

Background

Historic summary of loan to Bridge Attainable Housing Society

Context

Bridge Attainable Housing Society (“The Society”) was incorporated to offer a shared equity home ownership program to make home ownership more attainable in Calgary for low to moderate income households.

In 2010, to support The Society, the City of Calgary (“The City”) entered into a land sale and loan arrangement for the purpose of developing McPherson Place - a project consisting of 160 residential condominium units and 2 ground floor commercial units. The loan was created by The City transferring legal ownership of a parcel of land (955 McPherson RD NE) to The Society valued at \$6.3 million and ultimately secured the loan through a series of second mortgages registered against 102 of the residential condominium units within McPherson Place. This mixed-market development combines attainable home ownership units with affordable housing rental units. The City purchased the 58 affordable residential condominium units in McPherson Place from The Society and The City owned Calgary Housing Company oversees these units in its rental portfolio.

The Society, under the name “INHOUSE” administered the sale of the remaining 102 residential condominium units to qualified purchasers. Purchasers were required to meet INHOUSE’s qualifications and be approved for a primary mortgage for approximately 65 per cent of the unit’s full market value to qualify for this program. The remaining 35 per cent portion of the purchase price for a unit was financed by way of a second mortgage (The Society is the mortgagee, and The City is ultimately entitled to these mortgage proceeds) and a third mortgage (McPherson Limited Partnership is the mortgagee). The second-ranked and fourth-ranked mortgages are interest free, the various mortgages reduced the principal amount of the first mortgage and effectively enabled purchasers to attain ownership of their residential condominium unit without a down payment.

In addition, some attainable unit owners have fourth-ranked mortgages registered against their attainable unit in favour of The Society. Similar to the second and third-ranked mortgages, each fourth-ranked mortgage is due and payable on March 31, 2023. The fourth mortgage is also an interest free mortgage.

Until early 2020 The Society oversaw the program which aimed to find new qualified purchasers when an existing residential condominium unit owner wished to sell their unit. There has not been a re-sale within the program to a qualified purchaser since 2016. If no qualified purchasers existed, owners could list their units on the open market to sell it, effectively removing the unit from the program. As of 2022 October, 17 units have sold on the open market leaving 85 units remaining in the program. The Society has received payments from all 17 units and to date has transferred proceeds from 6 units totalling approximately \$350 thousand to The City.

Pursuant to a Receivership Order of the Court of Queen’s Bench of Alberta issued 2020 February 14, Grant Thornton Limited became the Receiver and manager of all the assets, undertakings and property of The Society. A copy of the Receivership Order, and all other

relevant materials regarding the receivership proceedings, can be found on the receiver's website: www.GrantThornton.ca/BridgeHousing.

Previous Council Direction

Previous bylaw and reports related to Bridge Attainable Housing Society:

DATE	REPORT NUMBER	DIRECTION/DESCRIPTION
2010 July 19	45M2010	Council approved the Bylaw Number 45M2010 authorizing a \$6.3 million municipal loan to Bridge Attainable Housing Society.
2010 June 08	LAS2010-51	Council approved LAS2010-51 which authorized the proposed sale of Site 15 and purchase of 58 condominium units for Site 15.
2009 December 08	LAS2009-116	Council Approved LAS2009-116, which authorized Administration to proceed with the sale of Site 15 and purchase up to 40 non-market rental units; and bring forward to Council and advertise a loan by-law once Bridge Attainable Housing Society has been incorporated to enable the deferred repayment of fair market value for Site 15.
2009 April 27	LAS2009-42	Council approved LAS2009-42 and authorized Administration to proceed with the Bridges, Phase 2, Site 15 Non-market Housing RFP.
2008 March 11	LAS2008-71	Council approved LAS2008-71 – The Bridges, Phase 2, Site 15 Disposition and Acquisition Package, which directed Administration to proceed with the land disposition for Site 15.
2007 March 13	LAS2007-45	Council approved LAS2007-45 – Affordable Housing Development Strategy, which directed Administration to transfer Site 15 at book value and to develop an RFP for a privately developed market/non-market affordable housing model.
2006 June 12	LAS2006-79	Council approved LAS2006-79 – The Bridges Phase 2, Site 15 which directed Administration to develop an RFP for a privately developed market/non-market affordable housing model.
2002 June 21	25P2000	Council adopted the Bow Valley Centre Concept Plan (25P2000) which directed The City to deliver a minimum of 100 affordable and/or non-profit rental units oriented to families with children, subject to budget constraints and partnership arrangements.