

BRIEFING

Subject: Ti'nu Affordable Housing Project update

Presented to: Council
Submitted by: Sharon Oakley, Manager
Housing Sustainability

Date: June 24th, 2018

Agenda #: 8.4



This report is submitted for council's information.

BACKGROUND

Reason for Report

To provide council with an update on the Ti'nu Affordable Housing development since its initial opening in June 2018.

Summary of Issue

The 2014 the Banff Community Housing Strategy highlighted the shortfall of available and affordable rental housing units as one of Banff's most pressing issues. From 2013- 2017, the vacancy rate in Banff was 0%. The community of Banff is still experiencing high rental rates, overcrowding and lack of rental housing availability. In 2015, the Town of Banff acquired 14 parcels of land from Parks Canada for building perpetually affordable rental units. The Town of Banff completed construction on Coyote Lane on eight of these parcels in November 2018, adding 131 rental units to the Banff Housing Corporation rental portfolio. The remaining six parcels of land are located on Cave Avenue-145-155 Cave Avenue.

Construction of Ti'Nu

The Town of Banff commenced construction of Ti'nu Affordable Housing Development at Coyote Lane in March 2017. Completion of the three main buildings occurred in July 2018. The three A-frames that house nine 2 bedroom units were completed in December 2018 with occupancy occurring in December 2018 and January 2019.

Occupancy Process, Rental Rates and Waitlist

The application process for prospective tenants began in January 2018 and was overseen by the front desk staff at Community Services. An occupancy permit was granted for the three main buildings at Ti'Nu on June 28th, 2018 at which time the Banff Housing Corporation started to onboard new tenants who had successfully applied, with a staggered entry over the summer time. The three buildings, Hoya, Mistaya and Nakoda, include a mix of unit sizes ranging from studio to two bedrooms. All eleven accessible units are housed in the largest building, Nakoda. All tenants must fulfil eligibility requirements prior to acceptance in the Ti'nu development. Criteria includes financial qualifying criteria for gross household income (including minimum and maximum household incomes), proof of eligible residency for Banff National Park, must be a Canadian citizen or permanent resident or have a valid Canadian work permit and cannot own real-estate in the Bow Valley.

2019 Ti'Nu rental rates

Unit Size	Minimum Household Income	Maximum Household Income	Max numbers /unit	Ti'Nu Rental Rates	Market Rental Rates (based on 2018 JRC)	Ti'Nu units % below market
Studio	\$29, 911.32	\$50, 376.97	2	\$798	\$1095	27%
One bedroom	\$38, 988.13	\$65, 664.21 (one income) \$80, 766.98 (two incomes)	2	\$1040	\$1476	30%
Two bedroom	\$57, 180	\$90, 303.16 (one income) \$118, 452.88 (three incomes)	4	\$1525	\$1985	23%

Current waitlist for Ti'Nu as of June 14, 2019

Waitlist - Unit Type	Current Waitlist (as at June 14,2019)
Studio	20
1 Bedroom	12
2 Bedroom	5
A Frame	6
Barrier Free	0
Total	43

Demographic mix at Ti'nu

The Ti'nu apartment complex is a mix of all ages and stages of our community. Currently the apartments are occupied by the following:

- Studio- majority of tenants are 45+ year old single adults
- One bedrooms- majority of tenants are single young professions (typically in their thirties)
- Two bedrooms- majority of tenants are immigrant families and single parents

Barrier Free Unit Use

Of the 11 barrier free units that were constructed (three 2 bedroom, six 1 bedroom, and two studios), currently only one studio unit is occupied by someone who requires a barrier free unit.

Creating a "Place to call Home": Ti'nu Neighbourhood engagement

With a very close working relationship established between the Banff Housing Corporation staff and Community Services, the team have actively been engaging the Ti'nu community, using a Community Development approach. This approach brings people together and identifies and mobilizes resources (people, knowledge, money, programs etc.) to develop local understanding, actions and solutions. With this in mind, staff have implemented the following programs with the intention of connecting residents and neighbours:

Ti'nu Small Appliance Lending Program - BHC is launching a Ti'nu lending program for items such as kitchen supplies (mix master, blender etc.) Irons and ironing boards will also be available for sign out.

Ti'nu Summer Large Toy Lending Program - BHC will have summer sporting equipment (paddle boards, kayaks etc.) where these items can be signed out for Ti'nu residents for either a free or nominal cost.

Nakoda Lounges/Mini Library and Games box - The BHC has created two areas for communal use in the Nakoda building. Both second and third floor areas immediately adjacent to the elevator have been converted into communal recreation/lounge space. Both spaces have a lending library and games cupboard that encourage neighbours to meet one another in a fun social setting.

Pop-up Banff Food Rescue- Ti'nu Mini Food Rescue - BHC has partnered with Banff Food Rescue and will be piloting this program over the summer of 2019. The mini food rescue will occur once/week and is open to all residents of Ti'nu. This program's goal is to divert good food from becoming food waste and has an added benefit of providing convenient access to healthy fresh food at no cost. All food is available for anyone to take regardless of financial status.

Monthly Newsletter - The Rental Administrator is connecting with residents via a monthly newsletter. Typically the newsletter informs residents on upcoming activities, such as free yoga on the Nakoda deck or a neighbourhood cleanup and BBQ. The newsletter has also allowed BHC staff to communicate key messages to tenants regarding their units, or instructions/information on usage, such as laundry machines and garbage separation.

Lessons Learned from Ti'Nu – One year in

Administration has garnered significant knowledge from being involved in the operation of Ti'Nu over the last year. Many of these learnings will assist in making future decisions related to housing project design and operation.

The following are the highlights of lessons learned:

- Units most in demand are studios and one bedrooms
- 2 bedroom unit size was more desired in the A-frames building-each unit has two levels giving the tenants separation of space
- Concrete building construction has significantly reduced noise between units
- Onsite management has been welcomed by tenants and has allowed BHC staff to monitor building maintenance, tenant conduct, and create neighbourhood programming
- Car Share program has not yet been embraced by tenants. BHC staff trying to find ways to incentivize use and encourage participation
- Bike parking has been well utilized
- Recycling program has been well utilized
- Residents of Ti'nu take pride in their surroundings and their units
- Many tenants indicate they will stay at Ti'nu long term
- Tenants feel safe at all times on the property due to onsite management and security at night.
- Wait list indicates need for more affordable rental units- 43 waitlisted as of June 14, 2019
- Housing Team members continue to monitor property and warranty period for construction
- BHC has grown to be a large scale rental provider

One Year Celebration Event

To celebrate Ti'Nu's one year birthday, a neighbourhood barbeque will be hosted on Thursday, June 27th from 6 to 8pm.

Provincial Operating Agreement – Tenancy in Common and Community Housing Reserve

Banff Housing Corporation signed off on the operating agreement with the Government of Alberta for the \$12,000,000 contribution to the affordable housing project on March 20, 2019.

The agreement stipulates the creation of community housing reserve fund that will allow any surplus monies from the Ti'nu affordable rental development to be directed toward future housing development or sustainability initiatives related to housing. The following section copied directly from the agreement describes the requirement for the establishment of a housing reserve fund:

“The Parties further agree that BHC may deposit any surplus monies from the operation of the Project in a community housing reserve fund established and administered by BHC to be used solely for the purpose of funding and/ or maintaining Affordable Housing in the Town of Banff or such other purposes as are approved by ASHC.”

An operating surplus at Ti'Nu has only been made possible through the \$12,000,000 provincial capital contribution. The reserve fund will help to address Action 4.3.1.8 in the Town of Banff Housing Strategy, “Consider additional means of contributing to the housing reserve”. As depicted in the forecasted financials, the Community Housing Reserve Fund is projected to generate contributions of between \$450,000 and \$500,000 per year.

Ti'Nu Operating Budget Update

As directed by council, the Ti'Nu Affordable Housing project is not tax supported. The project was designed to be able to meet this objective while still maintaining below market rents when it was originally presented to council. As seen in the budget below, the Ti'Nu housing project is meeting the objective of not requiring tax funding to operate and is also going to be able to provide an ongoing funding source for future affordable housing initiatives in Banff.

The following depicts Ti'Nu actuals incurred for the last six months of 2018, and the first four months of 2019. A projection for 2019 year end, and budgets for 2020 and 2021 are also included.

	2018 Actuals	2019 Actuals	2019	2020	2021
Revenue	July to Dec	Jan to April	Projected	Budget	Budget
Rent, Storage	\$ 640,106.90	\$ 569,188.43	\$ 1,707,565.29	\$ 1,722,565.29	\$ 1,737,565.29
Car share	\$ 523.81	\$ 1,283.82	\$ 3,530.51	\$ 3,707.03	\$ 3,892.38
Laundry	\$ 15,107.50	\$ 10,811.00	\$ 29,730.25	\$ 30,324.86	\$ 30,931.35
Interest	\$ 1,837.47	\$ 3,920.48	\$ 10,781.32	\$ 10,996.95	\$ 11,216.89
Total Revenues	\$ 657,575.68	\$ 585,203.73	\$ 1,751,607.37	\$ 1,767,594.12	\$ 1,783,605.91
Expenses					
Wages & Benefits	\$ 100,138.83	\$ 35,417.67	\$ 106,253.01	\$ 115,815.78	\$ 127,397.36
Security	\$ 19,149.14	\$ 12,239.24	\$ 36,717.72	\$ 40,389.49	\$ 42,408.97
Property Tax	\$ 53,699.72	\$ 21,785.48	\$ 65,356.44	\$ 68,624.26	\$ 72,055.48
Utilities (electricity, gas, sewer, water)	\$ 44,716.74	\$ 56,639.49	\$ 173,000.00	\$ 181,650.00	\$ 190,732.50
Laundry	\$ 1,102.50	\$ 2,205.00	\$ 6,615.00	\$ 6,945.75	\$ 7,293.04
Car Share expenses	\$ 3,594.16	\$ 3,489.80	\$ 10,469.40	\$ 10,992.87	\$ 11,542.51
Operating costs (legal, repairs, insurance, ads, office etc)	\$ 31,587.46	\$ 32,572.44	\$ 97,717.32	\$ 100,648.84	\$ 103,668.30
Debenture Interest	\$ 300,613.60	\$ 118,315.34	\$ 473,261.34	\$ 366,964.98	\$ 358,674.17
Amortization	\$ 109,085.68		\$ 218,170.00	\$ 218,170.00	\$ 218,170.00
Total Expenses	\$ 663,687.83	\$ 282,664.46	\$ 1,187,560.23	\$ 1,110,201.97	\$ 1,131,942.33
Net Income	\$ (6,112.15)	\$ 302,539.27	\$ 564,047.14	\$ 657,392.15	\$ 651,663.58
Amortization	\$ 109,085.68	\$ -	\$ 218,170.00	\$ 218,170.00	\$ 218,170.00
Debenture Principal	\$ -	\$ (44,184.67)	\$ (176,738.66)	\$ (283,035.02)	\$ (291,325.83)
Building Reserve	\$ -	\$ -	\$ (105,000.00)	\$ (108,150.00)	\$ (111,394.50)
Unrestricted Surplus	\$ 102,973.53	\$ 258,354.60	\$ 500,478.48	\$ 484,377.13	\$ 467,113.25
Community Housing Reserve	\$ (102,973.53)	\$ (258,354.60)	\$ (500,478.48)	\$ (484,377.13)	\$ (467,113.25)
Unrestricted Surplus	\$ -	\$ -	\$ -	\$ -	\$ -
Projected Building Reserve Balance			\$ 105,000.00	\$ 213,150.00	\$ 324,544.50
Projected Community Housing Reserve Balance	\$ 102,973.53		\$ 603,452.01	\$ 1,087,829.13	\$ 1,554,942.38

OTHER INFORMATION

Banff Community Plan

Social: Fostering a healthy community. We want our community to flourish as socially diverse, offering universal access to affordable services that meet the evolving needs of visitors and residents.

Banff Community Housing Strategy

The Community Housing Strategy includes 63 specific actions within five key themes to address housing supply, quality, affordability and community understanding.

Council Strategic Priorities: Addressing Cost of Living

Circulation date: June 12, 2019

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