

Calgary



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CITY OF CALGARY
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IN COUNCIL CHAMBER

MAY 18 2021

ITEM: 7.6 PFC 2021-0445
DISTRIBUTION
CITY CLERK'S DEPARTMENT

Affordable Housing Development Financing

Priorities and Finance Committee
2021 May 18



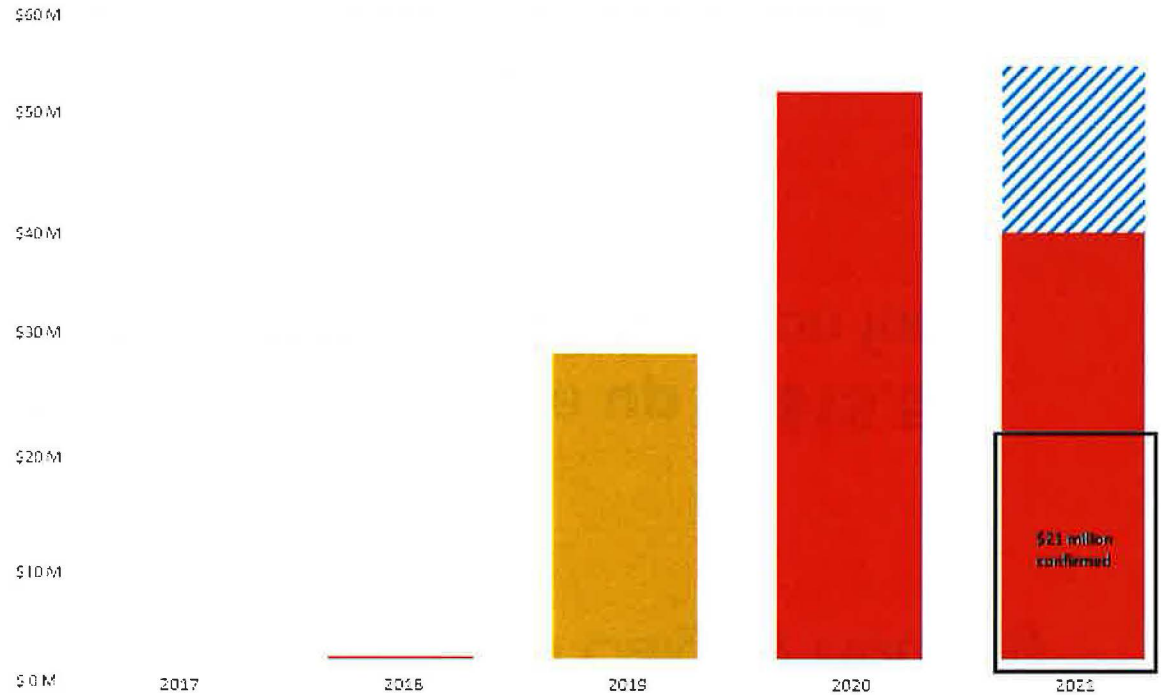
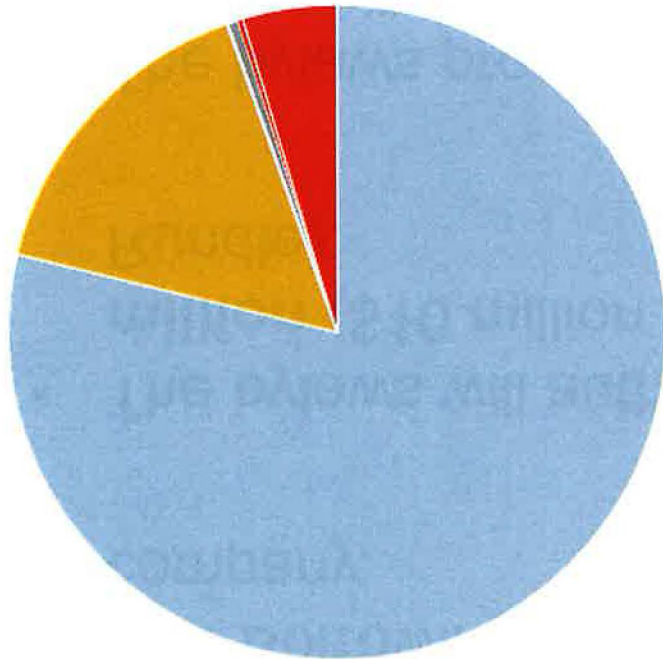
That the Priorities and Finance Committee recommend that Council:

1. Give first reading of Proposed Bylaw 7B2020 for \$10.0 million for city owned units and Bylaw 8B2021 for \$5.5 million for Rundle, a Calhome Properties Ltd. (operating as Calgary Housing Company (CHC)) owned units, authorizing The City to incur indebtedness for financing the construction of new affordable rental housing projects;
2. Give first reading of Proposed Bylaw 39M2021, being a bylaw authorizing a loan in the amount of \$5.5 million to CHC;
3. Direct Administration to negotiate and execute all definitive documents and agreements and take all actions required to conclude the agreements, arrangements and transactions contemplated in Report PFC2021-0445, such definitive agreements and documents to be in content satisfactory to the GM of Community Services and Chief Financial Officer;
4. Direct Administration to negotiate and enter into agreement(s) with CHC to appoint CHC to perform The City's operational obligations with respect to the Portfolio pursuant to the terms and operational obligations and conditions of the loans;
5. Direct Administration to transfer ownership of the Rundle affordable housing to CHC upon completion of construction;
6. Direct Administration to amend any existing loan agreement(s) between The City and CHC as applicable and in accordance with the Credit Documentation – Loans and Loan Guarantees Policy and Procedures;
7. Withhold second and third reading until the advertising requirements have been met; and,
8. Direct that Attachment 6 remain confidential under Sections 24 (Advice from officials) and 25 (Disclosure harmful to economic and other interests of a public body) of the Freedom of Information and Protection of Privacy Act to be reviewed by 2026 January 1.



- Two Borrowing Bylaws and a Loan Bylaw to Calgary Housing company.
- The bylaws will authorize The City to finance **up to \$15.5 million** (\$10 million for multiple projects & \$5.5 million for Rundle).
- The bylaws provide authorization to borrow. The decision to borrow will only proceed if other funding is not successful.

Housing Funding Structure



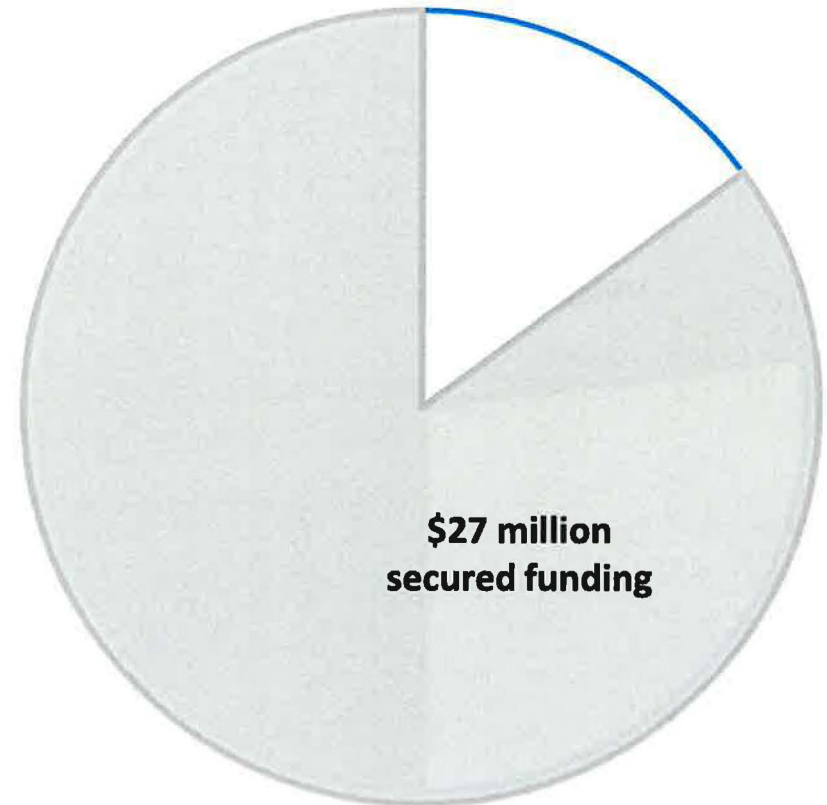
Affordable Housing Capital Funding 2017 - 2021

- CMHC Rental Construction Financing Initiative
- CMHC Co-Investment
- Federation of Canadian Municipalities
- Housing Investment Corporation
- Rapid Housing Initiative

- Borrowing Bylaw
- Grant + Loan
- Loans
- Forgivable Loan
- Grant

Two Borrowing Bylaws – Rundle 8B2021

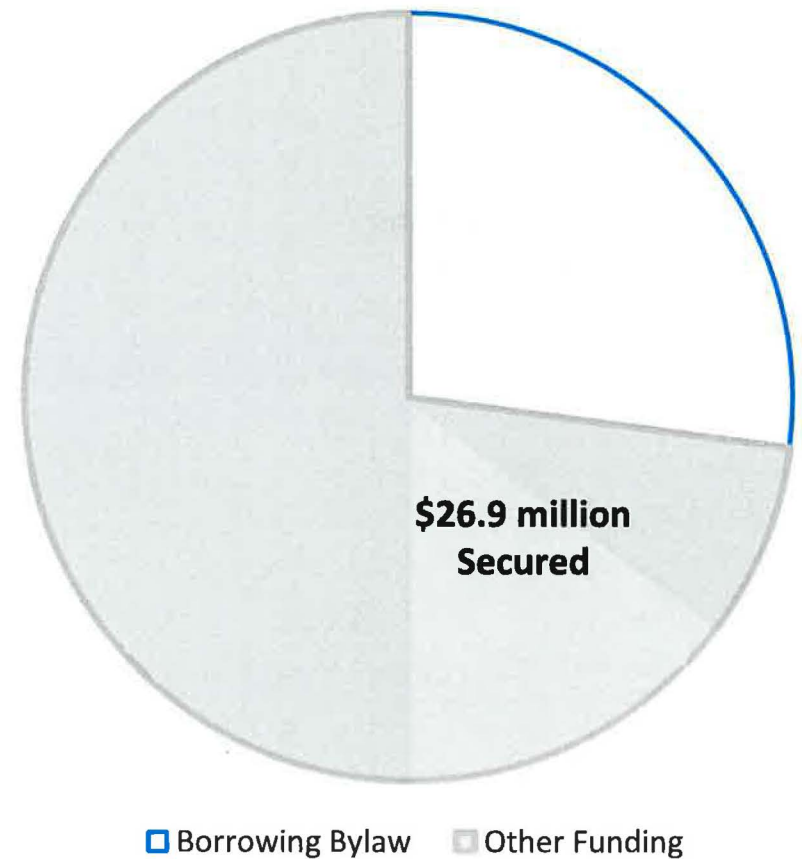
- 135 units.
- Project cost of \$36.9 million.
- Need up to **\$5.5 million** to be financed.
- Represents a maximum of **15%** of debt financing.
- Loan Bylaw 39M2021 transfers the obligation CHC.
- Credit Agreement in place.

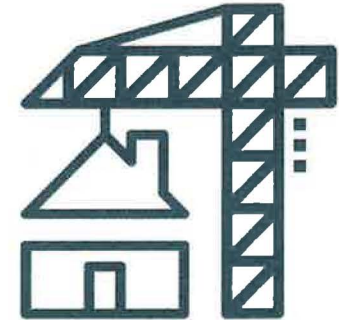


■ Borrowing Bylaw ■ Other Funding



- Estimated **150 units**.
- Estimated portfolio cost of **\$36.9 million**.
- Need up to **\$10 million** to be financed.
- Represents a maximum of **27%** of debt financing.





- Self supported debt
- Take advantage of **low interest rates** (interest rates are 1% to 3%) with minimal operating obligation.
- Loan options are secured against the asset – proformas show no challenges to paying back the loan.
- **Able to meet the requirements of the low interest financing.**



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