



**Board of Directors Meeting Agenda
CCHC Boardroom
Thursday, May 16, 2013
4:00-6:00 pm**

- 1. Approval of Agenda**
- 2. Approval of April 23, 2013 Minutes**
- 3. Business arising from minutes**
- 4. Committee Reports**
 - a. Executive Committee: Treasurer's Report**

Motion to direct the Treasurer to do a review of CCHC bookkeeping and budgeting procedures and report back to the Board.

Motion to transfer \$39,288 from operations to The Hector Capital Reserve Fund and \$1,301 from operations to the CCHC Capital Reserve Fund.
 - b. PAH Project Committee: verbal update**
- 5. Report from Managing Director**

Motion to accept the report for information
- 6. New Business**
 - a. Town of Canmore Employee Housing Update, Patrick Sorfleet, Development Planner**

Motion to accept the report for information
 - b. CCHC Corporation Strategic Review Subcommittee Terms of Reference**

Motion to approve the Terms of Reference for the subcommittee as presented and to allocate up to \$10,000 for facilitation, administration and research costs.
- 7. In Camera Items**
 - a. Intergovernmental Issue**
 - b. Program Issue**
 - c. Draft report**
 - d. Client 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

**Tuesday, April 23, 2013
Executive Boardroom, Civic Centre
12:30-2:30pm**

Board members in attendance:

Hans Helder
Garth Lyon
Bob Kocian

Sean Krausert
Kimber Meister
Dan Sparks

Others in attendance:

Doug Mundell, Young Parker McNab LLP
Gary Buxton, Town of Canmore CCHC Liaison
Jennifer Bisley, Managing Director, CCHC

Regrets

Sarah Law
Cathy Robinson

There being a quorum, Garth Lyon called the meeting to order at 12:35pm.

1) Agenda Approval

Moved by Bob Kocian to approve the agenda as amended, with in camera discussion on items 7a, 7b and 7c moved up on the agenda.

Carried unanimously

7) In Camera Items

Moved by Sean Krausert to go in camera at 12:36 pm

a) Audit Issue

Gary Buxton and Doug Mundell left the meeting at 1:30pm

b) Human Resource Issue

c) Human Resource Issue

Moved by Bob Kocian to come out of camera at 2:15pm

2) Approval of Minutes

Motion 2013.08

Moved by Bob Kocian to approve the Minutes of the January 24 2013 Board meeting as presented.

Carried unanimously

*APPROVED Motion 2013.18 May 16, 2013
CANMORE COMMUNITY HOUSING CORPORATION*

3) **Business Arising from Minutes:** none

4) **Committee Reports:** none

5) **Report from Managing Director**

Motion 2013.09

Moved by Sean Krausert to accept the Managing Director's Report for information.
Carried unanimously

6) **New Business:**

a) **Audit Issue: Accounting Standards**

Motion 2013.10

Moved by Kimber Meister to adopt Public Sector Accounting Board (PSAB) Standards without optional add-on NPO standards (4200 series) for the year beginning January 1, 2012 with the transition date of January 1, 2011.

Carried unanimously

b) **Financial Sustainability Planning Tool**

Motion 2013.11

Moved by Hans Helder to accept the Financial Sustainability excel model for use by CCHC administration

Carried unanimously

Motion 2013.12

Moved by Hans Helder to disband the Financial Sustainability Model Committee.

Carried unanimously.

c) **CCHC Strategic Review**

Motion 2013.13

Moved by Garth Lyon to establish a committee to provide direction to the Managing Director with respect to a strategic organizational review.

Carried unanimously

Motion 2013.14

Moved by Bob Kocian to appoint Hans Helder, Garth Lyon and Kimber Meister to the committee and direct the members to develop a terms of reference for approval by the Board.

Carried unanimously

d) Town of Banff Community Housing Strategy Committee Membership

Motion 2013.15

Moved by Sean Krausert to approve the Managing Director's participation as member of the Town of Banff Community Housing Strategy Committee

Carried unanimously

7) In Camera Item (motions only)

Motion 2013.16

Moved by Kimber Meister to approve the draft 2012 audited financial statements as amended.

Carried unanimously

Motion 2013.17

Moved by Garth Lyon to approve the 2012 performance pay increases as recommended by the Executive Committee.

Carried unanimously

8) Motion to Adjourn

Moved by Bob Kocian to adjourn the meeting at 2:30pm.

Carried unanimously

Chair

Managing Director



Canmore Community Housing Corporation

Request for Decision

DATE OF MEETING: May 16 2013

Agenda Item: 4a

SUBJECT: Executive Committee: Treasurer's Report

RECOMMENDATIONS

1. Direct the Treasurer to undertake a review of CCHC bookkeeping and budgeting procedures and report back to the Board.
2. Reserve Fund Transfers
Transfer \$39,288 from operating to The Hector Building Reserve Fund
Transfer \$1,331 from operating to the Capital Reserve Fund
Allocate the \$22,038 operating surplus to the Operating Reserve Fund

EXECUTIVE SUMMARY

The Treasurer's Report contains recommendations following the completion of the annual audited statements with respect to reserve transfers and policies and procedures.

1. A change in accounting standards and acquisition of The Hector means that CCHC needs to ensure its bookkeeping and budgeting procedures have also changed to accommodate the new standards and property.
2. Reserve Fund transfers are being proposed in accordance with policy and as planned within the 2013 Budget.

PREVIOUS BOARD DIRECTION OR POLICY

There are no Board approved policies with respect to budgets, forecasts and reporting. Bookkeeping policies and procedures are maintained by the Managing Director. There is an intention to develop Financial Management policies with respect to revenues, expenses, assets, and budgeting when resources allowed.

CCHC Statement of Policy and Procedure (SPP) *4.05 Cash Management* and SPP *4.07 The Hector at Palliser Village Building Reserve Fund Policy* contains guidelines with respect to transfers to/from reserve funds.

DISCUSSION

1. Treasurer Review of Budgeting and Bookkeeping

The change in accounting standards will require CCHC to include approved budgets in the audited statements. The Board currently approves a "cash" budget, which does not include items such as amortization and recognition of deferred revenue. It is expected that the Board will need to approve two budgets, a "cash" budget and another for audit purposes.

The addition of The Hector as a CCHC property is significant, increasing CCHC revenues from less than \$300,000 to about \$1 million. It would be an appropriate time to review bookkeeping policies and procedures to ensure they are appropriate to deal with the change in revenues, expenses, assets and liabilities.

2. Reserve Fund Transfers

The Hector at Palliser Village

SPP 4.07 5.01(g) states that assets for the Building Reserve Fund (BRF) shall come from net rental revenues from The Hector at Palliser Village after operating and financing costs, and may come from other sources, as approved by the Board. It also states that interest earned will be retained in the BRF.

A contribution of \$28,000 was budgeted for 2012 creating a cash deficit of \$5,575 that was expected to be covered by a transfer from the PAH Reserve Fund. Actual results allow an extra contribution of \$11,288 for a total of \$39,288, plus the \$281 interest. A BRF Analysis is below.

THE HECTOR RESERVE FUND ANALYSIS				
Year	BUDGET		ACTUAL	BUDGET
	2011	2012	2012	2013
Opening Balance	40,000	24,100	28,050	67,619
Regular Contributions	0	28,000	28,000	31,052
Special Contributions			11,288	
Interest Income		723	281	2,029
Cumulative Increase	40,000	52,823	67,619	100,699
LESS: Total Expenditures	15,900	1,648	0	1,697
Cash Balance	24,100	51,175	67,619	99,051
Reserve Fund Requirements	160,197	264,011	264,011	370,889
Reserve Fund Surplus (Deficit)	-136,097	-212,836	-196,392	-271,838

CCHC Capital Reserve Fund

SPP 4.05 Section 5.05 includes policies around the CCHC Capital Reserve Fund (CRF) including what it can be used for, including “to purchase, service and/or maintain land held by CCHC for community housing development.”

Total revenues restricted for the CRF at the beginning of 2012 was \$658,551, which consisted of a cash balance of \$648,551 and \$10,000 owing due to a prepaid deposit associated with TSMV development. The 2012 budget included an \$8,000 transfer from the capital reserve to cover costs associated with maintaining vacant lands owned by CCHC.

In 2012, the \$10,000 receivable was collected by CCHC and is in operating accounts. Actual costs to maintain lands in 2012 were \$8,699 due to the transfer of Lot 7 Palliser Village to CCHC. The difference between cash due to the CRF and cash owing for land maintenance costs would mean a \$1,331 cash transfer to the CRF.

CCHC Operating Reserve Fund

SPP 4.05 Section 5.04 refers to policies with respect to an Operating Reserve Fund (ORF). It refers to the target amount to be attained and maintained is not to be less than 25% or to exceed 50% of budgeted annual operating expenditures. Assets for the ORF are to come from

annual operational surpluses and other sources as appropriate.

Based on the 2013 budget amount of \$297,000, the ORF target would be \$74,250 to \$148,500. At the end beginning of 2012, the ORF totaled \$47,940, meaning it was deficient by about \$26,000.

The 2012 budget included an \$8,000 cash deficit to be covered with a transfer from the CRF. The 2013 budget anticipated a cash surplus (after CRF transfer) of \$22,149 to be allocated to the ORF. The actual cash surplus (after CRF transfer) would be \$22,038.

The allocation of \$22,038 to Operating Reserves would bring the total to \$69,978, which is within \$5,000 of the minimum policy target.

RECOMMENDATION:

1. Allocate the entire cash surplus of \$39,288 of The Hector to the BRF. This will reduce the reserve fund deficit and offset unrealistic interest earning projections in the BRF Study.
2. Transfer \$1,331 to the CRF which is the net of \$10,000 owing from operations for the prepaid deposit refunded, less the \$8,699 allocation from the CRF to operations for actual costs to maintain lands owned by CCHC.
3. Allocate the remaining cash surplus of \$22,038 to the ORF in order to move toward minimum policy targets.

A summary of reserve fund balances based on these recommendations is found below.

	2012	2012	
	Budget	Audited Trial Balance	Difference
OPERATIONAL RESERVE (unrestricted)			
Opening Balance	\$ 47,940	47,940	0
Increase/(Decrease)	(5,575)	22,038	27,613
Closing Balance	\$ 42,365	69,978	\$ 27,613
CCHC CAPITAL RESERVE (restricted)			
Opening Balance	\$ 658,551	658,551	0
Increase/(Decrease)	(8,000)	(8,699)	-699
Closing Balance	\$ 650,551	649,852	\$ (699)
THE HECTOR CAPITAL RESERVE			
Opening Balance	\$ 24,823	\$ 28,050	\$ 3,227
Increase/(Decrease)	28,000	39,569	11,569
Closing Balance	\$ 52,823	\$ 67,619	\$ 14,796

ALTERNATIVES

- 1) Allocations can be adjusted to achieve different reserve fund balances, as long as the source and use of funds comply with CCHC policy. The net balance of transfers must be \$52,627.

FINANCIAL IMPACTS: The allocation may affect interest earnings and amount of funds available for different uses, but the net amount will not change.

ATTACHMENTS

2012 Actual Results and Cash Budget Comparison

Comparison of 2012 Results with Cash Budget

2012 CCHC Cash Budget

Approved: August 18, 2011 (2011.31)

	2012 Budget	2012 Audited Trial Balance	Difference	Variance	Explanation if variance >\$500 and 5%
REVENUES					
Town of Canmore Requisition	\$ 250,000	\$ 250,000	\$ 0	0.0%	
Interest and Other	7,250	22,027	14,777	203.8%	Includes \$9936 grant revenue
PAH Program Revenues	31,250	21,768	-9,482	-30.3%	Includes other PAH rental income
TOTAL REVENUES	\$ 288,500	\$ 293,795	\$ 5,295	1.8%	
GENERAL ADMINISTRATION					
Expenses					
Advertising & Marketing	\$ 12,500	\$ 6,516	\$ (5,984)	\$ -47.9%	Turnover in sales/marketing position
Office Expenses	19,175	14,525	(4,650)	-24.3%	Low office supply and meeting expenditures
Insurance	1,925	1,551	(374)	-19.4%	
Professional Fees	20,000	17,812	(2,188)	-10.9%	Legal fees for property transfers and lease amendments under budget
Professional Development	3,000	1,136	(1,864)	-62.1%	
Salaries and Contract Labour	206,150	208,839	2,689	1.3%	Includes \$9,936 unbudgeted consultant fees - see other revenue
Travel, Conferences and Meals	3,250	1,135	(2,115)	-65.1%	
TOTAL ADMINISTRATION EXPENSES	\$ 266,000	\$ 251,514	\$ (14,486)	-5.4%	
PAH PROGRAM EXPENSES	\$ 17,500	\$ 17,702	\$ 202	1.2%	
OFFICE CAPITAL EXPENDITURES	\$ 2,000	\$ 2,259	\$ 259	13.0%	
PAH PROJECT EXPENDITURES	\$ 11,000	\$ 8,699	\$ (2,301)	-20.9%	
TOTAL EXPENDITURES	\$ 296,500	\$ 280,174	\$ -16,326	-5.5%	
NET CASH SURPLUS/(DEFICIT) BEFORE TRANSFERS	\$ (8,000)	\$ 13,621	\$ 21,621	-270.3%	
TRANSFER (TO)/FROM					
CCHC OPERATIONAL RESERVE	-	(22,038)	(22,038)		Net operating surplus to Operational Reserve
CCHC CAPITAL RESERVE	8,000	8,699	699	8.7%	Transfer for capitalized expenditures (PAH Projects)
THE HECTOR RESERVE FUND		(281)	(281)		Restricted accrued interest from GIC
CASH BALANCE	\$ -	\$ (0)	\$ (0)		

Comparison of 2012 Results with Cash Budget

THE HECTOR CASH BUDGET	2012 Budget	2012 Audited Trial Balance	Difference	Variance	Explanation if variance >\$500 and 5%
RENTAL REVENUE	\$ 593,792	\$ 623,905	\$ 30,113	5.1%	99% occupancy rate
OPERATING EXPENSES					
Insurance	\$ 5,528	4,268	-1,260	-22.8%	Excludes Town insurance costs for Jan to May 2012
Management Fees	47,503	46,379	-1,124	-2.4%	
Maintenance and Repair	35,190	51,132	15,942	45.3%	Includes \$16,800 of capital expenditures for painting & concrete work
Utilities	51,500	49,613	-1,887	-3.7%	
Landscaping/snow removal	15,600	13,575	-2,025	-13.0%	Dependent on weather
Security	6,375	5,185	-1,190	-18.7%	Fixed alarms that had issues in 2011
Other	4,080	8,875	4,795	117.5%	Includes >\$8000 in legal costs to evict tenant
TOTAL OPERATING EXPENSES	\$ 165,776	\$ 179,027	\$ 13,251	8.0%	
DEBT FINANCING: INTEREST	\$ 269,824	\$ 269,824	\$ 0	0.0%	
SURPLUS BEFORE CAPITAL PAYMENTS	\$ 158,192	\$ 175,055	\$ 16,863	10.7%	
DEBT FINANCING: PRINCIPAL	\$ 135,767	\$ 135,767	\$ 0	0.0%	
NET CASH SURPLUS/(DEFICIT)	\$ 22,425	\$ 39,288	\$ 16,863	75.2%	
TRANSFER (TO) BUILDING CAPITAL RESERVE FUND	\$ (28,000)	\$ (39,288)	\$ -11,288	40.3%	Cash surpluses may be dedicated to the Hector Reserve Fund
TRANSFER (TO)/FROM OTHER RESERVES	\$ 5,575	\$ -	\$ -5,575	-100.0%	
CASH BALANCE	\$ -	\$ -	\$ -	0	



Managing Director's Report

DATE OF MEETING: May 16, 2013 **Agenda Item: 5**

SUBJECT: Managing Director's Report

RECOMMENDATION: That the Board accept the Managing Director's Report for information.

EXECUTIVE SUMMARY

The Managing Director's Report summarizes activities relative to the Business Plan. This report refers to current activities in 2013.

KEY STRATEGIES UPDATE

- 1. Build new units and utilize existing market units to increase availability of affordable housing**
The Managing Director is scheduled to meet with the consultant hired to develop leasing and acquisition guidelines on May 14th and expects to circulate a draft report to the Project Committee for review and comment subsequent to that meeting. The project is on track for completion by May 31st as scheduled.
- 2. Innovative finance and housing programs to improve housing access**
Employee housing is considered a potential strategy to improve housing access. Patrick Sorfleet, Town Development Planner will attend the May Board meeting to give the Board an update on the Town's development of an employee housing policy.
The Managing Director is scheduled to meet with Mr. Sorfleet on May 15th to discuss the Town's draft concept for temporary permits as part of the new land use districts for Bow Valley Trail which would allow for conversion of units to PAH/employee housing as approved in the Area Redevelopment Plan.
- 3. Improve organizational capacity to deliver programs and develop properties**
A subcommittee was established to lead a corporation strategic review. The Committee terms of reference will be presented for approval.

OPERATIONS UPDATE

Administer, Develop & Manage

1. PAH Program – Ownership

2013 Year to date: PAH List - 17 Applications - 4 Inquiries – 34

Current Listings:

For Sale by Owner:	1 x 2 bed at Mineside Court	\$228,776
	1 x 3 bed at Coyote Ridge	\$311,755 (new)
For Sale by CCHC	1 x 2 bed at Glacier Rock Lodge	\$299,900 (new)

Activities:

- > Updated applications
- > Updated purchase documents to be consistent with lease amendments.
- > Hosting additional information sessions and viewings due to new listings.

2. PAH Program – The Hector Rental

2013 Year to date	PAH List	17	(15 x studio/1 bed; 1 x 2 bed; 1 x 3 bed)
	Applications	19	
	Inquiries	124	(59 inquiries in April)

Occupancy:

100% *Jan, Feb and Mar*
98% *Apr and May due to turnover of units*

Activities:

- > Revised lease almost complete.
- > Revised rental rate schedule complete
- > 2013 CNIT levels released. No change for studios to two bedrooms. A small decrease in three bedroom income levels to \$62,000 from \$63,000. Applications updated to reflect the new income levels.

Other

- > 2012 Audit documents complete. Planning for AGM underway.
- > Attended the Banff Community Housing Strategy Committee meeting.

Quarterly Financial Report (statement attached)**General Administration**

- > Total general revenues are on budget, at 25% of the budget.
- > Total human resource expense is below budget at 22% as no contract labour has been engaged yet and the professional development budget has been underutilized.
- > Administration expense is at 18% of the budgeted amount, but should catch up in the second quarter with increased communications activities in the spring, billing for audit services, and expenditures to be made on computer equipment and leasehold improvements.

PAH Rental Program: The Hector

- > Due to zero vacancy and rental losses, revenues are over budget
- > Maintenance and repair expenses are under budget due to the cycle of preventative maintenance work. Utilities are below budget due to the absence of one month of water/sewer billing.

Other Programs

- > The PAH Program revenues rely on the sale of homes. There has been little activity to date, although at present there are 2 new listings, 1 ongoing listing, and 1 sale that closes in July. This should increase revenues but also resale expenses.

Capital Projects

- > The budget allowed for pre development expenditures and revenues for a new housing project which is not proceeding at this time.

CCHC FINANCIAL REPORT Q1- 2013

As of March-31-13
Prepared April-30-13

	Adjusted YTD 2013	BUDGET 2013	Adj YTD as % of Budget	NOTES
GENERAL ADMINISTRATION				
General Revenues				
Town of Canmore transfer	\$ 68,750	\$ 275,000	25%	
Town of Canmore rent in kind (non cash)	\$ 6,132	\$ 24,528	25%	
Interest Income Operating Account/Reserve	\$ 253	\$ 1,372	18%	
Total General Revenues	\$ 75,135	\$ 300,900	25%	
General Expenses				
Human Resources				
Salaries and Benefits	\$ 48,279	\$ 211,690	23%	
Contract Labour - Administration	\$ -	\$ 5,000	0%	
Professional Development	\$ 219	\$ 3,000	7%	
Total Human Resource Expense	\$ 48,498	\$ 219,690	22%	
Administration				
Advertising & Marketing	\$ 459	\$ 12,775	4%	
Bank Charges	\$ 64	\$ 245	26%	
Board Administration	\$ 217	\$ 1,500	14%	
Insurance	\$ 400	\$ 1,573	25%	
Meals and Entertainment	\$ -	\$ 1,025	0%	
Office Services	\$ 2,292	\$ 6,641	35%	Annual title review
Office Rental	\$ 6,132	\$ 24,528	25%	
Office Supplies	\$ 718	\$ 4,016	18%	
Professional Fees	\$ 1,827	\$ 15,000	12%	
Telephone, Fax, Net	\$ 727	\$ 3,250	22%	
Travel, Conferences	\$ -	\$ 2,250	0%	
Computer Software	\$ -	\$ 500	0%	
Computer Equipment	\$ 809	\$ 1,500	54%	
Leasehold Improvements	\$ -	\$ 2,500	0%	
Administration Expenditures	\$ 13,645	\$ 77,304	18%	
SURPLUS/(DEFICIT) ADMINISTRATION	\$ 12,992	\$ 3,906	333%	
PAH RENTAL PROGRAM - THE HECTOR				
Hector Revenues				
PAH Rental Revenues - The Hector	\$ 156,300	\$ 605,047	26%	
Interest Income Hector Operating	\$ 251	\$ 1,638	15%	
Interest Income Hector Building Reserve Fund	\$ 68	\$ 234	29%	
Total Hector Revenues	\$ 156,619	\$ 606,919	26%	
The Hector Expenditures				
Insurance	\$ 1,890	\$ 7,500	25%	
Administration	\$ 11,816	\$ 45,379	26%	
Maintenance & Repairs	\$ 4,806	\$ 43,631	11%	
Utilities	\$ 9,737	\$ 53,212	18%	
Operating Expense	\$ 4,115	\$ 17,126	24%	
Other	\$ -	\$ 3,240		
Debt Servicing Costs	\$ 101,398	\$ 405,591	25%	
The Hector Building Reserve	\$ 7,762	\$ 31,046	25%	
Total Hector Expenses	\$ 139,634	\$ 606,725	23%	
SURPLUS/(DEFICIT) PAH RENTAL PROGRAM	\$ 16,985	\$ 1,340	-1268%	
OTHER PROGRAMS				
PAH Rental Revenues	\$ 3,935	\$ -		
PAH Sale Revenues	\$ -	\$ 25,000	0%	
Total Revenues	\$ 3,935	\$ 25,000	16%	
PAH Rental Expenditures	\$ 1,218	\$ -		
PAH Sale Expenditures	\$ 3,004	\$ 18,750	16%	
Program Development Expenditures	\$ -	\$ 20,000	0%	\$5632 committed Leasing/Acqn Strategy
Total Expenditures	\$ 4,222	\$ 38,750	11%	
SURPLUS/(DEFICIT) SALE/RESALE PROGRAM	-\$ 287	\$ 13,750	2%	

CAPITAL PROJECTS (PROPERTIES)

Project (Property) Revenues					
Project Development Funding	\$	-	\$	438,762	0% Not proceeding with this project
Project Revenues	\$	-	\$	-	
Interest Income CCHC Capital Reserve Fund	\$	2,440	\$	8,756	28%
Total Project/Property Revenues	\$	2,440	\$	447,518	1%
Project (Property) Expenditures					
Affordable Housing Project Development	\$	-	\$	438,762	0%
Affordable Housing Project Construction	\$	-	\$	-	
Contract Labour - Projects	\$	-	\$	-	
Palliser Lot 7	\$	606	\$	2,044	30%
Palliser Block 6	\$	-	\$	-	
TSMV Lot 39	\$	1,747	\$	7,794	22%
Total Property Expenditures	\$	2,352	\$	448,600	1%
SURPLUS/(DEFICIT) CAPITAL PROJECTS	\$	87	-\$	1,082	-8%
	\$	-			
SURPLUS/(DEFICIT)					
GENERAL ADMINISTRATION	\$	12,992	\$	3,906	333%
PAH RENTAL PROGRAM - THE HECTOR	\$	16,985	-\$	1,340	-1268%
OTHER PROGRAMS	-\$	287	-\$	13,750	2%
CAPITAL PROJECTS (PROPERTIES)	\$	87	-\$	1,082	-8%
NET CASH SURPLUS/(DEFICIT) BEFORE TRANSFERS	\$	29,778	-\$	12,266	-243%



Briefing

DATE OF MEETING: May 16, 2013 **Agenda Item: 6a**

SUBJECT: Town of Canmore Employee Housing Update

RECOMMENDATION: Information purposes only

EXECUTIVE SUMMARY

The Town of Canmore Council provided direction to Town Administration to work with CCHC to develop an assessment based policy for the provision of employee housing. The expectation is that the Town would develop the policy and CCHC would implement the program.

Town administration will be assembling a draft employee housing policy for Town Council's consideration. The policy is intended to be comprehensive with different sections dealing with different styles of employee housing. Rather than developing the complete policy all at once, the intent is to focus on conversion of visitor accommodation units to employee housing and temporary employee housing first and to include placeholders for other types of employee housing.

Patrick Sorfleet, Town Development Planner, provided an update to Council on February 12, 2013 and was asked to provide the same update to the CCHC Board at this meeting (Town briefing attached).

PREVIOUS BOARD DIRECTION OR POLICY

CCHC does not currently have any policy or specific direction with respect to "Employee Housing Programs". However, the 2013-2015 Business Plan acknowledges that there is an opportunity for CCHC to explore new housing programs to meet changing housing demand, which could include an employee housing program.

Town PAH Policy also sets out eligibility criteria that allows employees to be approved for PAH rental programs.

DISCUSSION

It is unclear how a Town initiated and designed employee housing policy/program fits with current affordable housing policy and programs, and with CCHC's mandate, strategies and objectives.

Employee housing is defined in the Town briefing note as "*rental housing specifically for below area median income earners or seasonal staff...not...for sale or owner occupied.*" CCHC already provides rental housing to below area median income employees at The Hector and is exploring opportunities to acquire or lease visitor accommodation units for rental purposes.

CCHC's approach is simple: identify eligible households and connect them to CCHC administered properties through the appropriate mechanism. This approach can accommodate various ways to connect employees with rental properties, whether the mechanism is a short-term seasonal lease with the employee or a long-term lease with an employer.

As CCHC is an arms' length municipal corporation, the specifics of an employee housing policy, such as eligibility criteria and terms and conditions of any agreements, should be contained within CCHC policy so CCHC can be responsive in delivering the program. It would be more appropriate for municipal policy to contain general principles that provides direction and sets out desired outcomes that will provide guidance to CCHC or any other service delivery agent, in developing and administering a program.

A question to consider is whether a separate Town employee housing policy is necessary to achieve the desired outcome. It may be more appropriate to change the existing PAH policy to accommodate those outcomes. While this is outside the scope of discussion with Mr. Sorfleet, it will be explored further as part of a proposed corporation strategic review.

ALTERNATIVES N/A

FINANCIAL IMPACTS N/A

ATTACHMENTS Town wide employee housing policy update, Town of Canmore Briefing Report, February 12, 2013.



Briefing

DATE OF MEETING: February 12th, 2013 **Agenda #:**

SUBJECT: Town wide employee housing policy update

SUBMITTED BY: Patrick Sorfleet, Development Planner

PURPOSE: To provide Council with an update on the development of a town-wide employee housing policy.

BACKGROUND/HISTORY

The provision of employee housing, a subset of affordable housing, has formally been a goal of the community since the 1998 Municipal Development Plan was adopted. The entire concept of affordable housing and its various forms, including employee housing, has evolved over the past 15 years from entry level units (<1000ft²) and our employee housing district (Whiskey Jack and Montane Village buildings) through the development of Perpetually Affordable Housing (PAH) and PAH rental to the current concepts of temporary employee housing and public-private partnership (P3) employee housing (an example was the StaffRes model presented to a previous council).

Council provided direction to Administration to work with CCHC to develop an assessment based policy for the provision of employee housing (Resolution 307-11, August 16, 2011). The Comprehensive Housing Action Plan (CHAP) lists the development of an employee housing program as the second highest priority. The action item is for the Town to develop a policy for employee housing, with advice from CCHC, and for CCHC to develop and administer the resulting program.

Upon further research, Administration has determined that the many potential forms of employee housing will require different policies and approaches; however, they may be facilitated by a single comprehensive policy document. Some types of employee housing programs may be easier to operationalize than others. Also, the implications and magnitude of funds that may need to be collected through taxation differ between the various forms of employee housing.

DISCUSSION

Resources

There are several mechanisms discussed in this report for the provision of employee housing. Implementation of each of these mechanisms will require additional resources either on the part of the Town, CCHC or a private partner. The magnitude of these resource demands differs depending on the mechanism used. For example, some mechanisms may require prescreening or ongoing screening of qualified candidates whereas others may require actual property management and construction management.

What is employee housing?

Employee housing is currently defined in the Land Use Bylaw 22-2010 as “one or more dwelling units used exclusively for the residence of employees and members of their family.” In this context, an employee is defined as someone who works within Canmore a minimum of 20hrs/week and that the employee and employer cannot be the same person. There are some criteria that allow for people that work within the Bow Valley to qualify as employees and in some instances an employer may be the same person as an employee.

It is important to note that this definition was developed prior to the Town’s development of Perpetually Affordable Housing and as such this definition has similar criteria to PAH. While this is the definition that we currently have, it is not generally what people mean when they talk about employee housing.

Historically when employee housing has been discussed, there has not been a common understanding of what was meant. To arrive at a common definition an *ad hoc* working group composed of individuals from the Canmore Hotel and Lodging Association, Canmore Community Housing Corporation, Canmore Business and Tourism and Administration met to discuss exactly what is meant when we speak about employee housing in relation to market housing and other forms of affordable housing. Employee housing in today’s context is:

“Employee housing is rental housing specifically for below area median income earners or seasonal staff. This type of housing should not be for sale or owner occupied.”

Types of affordable housing in Canmore

In Canmore we have several different types of affordable housing that meet different needs in the community. Research with other resort communities has shown that it is important to have many different types of affordable housing to meet the needs of different users and to mitigate the risk of failures of a single type.

	Community Family Housing (e.g. Woodlands)	Seniors Housing	PAH Equity	PAH Rental	Employee Housing (As defined in the LUB)	Mountain Haven Co-op	Secondary Suites
Who	Low income earners	Seniors	Qualified owners as defined in the PAH Policy.	CNTT compliant individuals and others	Owned by anyone, must be occupied by someone who is employed by a Canmore company.	Some low income earners and some median income earners	Anyone
How	Occupancy is managed through public ownership and qualification criteria.	Occupancy is managed through public ownership and qualification criteria.	Fee simple title owned by CCHC, Leasehold interest sold to occupant along with restrictions on occupancy, resale, etc.	Occupancy is managed through ownership by CCHC and qualification criteria	Restrictive covenant on title and use provisions in the Land Use Bylaw	Land owned by CCHC and lease/grant restrictions imposed on the Co-op	Suites are ensured to be rentals by restricting the ability to subdivide a suite from the main property.
By Who	Province (Bow Valley Regional Housing)	Province (Bow Valley Regional Housing)	CCHC	CCHC	Private Owner	Mountain Haven Co-op and CCHC	Private Owner

Employee housing as described in this report would add a new form of affordable housing to our community. It should be noted that some businesses, particularly hotels, already provide employee housing that would be consistent with that defined above.

Employee Housing Restrictions

There are several general methods for restricting the occupancy of employee housing units and ensuring their continued use by employees.

Restrict through ownership

This method is currently how PAH operates. In this case, CCHC retains the fee simple title and issues a lease for the property. The control of who occupies the unit is managed through the lease. The main difference between PAH rental and equity PAH is the length of the lease and the provision of resale restrictions. This model could be further expanded to allow businesses to buy long term PAH leases and sublet to their own employee or other qualified tenants or if no longer needed sell to another qualified buyer. Just like regular PAH, these units would be resale restricted to ensure long term affordability.

Restrict through built form

Employee housing that is purposely built or modified to be dormitory style housing can be protected in the long term as employee housing by the design of the units. Where multiple dorm units share kitchen facilities it is likely that in the majority the units would not be used for long term family housing. These units would likely be consistent with the current Land Use Bylaw definition of a lodging house.

Restrict through temporary development permit (DP)

This mechanism would allow a unit to be used temporarily as employee housing and would likely involve a CCHC administered list of qualified tenants. This type of restriction would not work for purpose built employee housing as the strength of this system relies on the temporary nature of the DP.

Restrict through covenant on title

This is the current method used in our Employee Housing District (Montane Village and Whiskey Jack) and in some individual units in various developments in Canmore. This type of restriction was also originally used for PAH but has subsequently been replaced by the leasehold system due to concerns over the long term enforceability of a covenant. This type of restriction could be used in conjunction with a temporary DP but is not recommended for permanent employee housing as there are better methods for ensuring long term use and affordability.

CCHC's Current Focus

CCHC has been working on developing a form of short term PAH through the temporary conversion of visitor accommodation units. This work has been developed in conjunction with the BVT ARP, where sections of the ARP were crafted to create flexibility for different mechanisms for this temporary style of housing.

There are two mechanisms that CCHC is looking at, both made functional through a temporary development permit (DP) to allow the use of a visitor accommodation unit as PAH or potentially as employee housing. One system would have CCHC maintaining a pool of qualified tenants that a landlord could rent to and the other would involve CCHC leasing units long term and subletting them to qualified tenants. Each system has its own benefits and costs.

Moving forward

Administration will be assembling a draft employee housing policy for council's consideration. This policy is intended to be comprehensive with different sections dealing with the different styles of employee housing. Rather than developing the complete policy all at once, the intent is to focus on conversion of visitor accommodation units to employee housing and temporary employee housing first and to include placeholders for other types of employee housing. The conversion of visitor accommodation units and temporary employee housing policies will be required to enable the employee housing provisions of the BVT ARP.

Additional sections of the policy will be developed for Council's consideration on an ongoing basis to address other forms of employee housing including the development or acquisition of new units

FINANCIAL IMPACTS

The financial impacts of different forms of employee housing vary. For example, if the town were to develop 84 beds of employee housing (CHAP target) in 2015, then a debenture of approximately \$4.2M in 2015 would be required (number based on previous StaffRes proposal and future valued). Assuming a 20 year term on the debenture with current borrowing rates and current tax revenues, the servicing of this debt could result in a 1.6% increase in taxes throughout Canmore.

Other forms of employee housing such as the temporary development permit type would likely result in increased resource requirements for CCHC. The magnitude of these resource demands is currently unknown; however, this is being examined as part of CCHC and the Town's research.

STAKEHOLDER ENGAGEMENT

Administration has worked with an ad hoc group to develop a definition for employee housing and has worked with CCHC to determine feasibility or impacts of various mechanisms for the development of employee housing.

Further engagement with CCHC will be required to develop the details of specific types of employee housing.

STRATEGIC ALIGNMENT

Goal 5: The Town of Canmore delivers effective and fiscally responsible services while valuing innovation.

The development of a town-wide employee housing program goes beyond the development of a town owned and managed program and will include mechanisms for the provision of diverse types of employee housing including 3rd party provision or private public partnerships.

Goal 7: Canmore's services and programs meet the needs of a diverse socio-economic population.

The development of the employee housing policy and subsequent programs will help maintain broad socio-economic distribution in the community by making alternative housing options available.

ATTACHMENTS

None

AUTHORIZATION

Submitted by:	Patrick Sorfleet, MCIP Development Planner	Date:	<u>January 22, 2013</u>
Approved by:	Alaric Fish, M.Sc. Manager of Planning and Development	Date	<u>January 22, 2013</u>
Approved by:	Gary Buxton, MCIP General Manager of Community Infrastructure	Date:	<u>January 28, 2013</u>
Approved by:	Lisa de Soto, P.Eng. Chief Administrative Officer	Date:	<u>February 6, 2013</u>



Canmore Community Housing Corporation

Request for Decision

DATE OF MEETING: May 16, 2013 **Agenda Item: 6b**

SUBJECT: Corporation Strategic Review Committee Terms of Reference

RECOMMENDATION: To approve the Corporation Strategic Review Committee Terms of Reference as presented and to allocate up to \$10,000 for administration and research costs.

EXECUTIVE SUMMARY

A committee was established to provide direction to the Managing Director with respect to a strategic organizational review and was directed to develop a committee terms of reference for Board approval. The committee met and prepared the attached terms of reference for approval and estimated it would require up to \$10,000 for facilitation, hosting, administration and research support.

PREVIOUS BOARD DIRECTION OR POLICY

Motion 2013.13 established the committee and Motion 2013.14 directed the members to develop a terms of reference for approval by the Board.

DISCUSSION

The committee developed the attached terms of reference for discussion and approval by the Board. The first step is to establish the scope of the corporation strategic review by developing a terms of reference.

It is anticipated that the review process will involve at a minimum, a review of municipal and CCHC statutory documents, a facilitated working session with the Board, various stakeholder consultations, and legal research on corporate structures. It is estimated that the budget for facilitation, hosting, administration and research will not exceed \$10,000.

The budget allows for up to \$20,000 in program/project development costs, of which \$7,500 is already allocated to the Projects Committee for its work. This work is necessary for CCHC to develop and implement additional programs, and can be justified as a program/project development cost.

ALTERNATIVES Amend the terms of reference and/or the budget allocation.

FINANCIAL IMPACTS \$10,000 would be allocated from the \$20,000 program/project development budget. This leaves \$2,500 unallocated to date.

ATTACHMENTS Corporation Strategic Review Committee Terms of Reference

**CCHC Subcommittee
Terms of Reference: DRAFT**

Approved:

Name: Corporation Strategic Review (CSR) Committee

Purpose: To provide guidance to the corporation strategic review process that is being developed and implemented by the Managing Director.

Objectives: To provide direction to the Managing Director with respect to:

- 1) Developing the corporation strategic review terms of reference, defining the purpose, guiding principles, scope, process, and reporting requirements.
- 2) Reviewing relevant municipal statutory documents that inform the corporation strategic review.

Deliverables and Timelines:

- | | |
|--|----------------|
| 1. Terms of Reference for the strategic review | May 2013 |
| 2. Final report with recommendations | September 2013 |

Responsibilities:

- > To provide constructive comments and advice to Administration (and consultants where appropriate) with respect to the design, implementation and outcomes of the strategic review process.
- > To report back to the CCHC Board as appropriate.
- > To meet as a committee as required.

Members: Hans Helder, Garth Lyon, Kimber Meister, and a member of Town Administration. Members may be added as appropriate.

Scope/Jurisdiction:

- > This committee provides direction and advice to CCHC Administration
- > This committee makes recommendations to the CCHC Board for Board approval.
- > This committee may communicate directly with key stakeholders, including shareholders and the public, as appropriate.

Resources

- > Hosting costs for committee meetings are not to exceed \$500. Meetings will take place in the CCHC Boardroom or at the Civic Centre.
- > A budget of up to \$10,000 is to be allocated towards anticipated facilitation, hosting, administration and research costs.

Relationship to other groups

- > Seek input from CCHC Shareholders and Town Administration as appropriate.

Chair

Managing Director