



# Banff Housing Corporation

## AGENDA

Board of Directors

ORDER OF BUSINESS

August 18th, 2021

8:30-10:00 am

ZOOM

- 1.0 CALL TO ORDER / APPROVAL OF AGENDA
- 2.0 DELEGATIONS
- 3.0 ADOPTION OF PREVIOUS MINUTES & PUBLIC ATTACHMENTS
- 4.0 BUSINESS ARISING FROM MINUTES
- 5.0 BHC OPERATIONAL UPDATE
- 6.0 TOB HOUSING SUSTAINABILITY REPORT
- 7.0 NEW BUSINESS
  - 7.1 Quarterly Financial update
  - 7.2 Policy review – Homeowner rental requests
  - 7.3 AGM
    - 7.3.1 2020 Business plan
    - 7.3.2
  - 7.4 BHC position renewal
- 8.0 **NEW** Board Member Roundtable
- 9.0 ITEMS FOR NEXT MEETING review
- 10.0 MOTION TO ADJOURN

## Distribution

6 BHC Board members

1 Town Council Member

(1 Administration, 5 Public Members)

Corrie DiManno

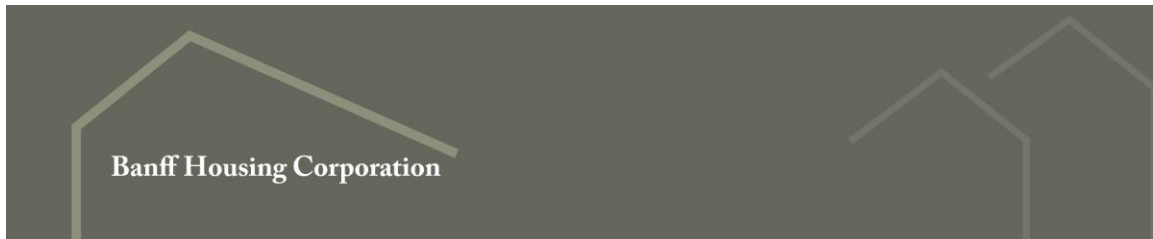
## Banff Housing Corporation - Budget vs. Actuals: 2021 Budget - FY21 P&L Classes

January - June, 2021

	Banff Avenue		BHC		Moffat Manor		Ti'nu		TOTAL	
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
<b>Income</b>										
Total Fee Revenue	-	-	7,401	40,978	-	-	-	-	7,401	40,978
Total Interest Revenue	-	-	1,709	2,450	-	-	2,813	4,900	4,522	7,350
Total Rental Property Revenue	-	-	-	-	15,045	16,341	888,977	902,647	904,022	918,988
<b>Total Income</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 9,110</b>	<b>\$ 43,428</b>	<b>\$ 15,045</b>	<b>\$ 16,341</b>	<b>\$ 891,790</b>	<b>\$ 907,547</b>	<b>\$ 915,945</b>	<b>\$ 967,316</b>
<b>Gross Profit</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 9,110</b>	<b>\$ 43,428</b>	<b>\$ 15,045</b>	<b>\$ 16,341</b>	<b>\$ 891,790</b>	<b>\$ 907,547</b>	<b>\$ 915,945</b>	<b>\$ 967,316</b>
<b>Expenses</b>										
Total Advertising/Promotional	-	-	19	1,500	-	-	56	750	75	2,250
Total Appraisals	-	-	400	1,250	-	-	-	-	400	1,250
Total Banking fees, Office Supplies, Postage & Other	-	250	562	1,575	-	-	4,323	3,750	4,885	5,575
Total Insurance	1,117	450	266	100	160	63	6,047	1,500	7,589	2,113
Total Interest on bank indebtedness	5,708	11,000	-	-	-	-	-	-	5,708	11,000
Total Interest on Due to Town of Banff	-	-	-	-	-	-	183,988	322,201	183,988	322,201
Total Professional Fees	-	-	5,397	7,346	-	-	15,579	19,235	20,976	26,581
Total Rental Property Operating Expenses	16,592	7,125	-	250	19,737	6,850	181,845	216,523	218,175	230,748
Total Telephone	-	-	517	500	-	-	1,674	1,750	2,191	2,250
Total Wages, Benefits & Training	-	-	28,122	33,914	-	-	96,486	133,862	124,608	167,776
<b>Total Expenses</b>	<b>\$ 23,417</b>	<b>\$ 18,825</b>	<b>\$ 35,283</b>	<b>\$ 46,435</b>	<b>\$ 19,897</b>	<b>\$ 6,913</b>	<b>\$ 489,998</b>	<b>\$ 699,571</b>	<b>\$ 568,594</b>	<b>\$ 771,744</b>
<b>Net Operating Income</b>	<b>-\$ 23,417</b>	<b>-\$ 18,825</b>	<b>-\$ 26,173</b>	<b>-\$ 3,007</b>	<b>-\$ 4,852</b>	<b>\$ 9,428</b>	<b>\$ 401,792</b>	<b>\$ 207,976</b>	<b>\$ 347,351</b>	<b>\$ 195,572</b>
<b>Net Income</b>	<b>-\$ 23,417</b>	<b>-\$ 18,825</b>	<b>-\$ 26,173</b>	<b>-\$ 3,007</b>	<b>-\$ 4,852</b>	<b>\$ 9,428</b>	<b>\$ 401,792</b>	<b>\$ 207,976</b>	<b>\$ 347,351</b>	<b>\$ 195,572</b>

Overage for Ti'Nu is due to banking fees

	338 Banff Avenue	BHC	Moffat Manor	Ti'nu	TOTAL
<b>Operating Surplus Transfers</b>					
Restricted Reserve - Tinu Surplus (3-2000)				212,308	212,308
Restricted Reserve - Tinu Surplus (3-2000)				0	0
Restricted Reserve - Tinu Debt Principal (3-2100)				133,786	133,786
Restricted Reserve - Tinu Capital Replacement (3-2200)				55,697	55,697
Restricted Reserve - BHC 2nd Mortgage (3-3000)		0			0
Unrestricted Net Assets (3-4000)	(23,417)	(26,173)	(4,852)		(54,441)
	<b>(23,417)</b>	<b>(26,173)</b>	<b>(4,852)</b>	<b>401,792</b>	<b>347,351</b>



## 2020 Business Plan

### **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 has three full time employees to manage the rental and home equity portfolios and maintenance of current rental buildings. The Town of Banff subcontracts senior administrative services to oversee the entire BHC portfolio. The BHC office is located at the Ti'nu apartment complex -547 Coyote lane.

### **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.
  - Work to 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.

### **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 portfolios

The Banff Housing Corporation is bound by the following:

- To operate in a not-for-profit and user pay manner. (A user is the individual or organization who benefit(s) from the activity;
- Not to receive subsidy from municipal taxes for the administration of new and existing developments.

The mandate and obligations of Banff Housing Corporation include:

- a) To have a sole Shareholder, being the Town of Banff;
- b) Maintain and manage 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, including both rental and for-purchase housing portfolios;
- 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) To 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.

### **BHC 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, 2018 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 2020**

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 and for purchase units, with consideration given to future 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 regarding property management, rental waitlist, home ownership 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 3<sup>rd</sup> 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 annual performance evaluations 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.

## BHC –Rental Policy

### Rental of a BHC Property:

A BHC property is to be the primary residence of the BHC owner (Sub-Lessee). The definition of "Primary Residence" as contained in the sublease agreement indicates that the residence "is the place that the Sub-Lessee ordinarily and continually occupies as his residence on a full time basis, as determined by the Corporation." The BHC Board (Board) determines full time basis to be day to day.

*The purpose of the BHC is to help the Town of Banff maintain a healthy and balanced community. We do this, in part, by providing value-priced homeownership opportunities to eligible residents of Banff, based on a prioritized list. It is imperative that the BHC enforce Article 4 which ensures that BHC properties are owner occupied, as the alternative would defeat the purpose of the BHC's mandate and in so doing would ignore our obligations to current BHC homeowners, prioritized re-sale list applicants, and the community at large.*

Article 4a)i of the Sublease Agreement allows an owner to leave the property vacant for a six month window in any twelve month period, and 4a)ii of the Sublease Agreement indicates that homeowners must receive approval from the Board if they wish to rent their premises for any window of time. The Board reserves the right to refuse rental requests at their discretion.

Should a homeowner wish to rent their premises they must provide their request to the Board in writing. It is the practice of the Board of the BHC to grant rental requests to sub-lessee's for educational and/or work related reasons and such approvals are generally one year long at which time the sub-lessee must decide whether they wish to return to Banff and continuously occupy the premises on a full time basis or move forward with their new opportunity (ies). In cases where a homeowner is leaving the Bow Valley to study, say a three year course, the Board will approve rental during the first year of study and then requests that the homeowner return in each of the following years with subsequent requests demonstrating that they are continuing with their studies.

In accordance with BHC Shareholder motion BHCS12-20, effective January 1 2013 a rental request fee of \$250+GST will be required when a request is provided to the BHC Board for consideration. This same fee applies to every request for renewal and the maximum rental approval period is one year.

At a minimum, rental approvals will be subject to the following conditions:

- 1) The property cannot be rented to a business and/or used for the purposes of staff accommodation;
- 2) The homeowner rent to a resident of the Town of Banff who meets Parks Canada's eligible residency requirements and is advised that they are required to update their statutory declaration on eligible residency to Parks Canada ;
- 3) The homeowner has received approval to rent their premises from the condominium association **(if applicable)**;
- 4) The homeowner identify a local representative who is authorized to act on behalf of the homeowner, including contact name and number, during their absence;
- 5) That the homeowner provide the names of the tenants occupying the premises;
- 6) That the tenant does not sublet the residence;
- 7) That the homeowner must request an extension to the period outlined above if such is required to complete their studies **(if applicable)**;
- 8) It is also understood that this consent does not constitute approval for future rental

**Last reviewed:** January 10<sup>th</sup> 2014 (BHCD14-010)