



March 23, 2022

MS. KATRINA NOKLEBY
MLA, GREAT SLAVE

Oral Question 926-19(2): Housing - Land Transfer

Thank you for your question concerning the process of transferring land owned by the Government of the Northwest Territories to the City of Yellowknife and other communities. For land that the Northwest Territories Housing Corporation (NWT HC) owns, that is no longer needed for the delivery of our programs and services, the NWT HC utilizes its' disposal policy when disposing of land and other real property. This policy is attached for your reference. The formal legal land transfer process is facilitated by our Legal Counsel with the Department of Justice.

The transfer of Commissioner's and Territorial land to the City of Yellowknife and/or other communities is managed by the Department of Lands (Lands). In discussing this matter with Lands, we have been advised that if there are questions regarding specific land transfer requests, the interested party should reach out to Lands and they will be pleased to provide information and assistance as required.

Sincerely,

A handwritten signature in black ink, appearing to read 'Paulie Chinna'.

Paulie Chinna
Minister Responsible for the
Northwest Territories Housing Corporation

Attachment

- c. Honourable Shane Thompson, Lands
Clerk of the Legislative Assembly
Legislative Coordinator, Executive and Indigenous Affairs
President and CEO, Northwest Territories Housing Corporation



Disposal of Residential Property

1. Statement of Policy

The Northwest Territories Housing Corporation (NWTHC) will dispose of residential property in a manner that encourages and enables people to be self-reliant through homeownership and maximizes public benefits.

2. Principles

The NWTHC will adhere to the following principles when implementing this policy:

- a) The disposal of residential property will be conducted in a manner that promotes fairness, equity and transparency and that makes the best possible use of public resources including appropriate media for advertising.
- b) The disposal of residential property will support and encourage the development of housing markets in all communities.
- c) Residential property will be offered to priority interests that best meet the needs of the residents of the Northwest Territories (NWT).
- d) Residential property that cannot be sold or donated will be disposed of by the most cost-effective method available while protecting the public and the environment.
- e) Net gains from the disposition of residential property will be reinvested in housing projects.

3. Scope

This policy applies to the disposal of all NWTHC owned residential property.

4. Definitions

The following definitions apply to this policy:

Agent: One who represents and acts for another under contract/agreement or law,



Disposal of Residential Property

creating an agency relationship. For example: LHOs (LHO Boards and staff).

Community Government: A municipal corporation or, in the absence of a municipal corporation, a community governing authority recognized by the Minister of Municipal and Community Affairs as the prime public authority responsible for the provision of municipal services.

Demolition: The tearing down or razing of buildings and other structures.

Disposal: The sale, donation, or demolition of an asset.

Housing Program: A NWT HC rental or homeownership program.

Immediate Family: An NWT HC employee's spouse, children, and all relatives permanently residing with the employee.

Market Communities: For the purposes of this policy, the market communities in the Northwest Territories are: Yellowknife, Hay River, Inuvik, Fort Smith, Fort Simpson and Norman Wells.

MCC (Maximum Construction Costs): The NWT HC's Maximum Construction Costs are estimates for the total construction cost for a residential building on a community-by-community basis, updated bi-annually.

Non-Market Communities: For the purposes of this policy, the non-market communities in the Northwest Territories are all communities not considered market communities.

Non-Profit Organizations: Organizations registered under the *Societies Act* of the Northwest Territories as not-for-profit legal entities.

Value: The value the NWT HC places on a property through a formal evaluation procedure in accordance with this policy and its accompanying procedures.

5. Authority and Accountability

General



Disposal of Residential Property

*Northwest Territories Housing Corporation Act
Financial Administration Act – Section 67.(2)*

Specific

- (1) President and CEO - The President and CEO has the authority to:
 - a. Designate properties for disposal (approve units as surplus);
 - b. Approve the sale of residential property;
 - c. Approve the demolition of a residential property;
 - d. Approve sale prices lower than the reserve value;
 - e. Approve the sale of residential assets to employees of the NWT HC and their immediate family; and
 - f. Approve the disposal of residential properties through negotiation or donation as a priority method of disposal over the public process method;
- (2) Vice Presidents - The Vice Presidents have the authority to:
 - a. Designate properties for disposal (approve units as surplus);
 - b. Approve the sale of residential property;
 - c. Approve the demolition of a residential property;
 - d. Approve sale prices lower than the reserve value;
- (3) NWT HC Directors
 - a) Once a property has been approved for disposition, District Directors have the authority to dispose of that property in accordance with this Policy.

6. Provisions

The NWT HC will adhere to the following provisions when implementing and enforcing this policy:

a) Methods of Disposal

For property deemed appropriate for continued use, the following disposal methods will be used to dispose of surplus property:

- o Sale to existing tenants or approved housing program applicants
- o Offer for sale to GNWT Departments and Agencies
- o Sale through public process
- o Offer for sale to NWT Public Corporations at appraised/fair Market



Disposal of Residential Property

- o value through competitive bidding process
 - o Offer for sale to Community Government at appraised/fair Market value
 - o Offer for sale to non-profit organizations at appraised/fair Market value through a competitive process
 - o Donation or Negotiation
 - o Demolition
- b) Multiple Interested Parties
- i. In a situation where there are multiple parties interested in acquiring the same NWT HC surplus housing unit, the President will decide on the appropriate method of disposal.
- c) Sale to Existing Tenants or Approved Housing Program Applicants
- i. Existing Housing Program tenants or approved applicants may purchase a NWT HC owned residential property.
 - ii. Existing tenants can apply to the NWT HC for a subsidy to purchase the property through the NWT HC's homeownership programs.
 - iii. Existing or former tenants with arrears and/or tenant damages with the NWT HC or its agents must pay off all arrears when purchasing the property.
- d) Disposal Methods
- i. Residential properties are disposed of through a public process to promote reasonable offers. When selling residential property through a public process, the NWT HC applies a minimum reserve value to properties with a fair market value greater than \$50,000. If no offers are received that meet or exceed the minimum reserve, the NWT HC may consider lowering the reserve value.
 - ii. If the residential property is unsuccessfully disposed of through a public process, the property may be disposed of through a competitive process or negotiation with Community Governments, First Nations' Bands, Non-Profit Organizations or other organizations, and sold or donated through this process in the interest of NWT HC program delivery and/or the



Disposal of Residential Property

community. Such proposals to acquire property are to be submitted to the NWT HC for consideration.

a) If the NWT HC receives more than one proposal to sell or donate a specific residential property, the NWT HC will evaluate each proposal received and determine which one has the best value to the NWT HC and the residents of the NWT. The NWT HC's decision is final.

iii. Notwithstanding provision 6(b)(i) of this policy, the President and CEO has the authority to approve the disposal of residential property through negotiation, donation, or demolition, without first attempting disposal through a public process.

e) Sale Price

i. Market Communities

The sale price for residential properties in market communities is based on the fair market value as determined by third party independent appraisals. Appraisals are valid if undertaken within the past 12 months. If the property was retrofitted within the last 12 months, a new appraisal is required upon completion of the retrofit.

ii. Non-Market Communities

The sale price for residential properties in Non-Market Communities is based on the depreciated value of the replacement cost of the building, with a further reduction for the cost required to address all health and safety items in the building, and adding the value of the land consistent with procedures established with this policy.

7. Policy Adherence

a) This policy is the governing rule that must be adhered to when considering the disposal of residential property described herein. The disposal of residential property described in this policy is to be administered in accordance with the procedures that have been specifically developed for this policy.



Disposal of Residential Property

- b) This policy will override a procedure if there is a conflict between the policy and a procedure.

Tom R Williams
President and CEO