

BYLAW 2024-12

**A BYLAW OF THE TOWN OF CANMORE, IN THE PROVINCE OF ALBERTA, TO
AUTHORIZE A LOAN GUARANTEE FOR THE CANMORE COMMUNITY
HOUSING CORPORATION STEWART CREEK RISE CONSTRUCTION.**

WHEREAS pursuant to the provisions of the *Municipal Government Act*, R.S.A. 2000, Chapter M- 26 and amendments thereto, a municipality may guarantee the repayment of a loan between a lender and one of its controlled corporations;

AND WHEREAS the Town of Canmore views the development of affordable housing in Canmore as beneficial to the community and wishes to support such development;

AND WHEREAS Canmore Community Housing Corporation (CCHC) is a not-for-profit body, controlled corporation duly incorporated under the laws of the Province of Alberta and established to provide housing solutions in Canmore;

AND WHEREAS CCHC is the owner of 205 Stewart Creek Rise;

AND WHEREAS CCHC intends to build an affordable housing project on these lands;

AND WHEREAS CCHC will be financing up to \$9,442,575 of the said construction;

AND WHEREAS CCHC has requested assistance in its housing development project from the Town of Canmore through the provision of a loan guarantee during construction;

AND WHEREAS the principal amount of the outstanding debt of the Town of Canmore at December 31, 2023 is \$37,042,129 and no part of the principal or interest is in arrears; and;

NOW THEREFORE, the Council of the Town of Canmore in the Province of Alberta, duly assembled, enacts:

TITLE

1. This bylaw shall be known as the "Canmore Community Housing Corporation Stewart Creek Rise Construction Loan Guarantee Bylaw."

INTERPRETATION

2. In this bylaw, CCHC means the Canmore Community Housing Corporation, a corporation of that name created to provide housing solutions in the Town of Canmore and whose address is 203, 600A – 9th Street, Canmore, Alberta, T1W 3L9.

Bylaw approved by:



LOAN GUARANTEE

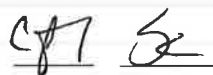
3. Subject to the provisions and limitations herein, Council authorizes the guaranteeing of 35% (\$3,375,000) of the total loan amount of \$9,442,575 to be borrowed by CCHC for construction of its affordable housing project at 205 Stewart Creek Rise (Housing Units), in the Town of Canmore.
4. For further clarification of the provisions of Section 3 herein, the guarantee of CCHC's indebtedness authorized in respect of the development shall not exceed THREE MILLION, THREE HUNDRED AND SEVENTY-FIVE THOUSAND dollars (\$3,375,000).
5. The guarantee of CCHC's indebtedness shall not continue beyond the earlier of the date on which the indebtedness is repaid or July 31, 2026. CCHC is required to provide Council with written confirmation from their lender when the guarantee is no longer required.
6. The interest rate under the loan will be Prime Rate ("Prime")(currently at 7.2%) plus 65 basis points (Prime + 0.65%), as such rate is agreed to between CCHC and its lender.
7. Loan repayment by CCHC shall be in the form of monthly interest only payments for 24 months during the period of construction, with principal repayment on demand, or in the absence of demand, not later than 24 months from the date of initial loan advance from the net sales proceeds.
8. If the Town of Canmore is required to repay any amount of CCHC's loan indebtedness, interest at the loan rate of Prime plus up to 0.65%, shall be applicable.

FUNDING SOURCES

9. Funding to repay any principal and interest amounts potentially accruing from the loan guarantee shall be derived from two sources:
 - a) Sale proceeds to be derived from the sale of Housing Units available to the Town by virtue of the Town's ownership position as 100% shareholder of CCHC;
 - b) Sale proceeds to be derived from the sale of Housing Units available to the Town by virtue of a security interest in the Housing Units granted by CCHC to the Town in consideration for the guarantee; and
 - c) In the event such proceeds are insufficient to fully cover the guaranteed amount payable to the Lender, any remainder owing will be paid from the Town's approved operating budget.

LOAN GUARANTEE AGREEMENT

10. Council hereby authorizes the chief administrative officer to enter into a loan guarantee agreement with CCHC and its lender for the purposes of construction at 205 Stewart Creek Rise, in the Town of Canmore.



ENACTMENT/TRANSITION

11. If any provision herein is adjudged by a court of competent jurisdiction to be invalid for any reason, then that provision shall be severed from the remainder of this bylaw and all other provisions of this bylaw shall remain valid and enforceable.

12. If any provision herein is adjudged to be repugnant to any federal or provincial regulation or legislation, this Bylaw shall continue in full force and effect, but any such repugnant provision shall be of no force or effect until such time as the repugnancy is removed by repeal or amendment of the federal or provincial legislation or regulation.

13. This bylaw comes into force on the date it is passed.

FIRST READING: May 7, 2024

SECOND READING: June 4, 2024

THIRD READING: June 4, 2024

Approved on behalf of the Town of Canmore:



Sean Krausert
Mayor

June 4, 2024
Date



Cheryl Hyde
Manager, Municipal Clerk's Office

June 4, 2024
Date

Bylaw approved by: 