



North Peace Housing Foundation

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To: The Board of Directors

From: Tammy Menssa, Executive Director

Date: November 10, 2022

Re: Asset Transfer

On September 23, 2022, Alberta Seniors and Housing, now Seniors, Community and Social Services (SCSS), released the [Affordable Housing Asset Management Framework](#) as a companion document to [Stronger Foundations: Alberta's 10-year strategy to improve and expand affordable housing](#). *“The framework is the blueprint that ensures the Alberta Social Housing Corporation’s (ASHC’s) real estate assets are managed in a way that will expand and improve affordable housing. This will enable more Albertans in need to have access to suitable housing options.”*

Pillar 1 of the Framework is to transfer ASHC-owned real estate assets ownership to a local housing operator or municipality, where there is the capacity to own, operate, and leverage the equity in the property, under an agreement for the number and type of affordable housing units to be maintained over a set timeframe.

The focus is on properties with low net book value, and those that are suitable for redevelopment as mixed-income and/or mixed-use properties. Operators will be able to recommend assets for transfer as a standalone opportunity or as part of a broader redevelopment. Opportunities to transition to mixed-income can occur gradually as tenants vacate units or when a redevelopment or expansion project is complete.

Operating surplus and leveraged equity enable the operator to maintain or renew the property, expand, or redevelop the property, or to invest in new projects to increase the number of affordable housing units available, especially in communities where need is increasing.

Where assets are meeting community need and are in fair to good condition, the ASHC will consider if there are opportunities for operational efficiencies through the transfer of asset ownership. On September 28, the Foundation was contacted by the Executive Director, Housing Capital Programs, with a preliminary list of assets identified for potential transfer in the initial two years of implementing the Framework.

The attached list was developed as a starting point for discussion by an asset management consultant. The province acknowledges that this analysis may not reflect NPHF’s on-site knowledge and any

potential plans for future capital projects. The Foundation has been asked to consider this list as a starting point for collaboration and does not, in any way, constitute a formal offer or agreement to transfer. Each transfer will be carefully considered to ensure the government and the Foundation mutually agree upon the outcome and related agreements.

As outlined in the Framework, potential parameters of a transfer agreement would include that:

- The operation of the building would continue with no or minimal disruption to tenants.
- The preferred method of transfer may be by Nominal Sum Disposition.
- Transferred properties must continue to operate as affordable housing over a set timeframe (i.e., minimum of 20 years). An Option to Purchase Agreement would be registered on title.
- A Maintenance Reserve Grant calculated based on building condition assessment and number of units.
- The Social and Affordable Housing Accommodation Exemption Regulation enables the continuation of property tax exemption for former ASHC properties that transfer ownership and continue to be used for the purposes of social or affordable housing accommodation.

I have initiated discussions with the Manager, Real Estate Asset Portfolio, regarding these potential asset transfers to ensure a collaborative approach in moving forward with the province's Real Estate Strategy.

The building condition assessments for the approved list (see attached) have been scheduled for November 21 and 22, 2022.

Recommendation:

Accept as information.

Thank you,



Tammy Mensa
Executive Director

Affordable Housing Asset Management Framework: Year 1 and 2 Potential Asset Transfers

Organization: North Peace Housing Foundation

Housing Project Number	Project Name	Address	Municipality	Plan	Block	Lot	Program	Potential Transfer Year
127227312755	Peace River 5 (Trans)	8409 - 101 Avenue	Peace River	7920995	4	27	Community Housing	2022/23
127227312755	Peace River 5 (Trans)	10510 - 81 Street	Peace River	8020475	2	43	Community Housing	2022/23
127227312202	Peace River 3	9906 - 90 Avenue Units 301 - 307	Peace River	8121718	2	3	Community Housing	2023/24
127227312202	Peace River 3	9906 - 90 Avenue Units 308 - 313	Peace River	8121718	2	3	Community Housing	2023/24
127227312202	Peace River 3	10002 - 90 Avenue Units 314 - 317	Peace River	8121718	2	3	Community Housing	2023/24
127227312675	Peace River 4 (Trans)	8114 - 103 Avenue	Peace River	8020475	2	31	Community Housing	2023/24
127227312675	Peace River 4 (Trans)	7302 - 98A Street	Peace River	7821380	8	11	Community Housing	2023/24

127227312675	Peace River 4 (Trans)	8406 - 100 Avenue	Peace River	7920995	4	5	Community Housing	2023/24
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This list is only a starting point for collaboration between the government and HMBs and does not constitute a formal offer or agreement to transfer.