



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

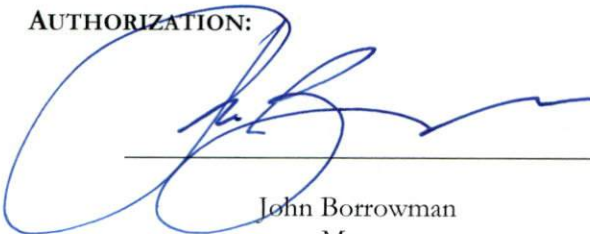
- 8.1 PAH Build & Price Guidelines are intended to provide operational and practical clarity regarding the provision of PAH units so that they are both appropriate and affordable to households. The guidelines shall be used by providers, developers or partners that are providing PAH units, to ensure that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



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