

Participants in the BHC Homeowners and Council meeting:

As advertised, the BHC Homeowners/Council meeting will be held on **THURSDAY, MAY 28, 2009 from 7:00 PM -10:00 PM at the BANFF COMMUNITY HIGH SCHOOL GYMNASIUM**. David Gould and Barb Samuels of Certus Strategies will be facilitating the meeting.

Attached to this letter is Workbook 1 which is a very important part of our process together. Certus has found workbooks to be a very useful tool in supporting large group consultations and conflict resolution. They help us to:

- Ensure we are all on the same page and have the same background information
- Provide a vehicle for capturing and sharing divergent interests and perspectives
- Support the search for long term solutions

The Workbook is a starting point for our process. It contains the inputs collected from Council, BHC homeowners, BHC and others in the community who have sought us out. We felt it was important to have these interests and perspectives in the Workbook and available for our BHC homeowners/Council meeting on May 28, 2009.

Certus has found that a workbook is most effective if there is no attribution. This tends to limit defensiveness and promote better dialogue about difficult issues. The Workbook itself is not the item for debate. Rather, the issues, interests and perspectives contained within it that have been gathered from stakeholders is where the dialogue should focus.

The Banff Housing Corporation situation is unique and presents special challenges for design and facilitation. Council is a political entity, a creation of law and legislation. It is the main decision maker and also a key participant in this consultation process. That is a challenging path for councillors to walk. Our goal, therefore, is to help Council have a better understanding of the issues and stakeholder inputs as a basis for making the best decisions.

Council has made certain public commitments about this process that we are now seeking to honour within the design of the process. The first was to have a facilitated meeting with the BHC homeowners group. Council also committed to continue the dialogue through working groups and other meetings to involve the community as a whole.

We recognize that not all BHC homeowners see the issues in the same way nor have the same interests. Because of the large number of BHC homeowners and the need for the meeting to be a true dialogue and exploration of interests and not a debate about positions, we have designed the May 28 meeting to engage Council and a BHC homeowners spokesgroup to work through the attached agenda. Our goal is to look to the future and not dwell in the past where we find fault and blame. With the focus on interests and brainstorming solution recommendations, opportunities will be provided for the audience of BHC homeowners to participate.

We request that you read the Workbook carefully and use it to help you prepare for a successful meeting.

Sincerely,

A blue ink signature of David Gould, consisting of a stylized 'D' and 'G'.

David Gould
Certus Strategies

A blue ink signature of Barb Samuels, consisting of the letters 'B', 'S', and 'b' in a stylized, cursive font.

Barb Samuels
Certus Strategies

BHC Homeowners/Council Meeting

Thursday, May 28, 2009

7:00 PM - 10:00 PM

Banff Community High School Gymnasium

Agenda

1. Facilitator's Presentation About This Process
2. Goals And Objectives
3. Founding Principles: Criteria And Yardsticks
4. Issues Identification:
 - a. Are they complete
 - b. How do we prioritize for this meeting
 - c. Exploring interests and needs for each issue
5. How Do We Address The Issues
 - a. Brainstorming solution options
6. Next Steps
 - a. Role of working groups
 - b. Community meeting

Banff Housing Corporation Consultation and Facilitation

Workbook I Spring 2009

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Why a Workbook?

Our objective, as participants, is to **design together** a facilitated process that will effectively address the substantive issues that are facing the Banff Housing Corporation (BHC) that are controversial or in dispute.

Certus Strategies has been asked by the Banff Town Council to develop this facilitation process with appropriate input from stakeholders. Our process seeks to develop a clear and concise definition of the issues and a statement of the goals or end results the parties require for the facilitated process to be successful. Banff Town Council has committed to a meeting with BHC homeowners as the first step in this process.

This Workbook I provides the necessary context and begins to outline the substantive and process issues that require discussion and input from all parties. In creating this Workbook, Certus Strategies has sought input from all parties and has integrated, without attribution, the interests, issues and possible measures that we will use as our agenda for our first facilitated meeting with BHC homeowners to be held on **May 28, 2009**.

The results of the May meeting will be incorporated into Workbook II which will guide our go forward process and the design of our broader community consultation event that will engage the community as a whole.

Our process is a forum for the appropriate people prepared with the right information to have a full and frank and effective opportunity to decide together how to address the issues of importance to them. We sincerely invite you to fully participate in this process. This process will identify what needs to be done, and helps us plan to do it.

Banff Council and
Homeowner
Meeting
May 28 2009
7:00 PM - 10:00 PM
Banff High School

What Are Our Objectives And Goals?

The process for maintaining affordable housing for residents of Banff is complex, longstanding and involves many parties with very diverse interests and needs. In order to effectively address this situation, a resolution process must balance the parties' search for a long term vision with certain immediate and pressing practicalities.

While the Banff Town Council is the ultimate decision making authority in matters such as these, Council's interest is in engaging the community in a discussion and providing homeowners with the opportunity to voice their issues and concerns in a forum that allows for open dialogue that will inform the decision making process. Our process will assist the decision makers to understand the various affected parties' interests and needs and begins a search for "solution options" that Council can consider. Workbook I sets the focus of our May 28, 2009, facilitated session with the BHC homeowners and Council.

With the clarity of purpose established, the facilitator leads parties through an open and thorough dialogue about their interests and needs in an effort to promote a very high level of mutual understanding. From these mutual understandings, the facilitation helps parties brainstorm options for resolution.

The best options will be tested not by win/lose but how well they meet all parties'

interests and how well they stand the test of legal, political and practical reality.

Throughout this process, the role of the facilitator is to manage the process itself and let the participants address the substance.

Our structured facilitation process will assist in helping answer key questions such as:

How can we best prevent equity creep?

In what ways can we fund the administration of the BHC?

As our facilitation process unfolds and we begin to look to the future as possibility, the questions we ask and answer will help us build a new vision for the future and may include:

How do we maintain affordable housing in Banff?

What is the future role of the BHC?

There is much work to be done and many constituents to ultimately be involved. We began with BHC homeowners and we will continue our process as we search for lasting solutions that work for all of the Banff community.



How Did We Get Here?

Three main factors affected the creation of the affordable housing initiatives within the Town of Banff from the end of WW II to the creation of the Banff Housing Corporation in 1993.

- The Government of Canada's evolving policies with respect to leasing and housing
- The various activities associated with efforts of Banffites to obtain more local powers, culminating in the creation of the Town of Banff in 1990
- The efforts of the new Town to find a mechanism to address outstanding housing matters

The pillar on which all Banff housing was developed was the leasing policy which was adopted shortly after the creation of Banff National Park by the Government of Canada in 1887. The Park was initially formed to keep the discovered hot springs in public hands and to control private development for the benefit of the nation. The terms for granting the first leases were liberal, with most containing a clause that made them perpetually renewable requiring payment of very low rents reviewed only every 42 years.

After World War II, a local Rehabilitation Committee had been appointed to represent the interests of returning men and it set adequate housing as one of its goals. By 1965 there was a continuing and pressing shortage of tourist accommodation and ultimately, of housing for staff to service the expanding tourist trade; but there also soon began to be calls for more housing for permanent residents.

A February 1992 study carried out on housing needs in the Bow Corridor by Alberta Municipal Affairs recommended that the Town set up "a self-sustaining body" that would design and build its own housing units and rent them to businesses in need of staff accommodation.

At a symposium held in May 1993 to discuss affordable housing in resort communities, the "partnership option" was introduced. Four

criteria had been established for the municipal government's intervention into the private market:

1. Homes must have an affordable initial cost
2. The purchaser must be able to realize full appreciation on their investment in the property
3. There could be no limit on future market value
4. The units were to remain affordable for future buyers

It was noted that the first attempt to achieve a partnership with the second mortgage concept of Middle Springs had failed because it did not extend past the first owner, leading to a new partnership model. In this case, a new home would have both a cost value, which would be the owner's equity, but a higher market value determined through appraisal, with the difference between the two being the Town's equity (understanding that the equity is held by the community and represents the community's investment in these homes).

Any appreciation of value would be shared on the basis of the percentage of equity that each held and the Town could keep the price "affordable" by transferring its equity to any new qualified buyer. Upon resale, the Town had options available including the right of first refusal.

The creation of the Banff Housing Corporation (BHC) in November 1993 marked the beginning of a new chapter in the almost half-century long odyssey to obtain affordable housing in Banff. Over that period of time, many different models had been pursued with varying degrees of success, but always influenced in a major way by the Park's changing policies concerning leases and responsibility for community housing.

How Did We Get Here?

In 2007, rapidly appreciating housing prices and a continuing shortage of affordable, quality housing has brought even tougher challenges for the BHC. In February 2009, the BHC brought forward seven recommended changes to the way in which it works today. Several of the recommendations raised issues and concerns among the BHC homeowners.

Council has committed to finding a legal solution to the cap issue and this is being undertaken in a systematic process. Council, understanding that the community as a whole has a vested interest in this topic, has committed to meet first with BHC homeowners to further address their issues about the future of affordable housing in Banff.

Who Will Participate At This First Meeting?

The spokesgroup to the right is a BHC homeowners representative group that will be at the table with Council to lead the engagement on behalf of BHC homeowners and dialogue about the interests and issues that have been collected from all parties. All BHC homeowners will be able to attend the session and there will be opportunities for audience input during the session.

Those who will participate as spokespeople	
All Town Council	BHC Homeowners
John Stutz	Melissa Callaghan
John Gibson	Linda Chisholm
Stavros Karlos	Jason Connell
Chris MacDonald	Jeff Hayes
Chip Olver	Francis Hopkins
Karen Sorensen	Debra Hornsby
Leslie Taylor	Kathy McNeil
Who Else As A Resource	Shannon O'Donoghue
Robert Earl	Ladd Snowsell
Dougal Forteach	April Wood



What Principles Will Apply?

In an effort to allow this process to become an effective dialogue towards solution, we have met with all parties and listened very carefully for indications of each stakeholder’s principles upon which this solution could be based. The importance each of you assign to these principles and how you see these principles being implemented in our discussions will vary. We will seek to find the most common principles and common ground and how they can be applied so that we can determine and meet our **common interests**.

Trust	Flexible	Due diligence	Security	Accountable
Accessible	Responsive	Fair	Transparent	Systematic
Responsible	Measurable	Predictable	Inclusive	Respectful
?	?	?	?	?
?	?	?	?	?

What other principles do you see applying?

informed	efficiency	integrity
solutions focused	predictability	balance
timely	open and informative	democracy
equitable	affordability	thoroughness
collaboration	consistency	

What Is The Scope?

What's In and What's Out for the BHC homeowners and Council Meeting?

We have collected some initial thoughts about the scope of the meeting and what's in the discussion and what's out. These are noted in the table below. What do you see as the scope?

What's In	What's Out
Standardized equity split and the level of split	The BHC proposal for a cap
Administrative fees for BHC and where they should come from	Individual homeowner problems
Financial support for BHC	Unilateral changes to current arrangements
Trust	Construction deficiencies
Affordability for future buyers	
Future of BHC	
BHC governance	



What Are Your Interests?

Below you will find a list of the interests that have been expressed to date. Interests are not positions, rather, they reflect wants and needs.

BHC Homeowners Interests	Town Council Interests	BHC Interests
Protect equity and value in our homes	To build and maintain a relationship of trust	To ensure BHC continues to be financially viable and the affordability of its equity shared maintained
To understand and be confident in my deal	To help all understand the rules to be followed	To ensure understanding of the existing agreements and clarify obligations
To know the rules that will be followed	To protect the community's equity and value in the BHC homes	To maintain concept of affordable housing for first time buyers
To have the opportunity to trade up to a better home for my family in the future	To continue to serve future families who need a home in Banff	To ensure a demographically complete community
To continue to attract future buyers	To be flexible to respond to changing affordable housing in Banff	To ensure BHC homes are desirable and exist in a family friendly environment
To feel like a legitimate partner with BHC	To have decisions and information flow freely into the community as a whole	To give preference to first time buyers
To have as much future security as possible	To maintain a concept of affordable housing for first time buyers	Higher density new development
To feel good about future buyers having an opportunity for a below market purchase	To find a solution to over inflated selling prices	To standardize the way BHC manages its equity position
To have a larger financial support base for the BHC	To incorporate the broader interest of the municipality as a whole	To add rental units to the BHC mix
To realize a return on one's investment	Peace in our community	To be responsive to the needs of businesses and their staff housing
Rebuild trust and confidence	To listen and learn from the whole community before a decision is taken	Other Stakeholder Interests
Consistent communications directly to BHC homeowners	To ensure BHC continues to be financially viable	Affordable rental housing
To build a democratic and collaborative process for the future	To ensure understanding of the existing agreements and clarify obligations	To be responsive to the needs of those who require accommodation in Banff
To find new solutions for affordable housing in Banff	To ensure Council's motives and actions are understood	New units available for first time buyers
To reduce stress and conflict with neighbours		To have all Banff voices heard
		To insulate buyers from over inflation
		Understanding the sublease

What Are The Issues & How Do We Address Them?

What are the issues we need to put on the table?	How do we effectively address them?
Creation of an environment of trust	
BHC management of the equity split	
Impact of changes to the equity split on the resale market	
Time available to consider solutions	
Clarity around existing agreements and understanding legal obligations contained within	
Administrative fees of BHC and future funding	
Equity split once a house has been upgraded	
Inflation of selling prices and overvaluing of homes	
Future of BHC, clarity about its role, how it operates and future stability	
Ability to maintain affordable housing in the future	
Current pricing approach places homes beyond affordability of first time buyers	
Difficulty of discussing differing perspectives with one's current and future neighbours. Fear of conflict in the community	
Timing and nature of communications with the public	
Big picture fairness and balance of benefits to whole community	
Residential density influence over land use planning	
Communications with BHC homeowners	
Sanctity of past agreements and rules	
Right of first refusal	

What Information Is Needed And What Needs To Be Clarified For Our Meeting?

In order to prepare for our facilitated session additional information may be required or clarified. These items are listed below.

What information is needed and what needs to be clarified?	How do we do this?
A copy of the sublease agreement	Homeowners should have a copy of their signed sublease from their lawyer, if they do not, they can get a copy through the corporate registries office (Banff bureau) by completing a Title Search (need legal description of their property) on the instrument number that corresponds to the registration of the sublease on Title
Current information on sales trends	Information is available on the Town's website www.banff.ca
Chart of BHC properties sold since 2001	Information is available on the Town's website www.banff.ca
BHC mandate and governance statements	Found in the Mandate Review PDF in the housing section on the Town's website www.banff.ca
Parks Canada's perspective	Council will seek this perspective if requested
BHC's strategies and overview of its plans for the future	Found in the Mandate Review PDF in the housing section on the Town's website www.banff.ca
Evidence of how BHC houses are being priced	Homeowners determine the sale price of their BHC homes
How does BHC operate and make decisions	The BHC has one shareholder and that is the Town of Banff. Council represents the shareholder and appoints a Board of directors which oversees the operations and governance of the BHC. The BHC has one administrator who completes the work of the BHC and that administrator reports to the Board of Directors

What Information Is Needed And What Needs To Be Clarified For Our Meeting?

What information is needed and what needs to be clarified?	How do we do this?
Role of the working groups	To be determined at the May 28, 2009 meeting during discussion of next steps
Need for increase and use of admin fees	Found in the Mandate Review PDF in the housing section on the Town's website www.banff.ca
What is really meant by equity creep? What evidence exists for it?	A situation where vendors/purchasers have agreed to a sale price that the BHC believes does not assign a value to the BHC equity in the transaction. In 2009, the Board of the BHC felt this was the case on two separate offers to purchase and therefore consented to the sale of the property and requested payment of the BHC's equity share of the transaction (e.g. sale at 100%)
The concept of and rules surrounding the right of first refusal	In exercising its ROFR, the BHC would reacquire the property at the sale price identified in the offer to purchase for the subject property
The rules for home sales and the details around when they are changed	The BHC must consent to the sale of a BHC property at all times. Whenever a BHC property is sold the Board of the BHC must be provided a copy of the offer to purchase and has 15 days from the receipt of such to do one of the following things: consent to the sale and defer payment of the BHC's equity share; consent to the sale and request payment of the BHC's equity share; exercise its ROFR and reacquire the property per the terms and conditions contained within the offer; not consent to the sale. It is to the sole discretion of the Board which of the above options it chooses and the rules do not change. If the offer presented to the Board is changed after it has been reviewed, the BHC has an additional 30 days to review these changes and consent to the sale of the property
Next steps and closure	Will be on the agenda for our discussion on May 28, 2009

How Will A Decision Be Made?

Banff Town Council, as part of their civic responsibilities and duties, will ultimately be making a decision about the issues being discussed. Council's interests are in engaging the community in helping them to make that decision. The process of gathering input into the questions contained within this workbook, the facilitated session that will be held shortly, along with the development of a set of criteria and yardsticks that the community has had input into developing, will allow Council to measure and weigh the solution options generated.

To further test the larger issues of the future of affordable housing in Banff, Council is planning to hold a Community Consultation Event to engage members of the larger Banff community to gather input, listen and learn from all stakeholders about their visions of the future.

What Are Our Criteria Or Yardsticks?

It is often helpful to develop a list of criteria or "yardsticks" to help us measure the degree to which the options generated acceptably meet the interests we have all identified. Our decision process is assisted if we first agree to some clearly stated and universally adopted criteria or "yardsticks." These yardsticks will also help Council assess the options collaboratively.

What yardsticks do you suggest Banff Town Council use to evaluate the options/ recommendations for potential solutions to the issues identified?	
Congruent with concrete information available	Supports the type of housing the community needs
Generated through an inclusive process	
Builds and maintains trust	
Protects the community's equity	
Serves future families who need a home	
Allows for flexibility to respond to changing affordable housing needs in Banff	
Allows room for private development	
Supports clear rules and guidelines	



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Banff Housing Corporation Consultation and Facilitation Workbook I