

**Board of Directors Meeting Agenda
Classroom- Civic Centre
August 2nd 2017
3:00 p.m. – 5:00 p.m.**

- 1. Approval of Agenda**
- 2. Approval of Minutes**
 - a. Approval of the June 21st 2017 Board Meeting Minutes
 - b. Approval of the July 11th 2017 Board Special Meeting Minutes
- 3. Business Arising from Minutes**
- 4. Reports:**
 - a. MHCH - confidential
 - b. CCHC homeownership program
 - c. PAH Homeownership – Applicant appeal
- 5. New Business**
- 6. Motion Resolution Action List**

All actions completed
- 7. 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.
(Articles of Association s45)*



Canmore Community Housing Corporation

DATE OF MEETING:

August 2nd 2017

Agenda Item: 4b

SUBJECT: PAH Own Program - policy

RECOMMENDATION: Administration recommends that the Board approve the proposed amendments to the PAH Own program policy as presented.

EXECUTIVE SUMMARY: CCHC administration:

- The PAH Own program policy currently stipulates (SPP3.02-3.3) that the policy be reviewed annually. There was no review completed in 2016, the last review was in April of 2015;
- For the most part, CCHC administration is proposing amendments that both tighten the existing language and, as necessary, bring this policy in line with some of the PAH rental policy requirements as it relates to eligibility;
- There are four significant policy changes proposed and recommended though:
 - The elimination of the Household Net Assets eligibility criteria (SPP3.02 -5.2.4);
 - The elimination of the term “Partnership Agreement” in SPP3.02 - 5.3 and throughout the document;
 - Effective January 1 2018, a move to a prioritized PAH waitlist and PAH properties that come through the resale process thereafter will be offered to applicants on the PAH waitlist in priority order (SPP3.02 -5.3.4);
 - A move to a two- part application process (SPP 3.02 -6.1.1);

DISCUSSION:

The purpose of bringing this policy for review now is fourfold:

- Currently the policy is meant to be reviewed annually;
- CCHC administration would like to ensure the policy has been reviewed and, subject to the Board’s direction, amended prior to the disposition of the units to be developed at the Old Day Care Lands;
- To bring some aspects of the eligibility criteria in line with comparable eligibility criteria in the PAH rental program;
- Assist CCHC administration and applicants in streamlining the application process, while recognizing that CCHC’s greatest need is keeping individuals and families in the community

Significant Policy changes proposed

5.2.4 Net Household Assets

CCHC's Administration's recommendation:

- To eliminate the Net Household Asset criterion;
- To replace it with a new criterion that applicants must meet CCHC's established income criteria for the two years prior to submitting their application and subsequent eligibility confirmation
- Should the Board not concur with CCHC's recommended amendment to eliminate the Net Household Asset limits, administration would default to recommending an increase the Net Household limit by: either doubling the limit to a maximum of \$200,000; or applying an increase tied to the TSX annual growth index from 2009 forward (see below)

CCHC's current Net Asset Criterion:

- Sets a limit of \$100,000 per application, regardless of whether there is one or two applicants / this figure has not been adjusted since inception
- This limit excludes: RRSP; RESP; RRIF and Pension Plans;
- Applicants can own real estate;
- There is no asset (or income) testing once an applicant purchases a PAH unit

CCHC's Vision: **Canmore has a strong and diverse market that supports its economic and social well-being and sustainability**

- CCHC's shareholder's direction to provide housing that keeps individuals and families in the community is consistent with CCHC's Vision. There is no mention in the Vision or direction from the Shareholder to indicate a value or threshold for Net Household Assets is required in concert with the Vision

CCHC's Mission: **To bridge Canmore's affordability gap through long term housing options for Canmore resident workers**

- CCHC's Mission speaks to bridging a gap in housing options for Canmore resident workers, as with its Vision, Asset testing is not something that the Shareholder has included as a requirement in concert with bridging the affordability gap

CCHC's Mandate:

Planning and Development: CCHC plans for, acquires and develops affordable housing to expand the inventory for its housing programs;

Housing programs: CCHC develops and administers programs to manage the inventory, sale and rental of affordable housing;

Research and Advice: CCHC provides research and advice on housing planning, programs, policy and needs

- As with its Vision and Mission, Asset testing is not a requirement as part of CCHC's Mandate

Town of Canmore PAH Policy:

- Was last approved in 2015
- Does state under 4. Guiding Principles that PAH will be “restricted to people who are qualified, based on employment. Residency, income, **asset**, and other qualifications as determined from time to time”
- Does state under 6. PAH Eligibility Criteria 6.2 “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 ... “

CCHC administration: The ToC PAH policy was written with CCHC’s criteria in mind, one must also keep in mind that this policy applies not only to CCHC but to development industry providers of PAH properties. It remains to the discretion of CCHC to adopt or amend policies that best suit its ability to meet its Mandate/Mission/Vision, it is understood that should the Board concur with CCHC’s recommended course of action that the ToC PAH policy will need to be amended to reflect the same.

CCHC administration recognizes that the proposed elimination of this criterion is the most significant of all recommendations provided for the Boards consideration. In reviewing the PAH Homeownership policy, the following was considered:

- Eliminating the Net Household Asset requirement (**recommended**)
- Doubling the \$100,000 Net Household asset limit to recognize that some applications are for two adults, thereby making the threshold more equitable. In some cases, there can be 3 adults on Title however the only consideration was to double the threshold to a maximum of \$200,000 (**strongly considered**)
- Adjusting the Net Household Asset requirement by the TSX annual growth index from 2009 forward (**strongly considered**)
 - The attached spreadsheet demonstrates that, using 2009 as the baseline year, the Net Household Asset limit would have increased to \$170,084 by December 31,2016, or an average increase of 7.68% compounded annually
- Adjusting the Net Household Asset by the Consumer Price Index (National) from 2009 forward (**not recommended**)
 - The attached spreadsheet demonstrates that, using 2009 as the baseline year, the Net Household Asset limit would have increased to \$112,515 using National CPI by December 31,2016, or an average increase of 1.49% compounded annually.
 - Using 110% of National CPI this figure would be \$113,836 by December 31,2016, or an average increase of 1.64% compounded annually
- Keeping the Net Household Asset threshold at \$100,000 (**not recommended**)

Best Practices: CCHC administration did look at the following comparable organizations to see if their policies addressed this criterion:

- ¹Whistler Housing Authority – no net asset criteria, however there is a requirement that applicants be within the established income criteria for the two years prior to submitting their application and subsequent eligibility confirmation
- Banff Housing Corporation – no net asset criteria

¹ Whistler Housing Authority does require that applicants “must not own personally, jointly, or indirectly real estate anywhere”. WHA can complete a Title search by applicant name to see if an applicant owns property in BC (Alberta doesn’t have this service). There are exceptions however: Applicants who current own a WHA property can still be on the waitlist; if an applicant who owns is deemed to be under-housed; the applicant’s real estate is owned in Squamish or Pemberton and is their primary residence; the applicants qualifies under the WHA affordability criteria.

- Attainable Homes (Calgary) – up to 20% of the value of the home to a maximum of \$50,000. The maximum threshold does not include: primary vehicle; RESP; RRSP; and pension

CCHC administration's reasoning

- CCHC 's goal/objective is to keep families/individuals within the community to ensure that Canmore remains a vibrant and economically viable community;
- Families and individuals are constantly being reminded by government that they must plan for their financial future and reliance on government programs themselves is not an appropriate plan;
- Families and individuals have a responsibility to be prepared for their financial future, and investment options outside of RRSP; RESP; RRIF and Pension Plans are a necessary consideration for these groups, especially as many jobs in Canmore don't offer these sorts of benefits as a function of employment;
- Specific to the Tax-Free Savings Account (TFSA) alone, the maximum an individual could have contributed by December 31 2016 was \$46,500 or 46.5% of CCHC's current Net Household Asset limit. If a couple had both maximized their contributions, then the TFSA alone would consume 93% of CCHC's Net Household Asset limit (\$93,000/\$100,000);
- Setting a Household Net asset limit potentially penalizes applicants who are properly preparing for their and their families future;
- As it relates to real estate assets, CCHC has no proper check and balance in can lean to to ensure an applicant does not in fact own real property. The is no National or province of Alberta registry through which we could search names and see if real property does surface;
- The process of determining an Applicants Net Household Assets is arduous and extremely time consuming, at times it is also complicated if the applicant owns their own business.
- The elimination of the Net Asset limits helps streamline the PAH homeownership process and provides both applicants and CCHC with the greatest opportunity for success

5.3 Partnership Agreements

CCHC's Administration's recommendation:

- The elimination of the term Partnership Agreements in this section and throughout the Policy;
- The ToC's PAH policy should also be amended to reflect the same

There is no "partnership" between CCHC and PAH homeowners, this concept should be removed from the policies. Partners are responsible for the liabilities of their other partners, and CCHC is not in that sort of relationship with its PAH homeowners.

Those on a leasehold tenure have acquired a leasehold interest in a property and said lease defines the interests, roles and responsibilities of all parties; there is a landlord or owner (CCHC), and a tenant or leaseholder (PAH homeowner). There is no partnership involved. Rather, the PAH homeowner is bound by the conditions of the lease, only CCHC can propose amendments to the lease and even then, the PAH homeowner would have to agree to the same.

With respect to Restrictive Covenants and the Option Agreement, again this is not a partnership. It is a condition of purchase that the PAH homeowner grant these interests to CCHC and agree to the registration of these instruments on Title. As such they are extending CCHC the rights as outlined in the Agreements, these rights form part of the terms which govern CCHC's relationship with the PAH

homeowner and are not a partnership in the legal sense of the word.

5.3.4 Legal Instruments

CCHC's Administration's recommendation:

- From January 1 2018 forward, all PAH resales will occur through the PAH prioritized waitlist only;

CCHC's current practice on resales:

- PAH homeowners can sell their units to anyone so long as the purchaser meets the PAH criteria;
- This means they could sell the unit to someone who is not currently on the PAH waitlist at the time the purchase agreement has been reached, the purchaser can subsequently apply to CCHC to confirm they meet the eligibility requirement;

CCHC's administration's reasoning

- The current practice brings into question why CCHC has a Waitlist if a PAH homeowner can sell their property to anyone;
- CCHC would like to assign a stronger value to PAH waitlist applicants through the purchase or resale process
- Prioritization will be determined, once an application has been approved, on a first come first served basis;

Process from January 1 2018 when CCHC is notified of a PAH resale

- Once CCHC has been notified the property is for sale the PAH waitlist is frozen. Applications received after this date will need to wait until CCHC has exhausted the existing PAH prioritized list before an opportunity presents itself;
- Priority will be given from the date an applicant was approved;
- The process will be, once notified of the unit availability, a showing will be arranged where all applicants will be invited (if subsequent showings are required CCHC will arrange such) and after the showing all applicants who attended will have 24 hours to advise CCHC whether they are interested in making an offer to the PAH homeowner;
- The highest- ranking applicant who is interested in speaking with the owner will have an exclusive 48-hour opportunity to agree in principle with the homeowner on purchase price and conditions. This is simply a verbal commitment, if an agreement is made the purchaser will have their lawyer draft the offer for the vendors review and signature etc. and the unit will be considered sold;
- The PAH homeowner has the right to: accept the applicants offer and conditions; extend the 48- hour window to any length of time they deem appropriate; advise CCHC they would like to move onto the next applicant if they are not willing to accept the current applicants offer price and conditions;
- Each applicant will have an exclusive 48- hour window of opportunity once their opportunity arises, there will be no competitive offers received;
- At the end of the 48-hour window(s) the PAH homeowner always has control of the process with that particular applicant. If both parties agree to end their discussions prior to the 48-hour window expiring CCHC will move on to the next prioritized applicant;
- Should a PAH homeowner continuously skip through applicants to arrive at the applicant they favour, so long as a previous applicant has offered the same purchase price and conditions, CCHC can always exercise its option to acquire the unit and then offer it back to the applicant higher on the prioritized list, thereby protecting the integrity of the program.

6.1.1 PAH Homeownership Application process

CCHC's Administration's recommendation:

- Effective approval of the amended policy, applicants will no longer be required to submit their application in person;

CCHC's current practice on resales:

- Currently any applicant to the PAH homeownership waitlist must present their application in person and go through a formal meeting process to vet their application for eligibility. These meetings take from 45 minutes to an hour

CCHC's administration's reasoning

- The process of having an in-person meeting for every Homeownership waitlist application is very time consuming for both the applicant(s) and CCHC administration;
- This change in procedure does not require Board approval however it was deemed important enough that administration wanted to make the Board aware;
- Moving forward applications will first be reviewed for eligibility, and then once the applicant(s) meets the necessary eligibility criteria only then will they be required to come in for the in-person meeting to vet their supporting documentation and sign the necessary statutory declaration.

FINANCIAL IMPACTS: There are no financial impacts to the policy amendments proposed, however streamlining the application approval process is intended to free up the Housing Program Managers time for other important initiatives.

ATTACHMENTS: SPP3.02 PAH Own Program policy – blacklined
PAH Homeownership policy amendments overview
Index factor Growth Spreadsheet
Overview of Net Asset Index factor increases considered

Prepared by: Dougal Forteath, Managing Director

Prepared on: July 28 2017

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:	June 2 2015
Motion/Date	MOTION 2015.15 April 15 2015	Page:	1 of 7

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 (all families) 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
Issue to:	All Manual Holders	Effective:	June 2 2015
Motion/Date	MOTION 2015.15 April 15 2015	Page:	2 of 7

4.3. "Employed" includes, but is not restricted to, being on maternity leave or sick/disability leave from a permanent, ~~seasonal, or contract~~ position or having accepted a bona fide job offer ~~in Canmore.~~

Formatted: Not Expanded by / Condensed by

4.3.4.4. "Moderate Income" for the purposes of the PAH home ownership program is defined as Gross Household income that does not exceed 120% of Area Median Income. CCHC reserves the right to approve applicants within a pre-determined threshold above 120% of AMI.

Formatted: Highlight

4.4.4.5. "Multiple Person Household" refers to households of more than a single person who ~~intend to~~ must 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~~ will be co-owners on title and occupy the PAH home as their primary residence.

Formatted: Not Highlight

Formatted: Not Highlight

4.5.4.6. "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~~ determines 'full time basis' to be day to day.-

4.6.4.7. "Retiree" means someone who has ceased active employment, is ~~over the age of~~ 65 years ~~or older~~, and ~~in receipt of eligible for~~ Old Age Security pension.

4.7.4.8. "Self-employed" means someone who owns and performs services for their own business, of which they are the primary or sole operator.

4.8.4.9. "Single Person Household" refers to a household of a single person who has no spouse or dependents, who ~~will be~~ intends to be the sole owner of the PAH home and occupy the PAH home as a primary residence.

4.9.4.10. "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

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:	June 2 2015
Motion/Date	MOTION 2015.15 April 15 2015	Page:	3 of 7

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.~~

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(s) 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 a permanent, seasonal or contract position ~~permanent employment~~ with a licensed Canmore business or recognized equivalent.

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 recognized equivalent; 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 ~~thirty six sixty~~ (3660) months prior Canmore work experience within

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:	June 2 2015
Motion/Date	MOTION 2015.15 April 15 2015	Page:	4 of 7

the ~~five~~ (5-10) 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.

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. There are no net household tests, however, applicants must demonstrate that they have been within the established income limits for the two years prior to submitting their application or subsequent eligibility confirmation. CRA Notices of Assessment will be the only documents that can be used to verify such.~~

~~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.~~ 5.2.5. Applicants applying to purchase a PAH unit must provide a mortgage pre-qualification approval.

~~5.2.7.~~ Applicants applying to purchase a PAH unit must ~~intend to~~ occupy the PAH unit as their Primary Residence, ~~pursuant to the PAH Residency Requirement in the Partnership Agreement.~~

~~5.2.8.~~ 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 contained in applicable funding and agency agreements.

5.3. **LEGAL INSTRUMENTS PARTNERSHIP AGREEMENT**

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:	June 2 2015
Motion/Date	MOTION 2015.15 April 15 2015	Page:	5 of 7

- 5.3.1. CCHC ~~will register legal instruments (Agreements) on title, shall enter into a Partnership Agreement with purchasers of PAH. The Partnership Agreement that 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 and/or Restrictive Covenant.
- 5.3.2. ~~These 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(s)~~ shall specify terms and conditions of resale, including administration fees and resale price restrictions, as follows:
- An administrative fee of 2.5% of the original purchase price, as agreed in writing by the ~~purchaser applicant~~, shall be paid by the ~~applicant-PAH Owner~~ to CCHC upon each PAH resale. CCHC reserves the right to amend or adjust the administration fee from time to time, however, the purchaser must agree to the amended fee prior to acquisition of the PAH property.
 - 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. ~~These PAH Partnership Agreement Agreements~~ shall specify that all sales of PAH units must be within the maximum PAH resale price and sold to eligible persons-applicants. Effective January 1, 2018 eligible applicants will only be those on the prioritized PAH Own Waitlist and within the maximum PAH resale price.

6. PROCEDURES

6.1. PAH HOME OWNERSHIP APPLICATION PROCESS

- 6.1.1. The application process will be in two parts. The first part will be an initial verification of eligibility and does not need to be submitted personally. Subject to eligibility confirmation, the second part will require supporting documentation and verification and will be accepted only through an in person submission.

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:	June 2 2015
Motion/Date	MOTION 2015.15 April 15 2015	Page:	6 of 7

~~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 receive ~~d~~ notification as to ~~the status of their application, 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 prioritized~~ on the PAH Own Waitlist in the order by which they were approved. Approvals will be valid for a period not to exceed ~~12~~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-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~~may request to be removed from the Waitlist at any time.

6.3. SALES AND REALES

6.3.1. CCHC will administer and support sales and resales as permitted by the ~~Partnership~~ Agreement(s) 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.

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:	June 2 2015
Motion/Date	MOTION 2015.15 April 15 2015	Page:	7 of 7

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

SPP 3.02.1 – PAH Lease Sublease Policy

8. ATTACHMENTS

None

Chair

Managing Director

Recommended PAH Own program policy amendments

3.3 Responsibility

- Remove “at a minimum annually”, thereby changing the policy to direct that regular reviews will be as required

4.1 Area Median Income (AMI)

- Add “(all families)” to clarify that this is the benchmark CCHC uses. CCHC uses “all families” as our target audience includes this group which in turn captures all sub groups (individuals/couples/couple families etc.)

4.3 Employed

- Add “seasonal, or contract” and “in Canmore”. CCHC’s practice to accept seasonal or contract positions as having met the criteria and the addition of “in Canmore” adds clarity

4.4 Moderate Income

- Add definition of moderate income into the policy to bring the PAH homeowner policy in line with the PAH rental policy. The clarification that some applicants above the threshold can be approved is to bring CCHC’s policy in line with its practice

4.5 Multiple Person Household

- Add the word “must” to clarify that this requirement cannot be waived. Add the word “will be” as applicants can’t intend to be co-owners, they must both be co-owners on Title

4.6 Primary Residence

- Clarify the definition of Primary Residence

4.7 Retire

- Clarify the definition of Retire

4.9 Single Person Household

- Clarify the definition to state that the owner “will be” the sole owner and not “intend to be”

5.1.1 General Guidelines

- Delete “who are unable to afford to purchase suitable housing on the open market” from the definition. This is not a criterion that CCHC could ever determine or enforce.

5.1.3 General Guidelines

- Delete this section entirely as it is not for CCHC to tell a homeowner how much of their disposable income they should spend on housing.

5.2 Eligibility Criteria

- Delete the sentence that speaks to Spouses of a deceased employee/retiree. This criterion has not been applied in the past and is very broad in scope, it could potentially allow said spouse to meet the criteria solely based on their deceased spouse having met the criteria.

5.2.1 Age and Canadian Legal Status

- Amend the definition to delete “intending to be on title” as this is redundant, all adult applicants must be on Title

5.2.2 Employment

- Amend the definition to delete “intending to be on title” as this is redundant, all adult applicants must be on Title

5.2.2a Employment

- Add “in a permanent seasonal, or contract position” and “in Canmore”. CCHC’s practice

to accept seasonal or contract positions as having met the criteria.

- Add “or recognized equivalent” as some professional services/offices are exempt from the business license requirement

5.2.2bi Employment

- Add “or recognized equivalent” as some professional services/offices are exempt from the business license requirement

5.2.2bi Employment

- Amend the criteria for retirees to demonstrate 36 months of work experience within a five- year (60 month) window prior to retirement to bring the PAH homeownership policy in-line with the PAH rental policy.

Note: As an aside, retirees also must have lived in Canmore consecutively or cumulatively for 12 months prior to possession of the PAH units

5.2.3 Annual Gross Household Income

- Delete “couple families” to bring the reference to Area Median Income back to the definition section which now states AMI is “all families”

5.2.4 Net Household Assets

- The elimination of this criteria

CCHC administration recognizes that this is the most significant of all recommendations provided for the Boards consideration. In considering this change the following was considered:

- Eliminating the Net Household Asset requirement (recommended)
- Doubling the \$100,000 Net Household asset limit to recognize that some applications are for two adults, thereby making the threshold more equitable. In some cases, there can be 3 adults on Title however the only consideration was to double the threshold to a maximum of \$200,000
- Adjusting the Net Household Asset requirement by the TSX annual growth index from 2009 forward
- Adjusting the Net Household Asset by the Consumer Price Index - National from 2009 forward
- Keeping the Net Household Asset threshold at \$100,000

Best Practices: CCHC administration did look at the following comparable organizations to see if their policies addressed this criterion:

- Whistler Housing Authority – no net asset criteria
- Banff Housing Corporation – no net asset criteria
- Attainable Homes (Calgary) -

5.2.5 Net Household Assets

- Deleted this section as the removal of the Net Household asset requirement (see 5.2.4) renders this section moot.

5.2.5 (New) Net Household Assets

- It is a mortgage pre-qualification not a pre-approval that is required. The latter is a more exhaustive process by the lender and requires that applicants have a signed purchase agreement for a PAH property, this is not the case at the application stage.
- The second paragraph has been amended to state applicants must occupy the PAH units as their primary residence as opposed to they intend to occupy. The last

sentence has been deleted as CCHC does not have a “partnership agreement” with CCHC homeowners, homeowners have a leasehold interest in the property that defines their responsibilities, it is not a partnership agreement.

5.3 Legal Instruments

- The heading has been changed to reflect CCHC uses legal agreements, not partnership agreements, with CCHC homeowners

5.3.1 Legal Instruments

- Amended to clarify that CCHC registers legal instruments to govern the terms and conditions of ownership

5.3.2 Legal Instruments

- Deleted reference to a “Partnership Agreement”

5.3.3 Legal Instruments

- Deleted reference to a “Partnership Agreement”

5.3.3a Legal Instruments

- Clarifies that the admin fee is charged to the purchaser of a PAH unit on subsequent resale.
- In addition, a clarification is provided that the admin fee can be changed from time to time but the purchaser needs to agree to this change- so if the admin fee changes to 3% this admin fee would only be applied to purchasers of units after the change was implemented, it cannot be applied retroactively to owners who have already agreed to a 2.5% administration fee

5.3.4 Legal Instruments

- Deleted reference to Partnership Agreement.
- Clarifies that, effective January 1 2018, all PAH sales must be to those who are currently on the PAH Own waitlist, priority will be given on a first come first served basis.

6.1.1 PAH Home Ownership Application Process

- Eliminates the requirement that all applications must be submitted in person
- Breaks the PAH homeownership application into two parts. The first part initial verification then, subject to eligibility confirmation, the second part will be review of supporting documentation and verification of the same. The purpose of this change is to streamline the application process for both applicants and administration.

6.1.4 PAH Home Ownership Application Process

- Presentation change from “whether they were approved or not “to “status of their application”

6.2.1 PAH Home Ownership Application Process

- Clarifies that applicants aren’t place on the waitlist but prioritized, as CCHC will now have a prioritized list (first come first served)

6.2.3 PAH Home Ownership Application Process

- Clarifies that the policy allows an applicant to request to be removed from the Waitlist, as opposed to CCHC asking them to be removed.

6.3.1 Sales and Resales

- Deleted reference to Partnership Agreement.

**Overview of Net Household Asset Limit
Index Factor Increases**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	Average
TSX index		30.69%	14.45%	-11.07%	4.00%	9.55%	7.42%	-11.09%	17.51%	7.68%
Amount	\$100,000	\$130,690	\$149,575	\$133,017	\$138,337	\$151,549	\$162,794	\$144,740	\$170,084	
CPI										
National CPI	2008	2009	2010	2011	2012	2013	2014	2015	2016	
Amount	\$100,000	\$100,300	\$102,105	\$105,066	\$106,642	\$107,602	\$109,754	\$110,962	\$112,515	1.49%
110% CPI										
National CPI	2008	2009	2010	2011	2012	2013	2014	2015	2016	
Amount	\$100,000	\$100,330	\$102,317	\$105,580	\$107,323	\$108,385	\$110,769	\$112,110	\$113,836	1.64%



Perpetually Affordable Housing (PAH) Policy

DATE APPROVED: June 2, 2015

COUNCIL RESOLUTION: 170-2015

1. POLICY STATEMENT

The Town of Canmore has made affordable housing a strategic priority in its Business Plan and Municipal Development Plan. 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, the Canmore Community Housing Corporation, 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

- 3.1) "Area Median Income (AMI)" refers to the median income of Canmore as determined from Statistics Canada data.
- 3.2) "business community" refers to any person or company that receives a tax assessment under the non-residential assessment code, and includes commercial, industrial and institutional uses.
- 3.3) "CCHC" refers to the Canmore Community Housing Corporation.
- 3.4) "eligibility criteria" refers to qualifications which prospective PAH owners and tenants must meet in order to qualify to purchase or rent a PAH unit.
- 3.5) "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.

- 3.6 “partnership agreement” refers to the terms which govern both partners (providers and the PAH unit owner or tenant) once a PAH unit has been purchased or rented.
- 3.7 “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.
- 3.8 “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 provider.
- 3.9 “provider” means an organization authorized by the Town through a funding, agency or other agreement, to administer PAH own and rent programs. This includes, but is not limited to, the CCHC.
- 3.10 “reserve fund” is an account established by the Town 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.
- 3.11 “waitlist” refers to a list of people who have met the eligibility criteria, but who cannot purchase or rent a PAH unit because there are no suitable units available.

4. GUIDING PRINCIPLES

4.1 PAH will be:

- a) housing with price and resale or rental rate restrictions.
- b) restricted to people who are qualified, based on employment, residency, income, asset, and other qualifications as determined from time to time.
- c) 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.
- d) “needs based”, provided for those who are unable to afford to purchase or rent suitable housing on the open Canmore real estate market.
- e) provided in a diversity of locations across the community.
- f) in various housing forms including accessory suites, apartments, townhouses, and multiplexes.

4.2 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 reserve fund is established and administered by council. The reserve fund will be used solely for the creation of PAH ownership and rental units. The reserve 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 reserve fund is an interest bearing reserve and all interest is to accrue to the Fund

- b) The 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 reserve fund will be by decision of council. Prior to the use of any funds from the 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's budget process.
- b) All contributions net of the annual operating costs associated with CCHC will be transferred to the reserve 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 reserve fund as directed by council.

6. PAH ELIGIBILITY CRITERIA

- 6.1 Providers shall establish eligibility criteria and administer an application process consistent with the guiding principles contained in this policy.
- 6.2 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 and the 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 provider shall maintain a waitlist.
- 6.4 As long as the eligibility criteria are met, no one (including any elected official; municipal, provincial, or federal government employee; member or employee of a provider) is ineligible by virtue of their job or volunteer position.

7. PAH PARTNERSHIP AGREEMENT

- 7.1 Providers shall enter into a 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 partnership agreement shall contain a residency requirement. The residency requirement is that the PAH unit be the occupants' primary residence, with no rentals or sub-letting allowed without prior written consent from the provider.
- 7.3 For ownership programs, the 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 partnership agreement shall specify terms and conditions of rent including lease terms, rents, fees, and use and occupancy restrictions

8. PAH BUILD AND PRICE GUIDELINES

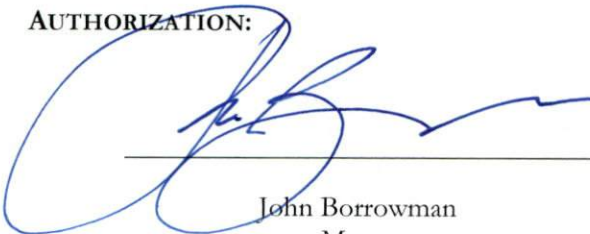
- 8.1 PAH Build & Price Guidelines are intended to provide operational and practical clarity regarding the provision of PAH units so that they are both appropriate and affordable to households. The guidelines shall be used by providers, developers or partners that are providing PAH units, to ensure that 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 providers to review any PAH Build & Price Guidelines, determine the affordable purchase price of PAH units, and make any changes as necessary.

9. VISION ALIGNMENT

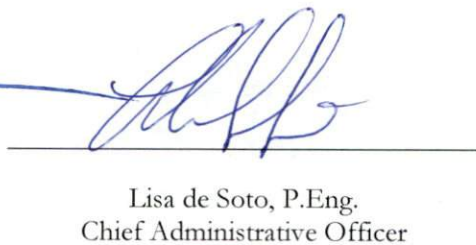
This policy forms a fundamental component of efforts to achieving the Town's goal that Canmore is a viable community for people of diverse socio-economic backgrounds.

REPEALS POLICY: Perpetually Affordable Housing (PAH) Policy as passed by resolution 145-2011.

AUTHORIZATION:



John Borrowman
Mayor



Lisa de Soto, P.Eng.
Chief Administrative Officer