

Banff Housing Corporation
ORDER OF BUSINESS
BHC Shareholder meeting
Town of Banff Council Chambers
Monday August 13, 2018 at 4:00 p.m.

1.0 CALL TO ORDER

2.0 APPROVAL OF AGENDA

Recommendation:

That the Shareholder approve the agenda for the August 13, 2018 meeting of the Banff Housing Corporation Shareholder.

3.0 APPROVAL OF PRIOR MINUTES

3.1 Minutes of the May 8th, 2017 meeting of the Banff Housing Corporation Shareholder

Recommendation:

That the Shareholder approve the minutes of the May 8, 2018 meeting of the Banff Housing Corporation Shareholder.

4.0 REPORTS

4.1 Briefing: BHC 2017 Audited Statements

Recommendation:

That the report be received as information.

4.2 Briefing: BHC 2018 Business Plan and Operating Budget

Recommendation:

That the report be received as information.

4.3 Briefing: Value of BHC Equity Share

Recommendation:

That the report be received as information.

5.0 NEW BUSINESS

6.0 ADJOURNMENT

**MINUTES OF THE BANFF HOUSING CORPORATION SHAREHOLDERS
ANNUAL GENERAL MEETING
Town Hall Council Chamber
Monday, May 8, 2017 at 3:45 p.m.**

SHAREHOLDERS PRESENT

Karen Sorensen	Mayor
Brian Standish	Councillor and Deputy Mayor
Corrie DiManno	Councillor and Acting Mayor
Stavros Karlos	Councillor
Grant Canning	Councillor
Chip Olver	Councillor
Ted Christensen	Councillor

SHAREHOLDERS ABSENT

ADMINISTRATION PRESENT

Liz Hogg	Banff Housing Corporation Administrator
Chris Thorburn	Banff Housing Corporation Board
Sharon Oakley	Banff Housing Corporation Board
Tara Johnston-Lee	Municipal Clerk (Recorder)

1.0 CALL TO ORDER

The Mayor called the May 8, 2017 annual general meeting of the Banff Housing Corporation Shareholder to order at 3:43 p.m.

2.0 APPROVAL OF AGENDA

2.1. Meeting Agenda

BHCS17-1 Moved by Councillor DiManno that the shareholder approve the agenda of the May 8, 2017 meeting of the Banff Housing Corporation Shareholders as presented.

CARRIED

3.0 APPROVAL OF PREVIOUS MINUTES

3.1 Minutes of the May 9, 2016 Meeting of the Banff Housing Corporation Shareholder

BHCS17-2 Moved by Councillor Standish that the Shareholder adopt the minutes of the May 9, 2016 meeting of the Banff Housing Corporation Shareholder.

CARRIED

4.0 REPORTS

4.1. BHC 2016 Audited Statements

The BHC 2016 audited statements were received as information.

CARRIED

4.2. BHC 2017 Business Plan and Operating Budget

The BHC 2017 Business Plan and Operating Budget was received as information.

CARRIED

4.3. BHC Value of BHC Equity Share

The BHC 2017 Equity Share Value report was received as information.

CARRIED

NEW BUSINESS

None received.

6.0 ADJOURNMENT

BHCS17-3 Moved by Councillor Olver to adjourn the May 9, 2016 meeting of the Banff Housing Corporation Shareholder at 3:55 p.m.

CARRIED

Karen Sorensen
Mayor

Tara Johnston-Lee
Municipal Clerk

BRIEFING

Subject: BHC 2017 Audited Statements



Presented to: BHC Shareholder

Date: Monday, August 13th,
2018

Submitted by: BHC administrator

Agenda # 4.1

Please find attached a copy of the BHC's 2017 audited statements. These statements have been approved by the BHC Board and are provided to the Shareholder as information.

BACKGROUND: The BHC's 2017 audit was completed by KPMG.

ATTACHMENT: BHC's 2017 audited statements.

Financial Statements of

BANFF HOUSING CORPORATION

Year ended December 31, 2017



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INDEPENDENT AUDITORS' REPORT

To the Shareholder of the Banff Housing Corporation

We have audited the accompanying financial statements of the Banff Housing Corporation, which comprise the statement of financial position as at December 31, 2017, the statements of operations, changes in net assets, and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Banff Housing Corporation as at December 31, 2017 and its results of operations, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Professional Accountants

April 18, 2018
Calgary, Canada

BANFF HOUSING CORPORATION

Statement of Financial Position

December 31, 2017, with comparative information for 2016

	2017	2016
Assets		
Current assets:		
Cash (note 2)	\$ 275,279	\$ 231,857
Accounts receivable (note 3)	38,254	21,710
	<u>313,533</u>	<u>253,567</u>
Tangible capital assets (note 4)	1,469,033	1,482,995
Second mortgages receivable (note 6)	1,021,000	1,021,000
	<u>\$ 2,803,566</u>	<u>\$ 2,757,562</u>
Liabilities and Net Assets		
Current liabilities:		
Bank indebtedness (note 2)	\$ 650,000	\$ 650,082
Due to Town Banff (note 10)	6,939	13,924
Accounts payable and accrued liabilities (note 7)	4,598	5,118
Deposits	2,502	2,502
	<u>664,039</u>	<u>671,626</u>
Deferred revenue (note 6)	1,021,000	1,021,000
Asset retirement obligation (note 5)	45,900	45,900
	<u>1,730,939</u>	<u>1,738,526</u>
Net assets:		
Net assets invested in tangible capital assets	1,423,133	1,437,095
Unrestricted deficit	(350,506)	(418,059)
	<u>1,072,627</u>	<u>1,019,036</u>
Economic dependence (note 10)		
	<u>\$ 2,803,566</u>	<u>\$ 2,757,562</u>

See accompanying notes to financial statements.

Approved on behalf of the Board of Directors:

_____ Director

_____ Director

BANFF HOUSING CORPORATION

Statement of Changes in Net Assets

Year ended December 31, 2017, with comparative information for 2016

December 31, 2017	Invested in tangible capital assets	Internally restricted net assets	Unrestricted net assets (deficit)	2017
Balance, beginning of year	\$ 1,437,095	\$ –	\$ (418,059)	\$1,019,036
Acquisition of tangible capital assets	–	–	–	–
Excess (deficiency) of revenues over expenses (note 8)	(13,962)	–	67,553	53,591
	\$ 1,423,133	\$ –	\$ (350,506)	\$ 1,072,627

December 31, 2016	Invested in tangible capital assets	Internally restricted net assets	Unrestricted net assets (deficit)	2016
Balance, beginning of year	\$ 1,432,118	\$ –	\$ (443,383)	\$ 988,735
Acquisition of tangible capital assets	24,777	–	(24,777)	–
Excess (deficiency) of revenues over expenses (note 8)	(19,800)	–	50,101	30,301
	\$1,437,095	\$ –	\$ (418,059)	\$1,019,036

See accompanying notes to financial statements.

BANFF HOUSING CORPORATION

Statement of Operations

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
General operations:		
Revenues:		
Fees	\$ 69,310	\$ 72,610
Interest	2,531	1,789
	<u>71,841</u>	<u>74,399</u>
Expenses:		
Wages, management fees and benefits	28,654	44,071
Amortization	13,962	19,800
Professional fees	5,211	5,638
Appraisals	1,450	2,015
Insurance	1,356	1,588
Office supplies, postage and other	903	1,139
Telephone	445	595
Advertising and promotion	245	141
Board initiatives	99	549
	<u>52,325</u>	<u>75,536</u>
Excess (deficiency) of revenues over expenses from general operations	19,516	(1,137)
Property rentals:		
Rental revenue	70,596	64,050
Operating expenses	(15,500)	(15,328)
Interest on bank indebtedness	(21,021)	(17,284)
Excess of revenues over expenses from property rentals	<u>34,075</u>	<u>31,438</u>
Excess of revenues over expenses	<u>\$ 53,591</u>	<u>\$ 30,301</u>

See accompanying notes to financial statements.

BANFF HOUSING CORPORATION

Statement of Cash Flows

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Cash provided by (used in):		
Operating activities:		
Excess of revenues over expenses	\$ 53,591	\$ 30,301
Items not affecting cash:		
Amortization	13,962	19,800
Changes in non-cash working capital:		
(Increase) decrease in accounts receivable	(16,544)	21,282
(Decrease) increase in amounts due to Town of Banff	(6,985)	2,107
Decrease in accounts payable and accrued liabilities	(520)	(151)
Increase in deposits	–	750
	43,504	74,089
Capital activities:		
Purchase of tangible capital assets	–	(24,777)
Financing activities:		
Repayment of bank indebtedness	(82)	–
Increase in cash	43,422	49,312
Cash, beginning of year	231,857	182,545
Cash, end of year	\$ 275,279	\$ 231,857

See accompanying notes to financial statements.

BANFF HOUSING CORPORATION

Notes to the Financial Statements

Year ended December 31, 2017, with comparative information for 2016

The Banff Housing Corporation (the "Corporation") was incorporated as a non-profit organization to provide value priced housing to residents of the Town of Banff, and as such is not subject to income taxes.

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards including the 4200 standards for government not-for-profit organizations.

(a) Revenue recognition:

The Corporation follows the deferral method of accounting for contributions. Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Unrestricted interest income is recognized as revenue when earned.

Property sales are recognized based on the completed contract method when ownership of each unit is transferred from the Corporation to each homeowner.

(b) Inventory:

Inventory consists of construction-in-progress, unallocated infrastructure costs, property held for resale, and land held for use in the Corporation's housing projects and is recorded at the lower of cost and net realizable value.

(c) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Derivative instruments and equity instruments that are quoted in an active market are reported at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value. Management has not elected to carry any financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

BANFF HOUSING CORPORATION

Notes to the Financial Statements, page 2

Year ended December 31, 2017, with comparative information for 2016

1. Significant accounting policies (continued):

(c) Financial instruments (continued):

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations.

Unless otherwise noted, it is Management's opinion that the Corporation is not exposed to significant interest rate, currency, liquidity or credit risks arising from its financial instruments.

(d) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Significant estimates include useful lives of tangible capital assets. Actual results could differ from the estimates made by the Corporation as additional information becomes available in the future.

(e) Tangible capital assets:

Purchased tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Contributed tangible capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. When a tangible capital asset no longer contributes to the Corporation's ability to provide services, its carrying amount is written down to its residual value.

The costs less residual value of the tangible capital assets are amortized on a declining-balance basis over their estimated useful lives as follows:

Building	30 months
Condominiums	25 years
Computer equipment	5 years

BANFF HOUSING CORPORATION

Notes to the Financial Statements, page 3

Year ended December 31, 2017, with comparative information for 2016

1. Significant accounting policies (continued):

(f) Equity interest:

The Corporation does not record its equity interest upon the sale of the Corporation's property unless the Corporation sells all or any portion of the equity interest in the transaction (see note 9).

(g) Asset Retirement Obligation:

The Corporation recognizes the fair value of an Asset Retirement Obligation ("ARO") in the period in which it incurs a legal obligation associated with the retirement of tangible capital assets. Certain building assets contain some asbestos, and it is the Corporation's practice to, if necessary, remediate any asbestos upon disposal of a tangible capital building asset. The estimated fair value of an ARO is capitalized as part of the related tangible capital asset and depreciated on the same basis as the underlying asset. ARO is adjusted for the passage of time, which is recognized as accretion expense, and for revisions to the timing or the amount of the estimated liability. Actual costs incurred are charged against the ARO to the extent of the liability recorded. Differences between the actual costs incurred and the liability are recognized in the excess of revenues over expenses when remediation is completed.

2. Cash/bank indebtedness:

	2017	2016
Internally restricted cash (note 8)	\$ –	\$ –
Unrestricted cash	275,279	231,857
	<u>\$ 275,279</u>	<u>\$ 231,857</u>

Cash generates returns at the bank's prime rate minus 1.80% (2016 – bank's prime rate minus 1.80%). The Bank of Montreal has authorized a demand operating line of credit to the Corporation in the amount of \$1,000,000 (2016 - \$1,000,000), which includes an overdraft lending account up to \$350,000 (2016 - \$350,000). The line of credit is guaranteed by the Town of Banff and bears interest at the bank's prime rate minus 0.5% (2016 – bank's prime rate minus 0.5%). As at December 31, 2017 there was \$650,000 (2016 - \$650,082) drawn against the line of credit and \$nil (2016 - \$ nil) in overdraft. Additionally, the Bank of Montreal has authorized commercial letters of credit up to a maximum of \$300,000 (2016 - \$300,000), and a corporate Mastercard to a maximum of \$50,000 (2016 - \$50,000). As at December 31, 2017 and 2016, no commercial letters of credit had been issued and the corporate Mastercard had not been utilized.

BANFF HOUSING CORPORATION

Notes to the Financial Statements, page 4

Year ended December 31, 2017, with comparative information for 2016

3. Accounts receivable:

	2017	2016
Amounts outstanding for one year or less	\$ 24,036	\$ 14,170
Amounts outstanding for more than one year	14,218	7,540
	<u>\$ 38,254</u>	<u>\$ 21,170</u>

4. Tangible capital assets:

			2017	2016
	Cost	Accumulated depreciation	Net book value	Net book value
Land	\$ 1,294,379	\$ –	\$ 1,294,379	\$ 1,294,379
Building, including asset retirement costs	53,677	53,637	40	6,444
Condominiums	304,778	131,519	173,259	180,478
Computer equipment	3,706	2,351	1,355	1,694
	<u>\$ 1,656,540</u>	<u>\$ 187,507</u>	<u>\$ 1,469,033</u>	<u>\$ 1,482,995</u>

On July 11, 2003, the Corporation assumed a lease agreement from Government of Canada for two condominium units. The lease is treated as capital in nature as it transferred substantially all the benefits and risks incident to ownership of the property to the Corporation. These contributed assets were recorded at their fair value of \$280,000 on the date of assignment of the lease. Amortization has been recorded on these assets since July 11, 2003.

5. Asset Retirement Obligation:

At December 31, 2017, the estimated undiscounted asset retirement obligation was \$45,900 (2016 – \$45,900). This obligation will be settled based on the useful life of the related building asset, which extends to 2018. A discount rate of 2.25% was used to calculate the fair value of the asset retirement obligation.

BANFF HOUSING CORPORATION

Notes to the Financial Statements, page 5

Year ended December 31, 2017, with comparative information for 2016

6. Second mortgages receivable/deferred revenue:

Deferred revenue arose from mortgages receivable with respect to the Middle Springs I housing development in the Town of Banff. The mortgages are registered against the titles of the properties but become due only when the initial owner ceases to reside in the Middle Springs I development. The full amount of the mortgages is recorded as non-current second mortgage receivable and deferred revenue. When a mortgage becomes due, the revenue is recognized.

During the year, the Corporation collected \$nil (2016 - \$nil) towards second mortgages receivable.

7. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities as at December 31, 2017 are government remittances payable of \$130 (2016 – \$201) relating to federal sales taxes.

8. Internally restricted net assets:

During the year, the Corporation transferred \$nil (2016 - \$nil) from internally restricted net assets to repay a portion of the Corporation's demand operating line of credit (note 2). The Corporation has a policy to internally restrict second mortgage revenue in excess of \$30,000. During 2017, \$nil of this revenue (2016 - \$ nil) was restricted internally.

9. Investment – equity interest in housing units at cost:

The purpose of the Corporation is to provide value priced housing to long-term residents of the Town of Banff. The Corporation attempts to meet this objective by developing and selling housing units to homeowners at the actual costs required to construct the housing units. The Corporation retains an equity interest in each unit that it sells. This equity interest is determined at the time each unit is initially sold to each homeowner and is calculated as the difference between the fair market value of the unit (determined by an independent appraiser) and the sale price of the unit when it is initially sold to each homeowner.

As at December 31, 2017, there were 183 properties (2016 – 183) in the Corporation's value priced housing portfolio, and the equity interest ranged from 0% to 35% of the fair market value of each property.

This equity interest is not recognized in the financial statements as the timing and amount of consideration that could eventually be realized by the Corporation for this equity interest is not determinable. However, per the terms of its sublease agreement with sub lessees (homeowners) the Corporation can realize any/all of its equity interest upon any sublease disposition of a Corporation property (sale by sub lessee) if it so chooses.

During 2017, the Corporation acquired no properties (2016 - no properties were acquired) and sold no properties (2016 - no properties were sold).

BANFF HOUSING CORPORATION

Notes to the Financial Statements, page 6

Year ended December 31, 2017, with comparative information for 2016

10. Related party transactions and economic dependence:

There is an agreement between the Town of Banff and the Corporation such that the Town of Banff, which is the Corporation's sole shareholder, administers the Corporation's payroll function. The Corporation used office space owned by the Town of Banff. These services were provided from the Town of Banff to the Corporation at no charge.

As at December 31, 2017 there was an amount of \$6,939 (2016 - \$13,924) payable to the Town of Banff relating to payroll.

These transactions were recorded at the exchange amount, which was the amount agreed to between the related parties. The ability of the Corporation to continue as a going concern depends upon its ability to continue to receive funding from the Town of Banff.

11. Commitments:

Effective April 3, 2017, the Corporation entered into an agreement whereby it is committed to purchase the Town of Banff's share of all land improvements made with respect to the construction of condominium units on Coyote Lane (the "Ti'nu Development"), once the Ti'nu Development is complete. The Town of Banff's share of these expenditures is estimated to aggregate \$12MM, and are expected to be completed during 2018. As at December 31, 2017, the Town of Banff has incurred \$1.3MM (2016 - \$nil) of costs relating to the construction of the Ti'nu Development. These future expenditures will be funded through existing operating lines of credit and/or advances from the Town of Banff.

BRIEFING

Subject: BHC 2018 Business Plan & Operating Budget



Presented to: BHC Shareholder

Date: August 13, 2018

Submitted by: BHC administrator

Agenda # 4.2

Please find attached a copy of the BHC's 2018 business plan and operating budget.

These documents have been approved by the BHC Board and posted to the Town of Banff [website](#) (They are provided to the Shareholder as information.)

BACKGROUND: N/A

ATTACHMENT: BHC's 2018 business plan
BHC's 2018 operating budget

Submitted By:

Aimee Woo, BHC

UPDATED: April 2018

Banff Housing Corporation – 2018 Business Plan

Mission/Vision

BHC Vision:

To provide a range of affordable housing options that ensure Banff residents can find a place to call home.

BHC Mission:

Banff Housing Corporation provides and manages a diverse range of quality rental units and equity-restricted & price-restricted homes for residents and retirees of Banff National Park.

Banff Housing Corporation's guiding principles:

- Will adhere to Parks Canada's eligible resident requirements and 100% of our housing units are occupied by people who meet these requirements.
- Will adhere to current best practices that evolve and strengthen the affordable housing program offered by the Banff Housing Corporation.
 - Will ensure affordability of current and future restricted housing inventory in perpetuity
- Will provide professional and accountable administration under the direction of the Board of Directors
- Will be fiscally responsible
- Will collaborate with municipal, community and regional partners
- Will communicate relevant housing information to stakeholders and residents in a timely and effective manner.

General Background Overview

The Banff Housing Corporation (BHC) was incorporated in 1993 and is a Not for Profit organization whose sole shareholder is the Town of Banff (ToB). The BHC operates at arm's length from the ToB, under a mandate created by the Town of Banff Council. The Board of Directors, who governs the BHC, comprises: five (5) or six (6) public members; and one senior administrative personnel from the ToB and one Town of Banff Council member.

The BHC will add three employees commencing July 2018 to manage the rental and home equity portfolios and maintenance of current rental buildings. The BHC office will be located at the Ti'nu apartment complex -547 Coyote lane.

BHC Purpose

The purpose of the Banff Housing Corporation is to help the Town of Banff maintain a healthy and balanced community.

- To manage the current and future homeownership and rental portfolio

The mandate and obligations of Banff Housing Corporation include:

- a) To have a sole Shareholder, being the Town of Banff;
- b) Maintain and manage ground leases held by the Corporation on corporate sponsored housing projects or for proposed housing projects;
- c) To sublease lands to individuals by way of a Sublease agreement, where appropriate;
- d) To manage and maintain on a contract basis if required, all of the Town of Banff housing stock;
- e) To operate independently under the direction of its Board of Directors in accordance with any directions given by the Shareholder from time to time;
- f) To remain accountable to the Shareholder and the citizens of Town of Banff by operating in accordance with the policies established by the Town Council, through Town Administration participation on the Board of Directors, and through the provision of audited financial statements;
- g) To conduct its business in a not-for profit manner with a user-pay mandate. The Corporation will hire staff and expend funds necessary to complete its mandate within its operating budget;
- h) To monitor and enforce all terms and conditions of occupancy, sublease sale, resale and rental of Corporation housing units;
- i) To implement a selection procedure by which eligible residents are permitted to purchase, or re-sell Corporation housing units. In so doing, the Corporation will develop and maintain a prioritized list of qualified potential future purchasers of existing BHC properties
- j) To implement a selection procedure by which eligible residents are permitted to rent Corporation community housing units.

- k) To accept transfer of the MIDDLE SPRINGS I HOUSING DEVELOPMENT second mortgages and transfer to housing specific capital reserves;
 - l) To expend any excess revenue over expenditures to further fulfil its mandate of providing, operating and maintaining housing in the Town of Banff;
 - m) Make recommendations to the Town of Banff on housing with respect to the Banff Housing Corporation portfolio and with respect to BHC or Town of Banff owned rental properties.
 - n) To manage housing of various types and density within the Corporation's portfolio to help the Town of Banff maintain a healthy and balanced community.
 - o) To participate in community conversations with respect to housing in the Town of Banff.
- The Corporation shall be one to which Section 129 of the Municipal Government Act, R.S.A., 1980, Ch. M-36 applies.

Program Description

The BHC has the 3 (three) lines of business in its current portfolio.

1. Home Ownership

The BHC has provided home ownership opportunities in order to provide homes within the community of Banff at below market cost for residents of the Town.

- A. **Equity Share Model:** The BHC has implemented a unique *Sub-Lease Agreement* whereby the original homeowner paid the total cost of construction and land, and the BHC retained the equity difference between the aforementioned costs and the appraised market value of the unit. Contingent on the BHC's approval (approval is based upon the BHC Re-Sale Policy) and in order to provide continuing below-market opportunities, the potential purchase cost to a subsequent owner is the same percentage of current market value as originally established. The equity share portfolio contains 163 units including row houses, duplexes and single family homes.
- B. **Price Restricted Model:** The Middle Springs 2G development and Peyto Place were sold at eighty percent (80%) of fair market value and the future resale of these properties was tied to the same equity share (80%) and a price restriction of two percent per annum, compounded annually. The price restricted model has 22 units in the portfolio including apartment style condos and duplexes.

2. Rental:

The BHC currently owns:

- A. Two (2) two- bedroom rental properties (Moffat Manor)
- B. One (1) single family home (338 Banff Ave) to date.
- C. 131 units at 547 Coyote Lane. Mix of studios, one bedrooms and two bedrooms. Development is known as Ti'nu apartment complex. Opening in July 2018.

Total rental units: 134

3. Middle Springs 1: Second Mortgages

The BHC recovers the equity invested with respect to the Middle Springs 1 second mortgages over time. Second mortgages range from \$28,500.00- \$33,000.00 and are due and payable when the original owner of a Middle Springs 1 property either ceases to reside in the property or the property is sold, as of December 31, 2017 there remained \$1,021, 000 in deferred revenue relating to Middle Spring 1 second mortgages. To date repayment of these mortgages were used to assist in capital requirements of the BHC. There are currently 34 remaining second mortgages.

BHC Goals/Strategies 2018

The Board's intent is to focus on maintaining strong internal governance of the organization while preparing for the addition of new rental units.

1. Strategy/Objective: Housing Sustainability

Through the ongoing implementation of the Town of Banff's Community Housing Strategy, the BHC will continue to work with the Housing Sustainability Manger in developing plans for managing current rental units, with consideration given to future rental development additions to the portfolio.

Key Player: BHC Board / BHC Administrator /Housing Sustainability Manager.

Performance measure: The TOB Senior Administration will provide updates to the Board on an ongoing basis as Ti'nu moves forward regarding property management, rental waitlist and other tasks/issues as identified.

2. Strategy/Objective: Communications

The Board will review the programs the BHC has in place and identify and fill any gaps that exist. This review will also include an evaluation of the key messaging that the Board would like to convey to the community and BHC homeowners. Continue to populate the Banff.ca/housing website with Banff Housing Corporation information on both rental and for sale properties.

Key Player: BHC Board / BHC Administration/ToB Housing Sustainability/ TOB Communication Specialist.

Performance measure: The Board will review current communications and explore methods to engage and reach members.

3. Strategy/Objective: BHC – Administration & Annual Strategic planning.

Home Sales Portfolio: continue to provide on-going administrative services for homeowners including administering/updating the Registered Resale List (RRL), showing and selling RRL homes; Shareholder and board meeting preparation, management of BHC financial and lease assignment consents; implementing Board/Shareholder policies/procedures; responding to inquiries from outside 3rd parties.

Rental Portfolio: continue to grow BHC as a rental provider, including the development, intake and processing of all rental applications, tenant application management, lease management and financial management of all rental income.

Administration: Creating long term strategic plans and yearly work plan for all areas.

Key Player: BHC Administration/BoD/ToB Housing Sustainability.

Performance measure: Conducting an annual performance evaluation with Board Chair and ToB Housing Sustainability. Tracking areas of focus for Administration based on established needs, identified issues, strategic planning and BHC monthly and yearly work plans.

HOMEOWNER PORTFOLIO REVENUES	2017 BUDGET	2017 Actual	2018 BUDGET
RRL Application Fees	1,000	550	1,000
Administration Fees	47,069	46,799	47,069
Administration Fee penalties	0	0	0
Administration Fee Interest	0	0	0
RRL Fees	15,000	17,972	15,000
Consent Fees	3,250	3,238	3,250
Subordination Income	500	750	500
Total Revenue	66,819	69,310	66,819
HOMEOWNER PORTFOLIO EXPENSES			
Appraisals	1,400	1,450	1,400
Advertising	2,000	245	2,000
Salaries & Benefits	45,000	28,653	45,000
Conferences/Training/Travel	1,000	0	1,500
Office Supplies/Printing/Post	1,500	762	1,500
Dues and Fees	250	140	1,000
Professional Fees and Services	4,900	4,906	4,900
Legal	1,000	305	1,500
Telephone	600	445	600
Insurance	1,700	1,356	1,700
Board Expenses/Initiatives	1,000	99	1,000
Equipment	0	0	1,500
Total Expenses	60,350	38,363	63,600
<i>Portfolio Surplus/Deficit</i>	<i>6,469</i>	<i>30,947</i>	<i>3,219</i>
RENTAL			
Moffat Manor			
Rental Income	32,250	32,197	32,700
Expenses:			
Condo Fees	5,500	6,958	7,438
Maintenance Expenses	3,000	1,050	3,000
Legal fees for new sublease	5,000	0	5,000
property tax	4,500	4,199	4,800
Total Expenses	18,000	12,207	20,238
Moffat Manor Surplus/Deficit	14,250	19,990	12,462
338 Banff Ave			
338 Banff Ave rental revenue	38,400	38,400	38,400
Expenses:			
338 Banff Ave professional Fees	0	0	0
338 Banff Ave Legal Fees	0	0	0
338 Banff Ave Maintenance	1,000	0	5,000
338 Banff Ave Property Tax	8,000	7,975	8,500
338 Banff Ave Loan Interest	15,000	15,501	15,500
338 Banff Ave Insurance	1,000	839	1,000
338 Banff Ave other and land development	0	0	0
Total Expenses	25,000	24,315	30,000
338 Banff Ave Surplus/Deficit	13,400	14,085	8,400
Other Revenue			
Interest Income	2,000	2,531	2,550
<i>Total Revenue</i>	<i>139,469</i>	<i>142,438</i>	<i>140,469</i>
<i>Total Expenses</i>	<i>103,350</i>	<i>74,885</i>	<i>113,838</i>
<i>Surplus/Deficit</i>	<i>36,119</i>	<i>67,553</i>	<i>26,631</i>

BRIEFING

Subject: Value of BHC Equity Share



Presented to: BHC Shareholder

Date: August 13th, 2018

Submitted by: BHC administrator

Agenda # 4.3

ISSUE: Please find attached a table showing the 2018 residential assessed values for BHC developments. The source information for this report is obtained from the current Tax Roll information.

BHC portfolio

The assessed value of the BHC's equity share portfolio has increased to \$117,862,920 from \$104,083,600 (2017) or 13%. The assessed value of the BHC's price restricted portfolio has increased to \$11,517,300 from \$9,239,056 (2017) or 6%. The assessed value of the entire BHC portfolio has increased to \$129,380,220 from \$112,237,040 (2017) or 10%.

Residential Assessment	2012	2013	2014	2015	2016	2017	2018
BHC Equity Share	\$94,535,560	\$94,733,440	\$95,452,870	\$99,476,710	\$101,808,440	\$104,083,600	\$117,862,920
% change year over year	4.50%	0%	1%	4%	2%	2%	13%
BHC Price restricted	\$9,905,090	\$9,955,010	\$10,035,430	\$10,309,500	\$ 10,428,600	\$ 10,876,100	\$11,517,300
% change year over year	0.90%	0.50%	0.80%	2.70%	1%	4%	6%
Total BHC portfolio	\$104,440,650	\$104,688,450	\$105,488,300	\$109,786,210	\$112,237,040	\$117,959,700	\$129,380,220
% change year over year	4%	0%	1%	4%	2%	5%	10%

BHC Properties	Total	H/O Equity	BHC Equity
Equity Share Properties	\$117,862,920	\$87,811,249	\$29,427,331
Price Restricted Properties	\$11,517,300	\$9,239,056	\$2,215,464
Total	\$129,380,220	\$97,050,305	\$31,642,795

The attached is provided to the Shareholder as information.

ATTACHMENT: Value of BHC's equity share

Submitted By:

Aimee Woo, BHC Administrator