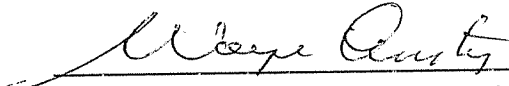




PO Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Halifax Regional Council
August 7, 2007
September 11, 2007

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY: 
Wayne Anstey, Acting Chief Administrative Officer

DATE: August 2, 2007

SUBJECT: Property Matter: Sale of 2275 Brunswick Street, Halifax, to City of
Halifax Non-Profit Housing Society (Harbour City Homes)

ORIGIN

This report originates with staff of HRM Finance and HRM Transportation & Public Works as part of a settlement strategy with respect to Harbour City Homes compensation claim and outstanding property ownership issues. The In Camera staff report to Regional Council dated June 26th, 2007, regarding execution of a proposed settlement agreement with Harbour City Homes was approved. The proposed title transfer was approved by the HRM Heritage Advisory Committee at their meeting of November 26th, 2006, and the HRM Grants Committee at their meeting of December 4th, 2006. This report updates the assessment value and includes deed migration costs.

RECOMMENDATION

It is recommended that Regional Council:

1. Authorize the Mayor and Municipal Clerk to enter into an Agreement of Purchase and Sale whereby the property located at 2275 Brunswick Street, Halifax, be conveyed to the City of Halifax Non-Profit Housing Society for the sum of \$1, plus certain costs associated with this conveyance, subject to site survey and legal description, and the terms and conditions set out in the staff report of December 4th, 2006;
2. Set a date for a public hearing.

BACKGROUND

The City of Halifax Non-Profit Housing Society was formed in 1979 in partnership with the former City of Halifax for the purpose of accessing federal funding for the development of affordable housing. The property located at 2275 Brunswick Street, Halifax, is surplus to HRM's operational needs and has been operated by Harbour City Homes. Presently, there is no lease agreement in effect.

Under Section 51 of the Municipal Government Act (1998) any sale of property at less than market value exceeding \$10,000 must be approved by two-thirds of Regional Council present and voting at a public hearing. Section 109 of the Act gives municipalities the discretionary authority to exempt a non-profit organization from payment of deed transfer tax provided the property is not used for business.

DISCUSSION

Summary of Key Terms and Conditions	
Civic Address	2275 Brunswick Street, Halifax.
Site Area	4,496 sq.ft
Zoning	R-2 General Residential Secondary Plan Peninsula North Area 7, Schedules HA-1 and A, Halifax Peninsula Land Use By-law.
Assessment Value	\$160,500
Specific Conditions	<p>The purpose of the donation shall be to house lower income individuals and families.</p> <p>A Buy-Back Agreement shall provide HRM the right of first refusal should the organization (City of Halifax Non-Profit Housing Society or Harbour City Homes) cease operations or elect to sell the property at a later date. Or, use of the property does not conform to the intent of the public's donation ie. affordable housing.</p> <p>The owner shall maintain the registration as a municipal heritage property and unconditionally agrees to waive rights to substantially alter, demolish, or de-register the property pursuant to Sections 16, 17 and 18 of the Heritage Property Act.</p> <p>The owner is obliged to maintain the exterior of Heustis House as may be reasonably necessary through consultation with HRM Heritage Advisory Committee.</p> <p>The property shall be taxed and any consideration for public subsidy be considered under separate application to By-law T-200.</p>
Closing Date	2007
Cost of sale Recovery	The purchaser shall pay all associated costs of sale, excluding deed transfer tax and deed migration fee.

Special Consideration	Deed transfer tax shall be waived. HRM shall pay the one-time deed migration fee.
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The Heustis House is a two-storey, wood framed dwelling built in 1887. Architecturally, the building is a fine example of a small-scale simplified Second Empire house. It features a mansard roof with dormers and decorative trim. While smaller than many other dwellings in this area of Brunswick Street, it is still representative of an era of prosperity envisaged by the mercantile class in Halifax at that time. The property was registered as a municipal heritage property January 2nd, 1998. Because of its heritage status the HRM Heritage Advisory Committee and HRM Heritage Planner were asked to comment on the proposed property donation. The heritage status of the property is protected through a Buy-Back Agreement and specific conditions of sale.

BUDGET IMPLICATIONS

A less than market value sale (~\$160,500) and waiver of deed transfer tax at 1.5% of market value (~\$2,400) represents a total revenue loss of \$162,900. In addition, HRM shall pay the one-time deed migration fee estimated to be \$1,200. Presently, the property is assessed as Residential and taxes are ~\$2,000/year.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

ALTERNATIVES

1. Regional Council could withhold approval for the sale at less than market value and direct staff to retain property ownership and execute a lease agreement for the property.

This action is not recommended: the property is surplus to HRM's operational needs and transfer of title will release HRM from any immediate and future capital costs.

2. Regional Council could approve the sale of the property but direct staff to realize either a market value or a minimum sale price.

This action is not recommended: HRM has sold surplus property at less than market value in support of affordable housing or homelessness initiatives within existing capacity; there is no substantive justification to withhold such support from a long-term occupant (Harbour City Homes).

3. Regional Council could direct staff to solicit the Nova Scotia Department of Community Services: Housing Services to accept title to the property and either sub-contract operations to

Harbour City Homes or to the Metropolitan Regional Housing Authority. Or, to issue a call for proposals from non-profit housing organizations for the purpose of maintaining access to affordable housing.

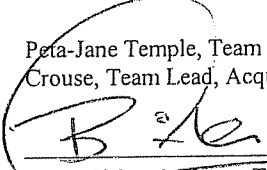
This action is recommended in the event that Harbour City Homes declines HRM's offer to transfer title in accordance with the specific terms and conditions set out in the staff report of December 4th, 2006. HRM should not assume responsibility for the operation of social housing which is a responsibility of the provincial government.


ATTACHMENTS


1. Letters from CMHC and Nova Scotia Community Services (Housing).
2. Site Map and Photograph - 2275 Brunswick Street, Halifax.

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Peta-Jane Temple, Team Lead, Tax, Grants & Special Projects, HRM Finance 490-5469 and Tom Crouse, Team Lead, Acquisitions and Disposals, HRM Transportation & Public Works.

Report Approved by: 
Bruce Fisher, Manager Tax & Fiscal Policy, HRM Finance 490-4493

Report Approved by: 
Mike Labreque, Director, HRM Transportation & Public Works 490-4855


Fol Cathie O'Toole, A/Director Finance 490-6308



CMHC SCHL

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July 31, 2007

Peta-Jane Temple
HRM, Finance
Halifax Regional Municipality
P.O. Box 1749
Halifax, NS
B3J 3A5

Dear Ms. Temple,

**Re: Halifax Non Profit Housing Society
2275 Brunswick Street**

In response to your Memo, dated July 6, 2007 regarding the above-mentioned subject. We have no objections related to the transfer of your title of the property in question to Harbour City Homes.

This will also confirm our discussion that HRM will ensure that any transfer of title will infer upon the recipient all of the original terms, conditions, and intent of the agreement signed on this property.

Please do not hesitate to contact me at 902-426-2749.

Yours truly,

Charles MacArthur
Manager, Community Development
Atlantic Business Centre

July 20, 2007

Peta-Jane Temple
Halifax Regional Municipality
Grant Program Financial Services
P.O. Box 1749
Halifax, NS
B3J 3A5

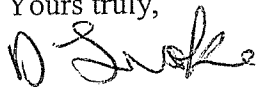
Dear Ms Temple:

**RE: Halifax Non Profit Housing Society
2275 Brunswick Street**

This is to confirm that the Housing Services Division of the Department of Community Services has been consulted regarding the Halifax Regional Municipality desire to release its interest in land leased to the Halifax Non Profit Housing Society. The leased land is improved by a single family unit purchased in 1980. The unit in the social housing portfolio of accounts and receives on going assistance.

Transfer of title of the leased land to Halifax Non Profit Society under the conditions as outlined in your memorandum dated July 6, 2007 will not effect our current on going funding arrangements.

Yours truly,



Dan Troke
Director of Program
424-8402

ATTACHMENT "2"

2275 Brunswick Street (PID 40078149)

SITE MAP and PHOTOGRAPHY

Property	Type	Land Area	Zoning	Assessment Value
2275 Brunswick Street, Halifax	Single Unit dwelling, Heritage Property.	4,496 sq. ft.	R2	\$160,500

Staff recommends transfer of title of 2275 Brunswick Street, Halifax, to City of Halifax Non-Profit Housing Society for the sum of \$1 with a Buy-Back Agreement that shall provide HRM the right of first refusal should the organization (City of Halifax Non-Profit Housing Society or Harbour City Homes) cease operations or elect to sell the property at a later date.. Or, use of the property does not confirm to the intent of the public's donation ie. affordable housing.

The owner shall maintain the registration as a municipal heritage property and unconditionally agrees to waive rights to substantially alter, demolish, or de-register the property pursuant to Sections 16, 17 and 18 of the Heritage Property Act.

The purchaser shall pay all associated costs of sale, excluding deed transfer tax (waived) and deed migration fee (HRM shall pay the one-time migration fee).

The property shall be taxed.



2275 Brunswick Street