



PO Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No. 10.1.4

Halifax Regional Council
October 23, 2007

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:

Geri Kaiser, Acting Chief Administrative Officer

Wayne Anstey, Deputy Chief Administrative Officer/Operations

DATE: September 19, 2007

SUBJECT: **Property Matter: Transfer of Title to Halifax Non-Profit Housing Society (Harbour City Homes): 5215 Artz Street (PID#40261281), 5219 Artz Street (PID#40261299), and 5221 Artz Street, Halifax (PID#40261307).**

ORIGIN

An In Camera report to Regional Council dated June 26th, 2007, regarding the execution of a proposed settlement agreement with Harbour City Homes was approved. This report updates assessment values, includes deed migration costs, and provides clarity re: prior agreements regarding title.

RECOMMENDATION

It is recommended that:

1. Regional Council approve in principle the transfer of title to 5215 Artz Street, 5219 Artz Street, and 5221 Artz Street, Halifax, to the Halifax Non-Profit Housing Society, each for the sum of \$1, plus specific costs associated with this conveyance, subject to site survey and legal description, and the terms and conditions set out in this report;
2. Set a date for a public hearing.

BACKGROUND

Under Section 51 of the Municipal Government Act (1998) any sale of municipal property at less than market value exceeding \$10,000 must have the approval of 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 from deed transfer tax if the property is not used for a business purpose.

Under the Urban Renewal Lands Agreement of the 1960's the former City of Halifax and Canada Mortgage & Housing Corporation (CMHC) participated in a number of joint projects under the provisions of the National Housing Act. The partners entered into agreements to establish redevelopment areas, acquisition and disposal of properties, land leases, and the sharing of costs and recoverables. The records pertaining to these transactions are in an unsatisfactory state but CMHC and Nova Scotia Community Services have cooperated in sharing available documentation.

A copy of an Agreement of Purchase and Sale dated December 21, 1979, sets out a list of properties to be sold to the City of Halifax Non-Profit Housing Society by the former City of Halifax and CMHC. The stated purchase price for each of the Artz Street properties was as follows:

- 5215 Artz Street \$1,423.00
- 5219 Artz Street \$1,305.00
- 5221 Artz Street \$1,350.00

Albeit the agreement is signed, it appears that if the sale was executed the deeds were not transferred to the name of Halifax Non-Profit Housing Society at the Nova Scotia Registry of Deeds. Hence, they were probably considered to have been developed and sold to a third party and do not appear on CMHC's current Urban Renewal Partnership listing. Under this agreement, CMHC would be entitled to 50% of the proceeds from sale (ie. \$2,039 as per the values set out in the agreement of 1979, or \$78,300 at 2007 assessment values).

CMHC have indicated that they recognize the initial agreement of 1979 in terms of the stated intent to convey title to Halifax Non-Profit Housing Society. As such, any share of the proceeds from sale at the initial sale price would amount to \$2,039 and they have waived this recoverable. Likewise, HRM has waived their 50% share of the sale price and have not applied a buy-back clause given that the original Agreement of Purchase and Sale did not contain such a clause and gave unencumbered title to the society.

EXECUTIVE SUMMARY

- Transfer of unencumbered title for three (3) properties located on Artz Street, Halifax, be conveyed to Halifax Non-Profit Housing Society as per the original Agreement of Purchase and Sale signed in 1979.
- CMHC and HRM waive their 50% share of the proceeds from sale as per the original sale price (a combined value of \$4,078).
- HRM shall waive deed transfer tax and shall pay the deed migration fee for each of three properties from Account HROP #2061 Administrative Services Accrual.
- The purpose of this in-kind donation shall be for the provision of affordable housing.

DISCUSSION

It should be noted that the transfer of title for these three (3) abutting properties creates an opportunity for their future consolidation and re-development. For example, the existing single family dwellings could be replaced by a single multi-unit complex that is more cost-effective to operate and possibly able to accommodate more tenants.

Property	Description	Land Area	Zoning	Assessment Value
5215 Artz Street, Halifax	Single family dwelling	1,609 sq.ft	R-2A	\$50,100
<p><i>Staff recommend the sale of 5215 Artz Street, Halifax, to Halifax Non-Profit Housing Society for the sum of \$1 for the purpose of affordable housing.</i> <i>The property shall be taxed.</i> <i>HRM shall pay the deed migration fee. The purchaser shall pay all other costs associated with the sale.</i> <i>Staff recommend that deed transfer tax be waived upon that portion of the property assessed as Residential.</i></p>				

Property	Description	Land Area	Zoning	Assessment Value
5219 Artz Street, Halifax	Single family dwelling	1,648 sq.ft	R-2A	\$48,200
<p><i>Staff recommend the sale of 5219 Artz Street, Halifax, to Halifax Non-Profit Housing Society for the sum of \$1 for the purpose of affordable housing.</i> <i>The property shall be taxed.</i> <i>HRM shall pay the deed migration fee. The purchaser shall pay all other costs associated with the sale.</i> <i>Staff recommend that deed transfer tax be waived upon that portion of the property assessed as Residential.</i></p>				

Property	Description	Land Area	Zoning	Assessment Value
5221 Artz Street, Halifax	Single family dwelling	1,674 sq.ft	R-2A	\$58,300
<p><i>Staff recommend the sale of 5221 Artz Street, Halifax, to Halifax Non-Profit Housing Society for the sum of \$1 for the purpose of affordable housing.</i> <i>The property shall be taxed.</i> <i>HRM shall pay the deed migration fee. The purchaser shall pay all other costs associated with the sale.</i> <i>Staff recommend that deed transfer tax be waived upon that portion of the property assessed as Residential.</i></p>				

BUDGET IMPLICATIONS

If approved by Regional Council, CMHC, and the Nova Scotia Department of Community Services (Housing Division) the combined total value of the three (3) properties donated to Halifax Non-Profit Housing Society is \$156,600. This is not a net cost to HRM insofar as the purchase and maintenance of the properties has been cost-shared among the government partners and Harbour City Homes. The execution of these agreements is estimated to cost \$3,600 in deed migration fees (~\$1,200 per transaction) to be paid from Account HROP #2061 Administrative Services Accrual and an estimated \$2,349 in deed transfer tax waivers.

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 of title transfer and direct staff to retain ownership and execute lease agreements.

This action is not recommended: the properties were to have been sold to Halifax Non-Profit Housing Society in 1979. Notwithstanding any claim to the contrary, HRM and partners have an obligation to fulfil this prior commitment.


2. Regional Council could revoke, add, or amend a specific condition of sale.


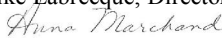
ATTACHMENTS

1. Letter from CMHC to HRM.
2. Letter from Nova Scotia Community Services to HRM.
3. Site Map and Photograph - 5215 Artz Street, Halifax.
4. Site Map and Photograph - 5219 Artz Street, Halifax.
5. Site Map and Photograph - 5221 Artz 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; Tom Crouse, Manager Disposals & Acquisitions, HRM Transportation & Public Works 490-5931.

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

Report Approved by: 
Mike Labrecque, Director of Transportation and Public Works 490-4855


Financial Approval by: _____
For Catherine Sanderson, A/Director of Finance

ATTACHMENT "1"



September 13, 2007

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

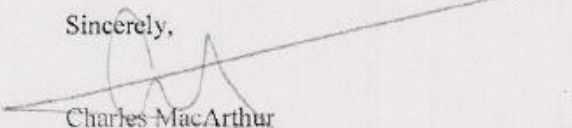
Re: Transfer of Title 5215, 5219 and 5221 Artz Street

Dear Ms. Temple:

In response to your request regarding the above mentioned properties we have no objections to the transfer of your title of these properties to Harbour City Homes as per our original agreement dated January 24th, 1980.

If you have any questions please do not hesitate to call me at 902-426-2749.

Sincerely,



Charles MacArthur
Manager, Community Development
Atlantic Business Centre

ATTACHMENT "2"


NOVA SCOTIA
Community Services

PO Box 696
Halifax, Nova Scotia
B3J 2T7

www.gov.ns.ca

September 20, 2007

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

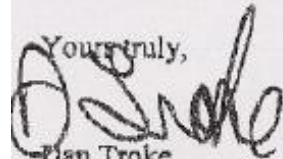
Dear Ms. Temple:

**RE: Halifax Non Profit Housing Society
5215, 5219, 5221 Artz Street, Halifax**

This is to confirm that the Housing Services Division of the Department of Community Services has been consulted regarding the Halifax Regional Municipality's desire to release its interest in land leased to the Halifax Non Profit Housing Society for the above noted addresses. The leased land has been improved by single family dwellings that were purchased by Halifax Non Profit Housing Society and have been receiving on going funding since 1980, to assist in providing affordable housing in the community.

Transfer of title of the leased land to Halifax Non Profit Housing 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 "3"

5215 Artz Street (PID #40261281)

SITE MAP and PHOTOGRAPH

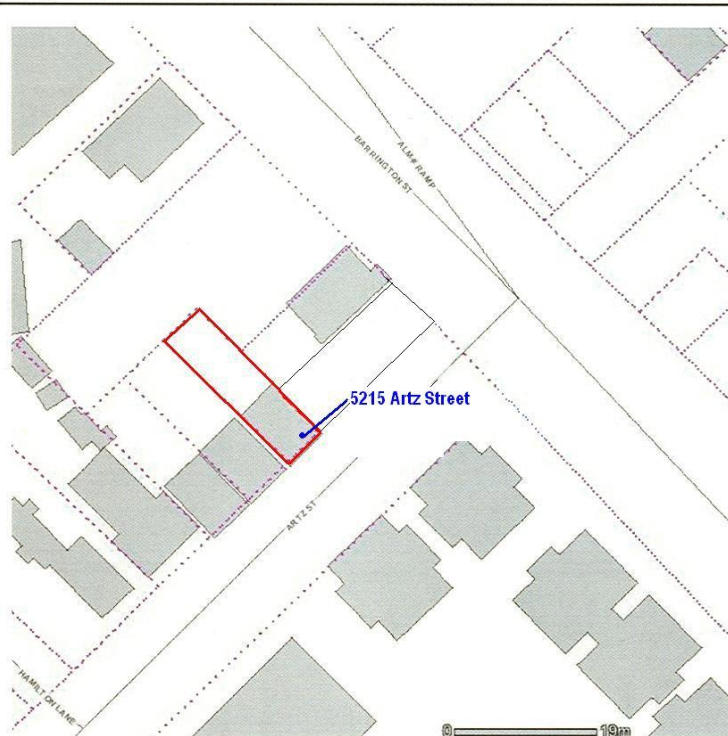
Property	Description	Land Area	Zoning	Assessment Value
5215 Artz Street, Halifax	Single Family Dwelling	1,609 sq. ft	R-2A	\$50,100

Staff recommend the sale of 5215 Artz Street, Halifax, to Halifax Non-Profit Society for the sum of \$1 for the purpose of affordable housing. The sale shall include a Buy-Back Agreement to provide HRM the right of first refusal should the operation of the society cease or the buyer elect to sell at a later date.

The property shall be taxed.

HRM shall pay the deed migration fee.

Staff recommend deed transfer tax be waived upon that portion of the property assessed as Residential.



View of Subject Property
from corner of Artz Street

& Barrington Street

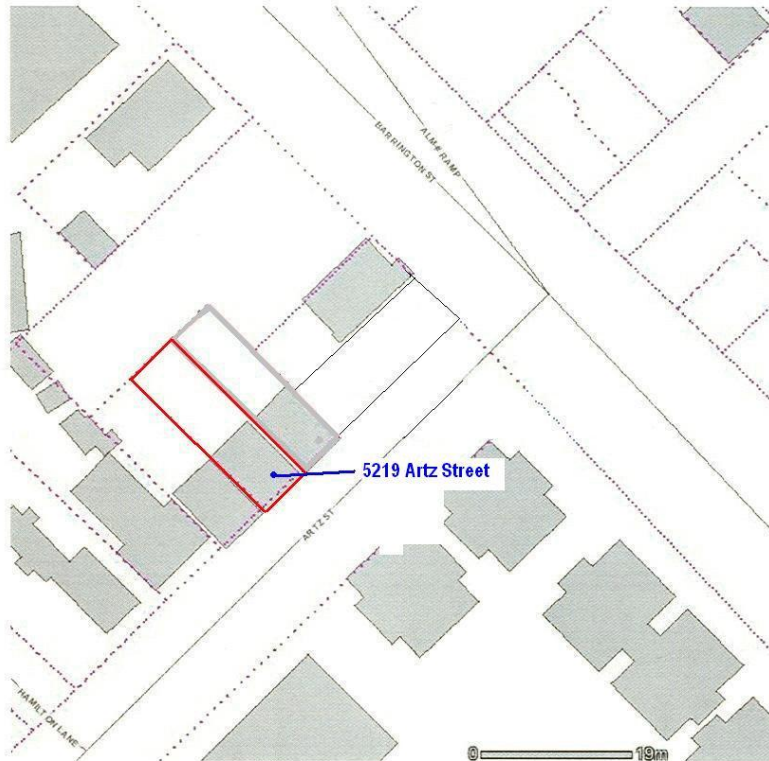
ATTACHMENT "4"

**5219 Artz Street (PID #40261299)
 SITE MAP and PHOTOGRAPH**

Property	Description	Land Area	Zoning	Assessment Value
5219 Artz Street, Halifax	Single Family Dwelling	1,648 sq. ft	R-2A	\$48,200

Staff recommend the sale of 5219 Artz Street, Halifax, to Halifax Non-Profit Society for the sum of \$1 for the purpose of affordable housing. The sale shall include a Buy-Back Agreement to provide HRM the right of first refusal should the operation of the society cease or the buyer elect to sell at a later date.

*The property shall be taxed.
 HRM shall pay the deed migration fee.
 Staff recommend deed transfer tax be waived upon that portion of the property assessed as Residential.*



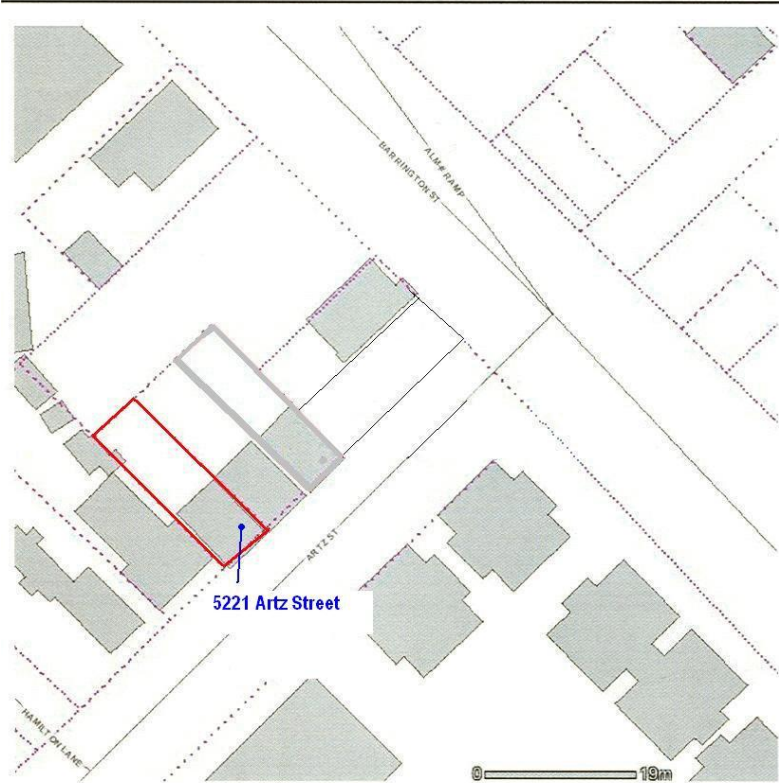
View of Subject Property from
Artz Street Looking towards
Brunswick Street

ATTACHMENT "5"

**5221 Artz Street (PID #40261307)
SITE MAP and PHOTOGRAPH**

Property	Description	Land Area	Zoning	Assessment
5221 Artz Street, Halifax	Single Family Dwelling	1,674 sq. ft	R-2A	\$58,300

Staff recommend the sale of 5221 Artz Street, Halifax, to Halifax Non-Profit Society for the sum of \$1 for the purpose of affordable housing. The sale shall include a Buy-Back Agreement to provide HRM the right of first refusal should the operation of the society cease or the buyer



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*t to sell at a later date.
The property shall be taxed.
HRM shall pay the deed migration fee.
Staff recommend deed transfer tax be waived upon that portion of the property assessed as Residential.*

View of Subject Property from
Artz Street Looking towards
Brunswick Street