max as % of CNIT
		Current	Proposed	Increase	MIN	MAX				
Bachelor	8	\$ 663	\$ 688	3.8%	\$ 675	\$ 700	\$ 36,000	25%	25%	26%
1 Bedroom	28	\$ 783	\$ 811	3.6%	\$ 675	\$ 890	\$ 45,000	24%	21%	26%
2 Bedroom	20	\$ 1,079	\$ 1,123	4.1%	\$ 950	\$ 1,220	\$ 55,000	27%	23%	29%
3 Bedroom	4	\$ 1,240	\$ 1,295	4.4%	\$ 1,280	\$ 1,295	\$ 68,000	26%	25%	26%
ALL	60	\$ 896	\$ 931	3.9%						

The table above shows that the average rents would range from 21% to 29% of the maximum income limit, within affordability parameters of the PAH Program. CNIT limits are released annually and could potentially increase as well.

	Income at which rents are affordable based on housing costs being 30% of income (Includes electricity as housing cost)					
	AVG Rent		MIN Rent		MAX Rent	
	Annual	Hourly	Annual	Hourly	Annual	Hourly
Bachelor	\$ 30,500	\$ 15	\$ 30,000	\$ 14	\$ 31,000	\$ 15
1 Bedroom	\$ 36,443	\$ 18	\$ 31,000	\$ 15	\$ 39,600	\$ 19
2 Bedroom	\$ 49,920	\$ 24	\$ 43,000	\$ 21	\$ 53,800	\$ 26
3 Bedroom	\$ 57,800	\$ 28	\$ 57,200	\$ 28	\$ 57,800	\$ 28

The table above shows the annual and hourly income for which the average rents are affordable, and is consistent with average wages reported by the Job Resource Centre for job postings between August 2014 and January 2015:

- Average starting wage for all postings was \$16.13/hr
- The lowest average wage was \$12.41/hr in Food & Beverage
- The highest average wage was \$22.00/hr for Office & Administration

Affordability Relative to Market Rents

	Proposed Avg Rents	Market Rents 2014	Proposed as % of Market
Bachelor	\$ 688	\$ 917	75%
1 Bedroom	\$ 811	\$ 1,195	68%
2 Bedroom	\$ 1,123	\$ 1,616	69%
3 Bedroom	\$ 1,295	\$ 2,073	62%

The table above shows the proposed average rents as within affordability parameters for affordable rental prices relative to market rents.

ALTERNATIVES:

1. The Board may choose to approve a higher rental rate change for 2016. This is not recommended as explained above.
2. The Board may choose to approve a lower rental rate increase for 2016. This is not recommended as there is room to increase rents while still meeting affordability parameters and requirements of the Province.

FINANCIAL IMPACTS: 2016 Operating Budget as identified in the statements above.

ATTACHMENTS: None

Prepared by: Jennifer Bisley

Prepared on: April 11, 2015