

BYLAW NO. 2021-68

THE RAPID HOUSING INITIATIVE SASKATCHEWAN HOUSING CORPORATION
BORROWING BYLAW, 2021

THE COUNCIL OF THE CITY OF REGINA ENACTS AS FOLLOWS:

Purpose

- 1 The purpose of this Bylaw is to authorize the City of Regina to incur debt obligations in the maximum principal sum of \$783,000 plus any related interest or other costs of the debt resulting from this borrowing.

Authority

- 2 The authority for this Bylaw is *The Cities Act* and, in particular, Part IX and Divisions 5, 6, 7 and 8 of the Act.

Definitions

- 3 In this Bylaw:

- (a) **“City”** means the City of Regina or where the context requires, the geographical area within the city limits;
- (b) **“CMHC Survey of Closed Mortgage Rates, 5 year Rate”** means the 5 year closed mortgage rate as determined by the Canada Mortgage and Housing Corporation in its documentation of Financial Market Statistics under the subheading “survey of closed mortgage rates” on or about the date of execution of the Project Development and Operating Agreement;
- (c) **“Executive Director”** means the Executive Director, Financial Strategy and Sustainability, who has been appointed by the City Manager;
- (d) **“Rapid Housing Initiative”** means the Canada Mortgage and Housing Corporation contribution initiative related to the construction, conversion, or rehabilitation of affordable multi-residential housing units.

Debt limit

- 4(1) The City received approval of the re-establishment of its long-term debt limit of \$450,000,000 granted by the Saskatchewan Municipal Board on October 5, 2016.
- (2) The City’s outstanding debt including loans previously guaranteed by the City as of September 29, 2021 totals \$338,300,000.

Approved as to form this _____ day of _____, 20____.

City Solicitor

- (3) The City's total outstanding debt including guarantees as of September 29, 2021 and the debt authorized pursuant to this Bylaw results in debt that is below the debt limit established by the Saskatchewan Municipal Board.

Purpose of the borrowing

- 5 The money borrowed by the City shall be used for the purpose of development of the City's project approved under the Rapid Housing Initiative (the "Project").

Authorization

- 6(1) The City is hereby authorized to incur debt obligations in the maximum principal sum of \$783,000 plus any related interest or other costs of the debt for the purpose set out in section 5.
- (2) The Executive Director is authorized to negotiate, approve and enter into all necessary agreements with Saskatchewan Housing Corporation on behalf of the City and generally to do all things and to execute all documents and other papers in the name of the City, in order to carry out the borrowing as provided in this Bylaw.
- (3) The Executive Director is authorized to consent to an assignment of all or part of the \$783,000 loan to a third party who may own or operate the Project, as may be authorized by Saskatchewan Housing Corporation and shall be authorized to negotiate, approve and enter into all necessary agreements and generally to do all things and to execute all documents and other papers in the name of the City, in order to carry out the assignment.
- (4) The City Clerk is authorized to affix the City's seal to all documents and papers required by subsections (2) and (3).

Details of the borrowing

- 7(1) The \$783,000 loan will proceed by way of a Conditional Approval Letter, Project Development and Operating Agreement, and Mortgage Agreement with the Saskatchewan Housing Corporation (the "Agreements").
- (2) The Agreements require that the City grant security for repayment in the form of a mortgage charging the Project.
- (3) The \$783,000 loan is a demand loan which will be forgiven by Saskatchewan Housing Corporation unless an event of default has occurred under the Agreements.
- (4) The Agreements contemplate that should the Project be transferred to another party that the debt obligation may be assigned to that party.

Rate of interest

- 8 From and after the occurrence of an event of default under the Project Development and Operating Agreement, the City shall pay interest on the principal amount from time to time outstanding on the loan at the CMHC Survey of Closed Mortgage Rates, 5 year Rate.

Term

- 9 The term of the loan is 10 years from the second month following the date that the construction of the Project has achieved substantial completion.

Source of payment if City is required to pay

- 10 If the City is required under the loan to pay any principal, interest or other fees under the Agreements identified in this Bylaw, the City shall make the payments from any of the following sources:

- (a) municipal property taxes; and
- (b) the general fund reserve.

- 11 This Bylaw comes into force on the day of passage.

READ A FIRST TIME THIS 27th DAY OF October 2021.

READ A SECOND TIME THIS 27th DAY OF October 2021.

READ A THIRD TIME AND PASSED THIS 27th DAY OF October 2021.

Mayor

City Clerk (SEAL)

CERTIFIED A TRUE COPY

City Clerk

ABSTRACT

BYLAW NO. 2021-68

THE RAPID HOUSING INITIATIVE SASKATCHEWAN HOUSING CORPORATION BORROWING BYLAW, 2021

PURPOSE:	To authorize the City to incur debt obligations in the principal sum of \$783,000 plus and any related interest or other costs of the debt. The funding is to be provided through the Saskatchewan Co-Investment Program of the Saskatchewan Housing Corporation used to contribute to the cost of the City's Rapid Housing Initiative Project and shall be forgiven provided that an event of default does not occur under the City's agreements with Saskatchewan Housing Corporation.
ABSTRACT:	This Bylaw provides the necessary authorizations for the City to incur debt obligations in the principal sum of \$783,000 plus any related interest or other costs of the debt. This Bylaw sets out the amount of money to be borrowed, the purpose for the borrowing, how the interest is calculated, the term of the loan, terms of repayment as well as the sources for repayment of the loan. This Bylaw also provides information on the City's debt limit and the City's current level of debt.
STATUTORY AUTHORITY:	Part IX and Divisions 5, 6, 7 and 8 of <i>The Cities Act</i> .
MINISTER'S APPROVAL:	N/A
PUBLIC HEARING:	N/A
PUBLIC NOTICE:	Pursuant to sections 101 and 102 of <i>The Cities Act</i> and <i>The Public Notice Bylaw</i> , Bylaw 2020-28, public notice was issued in the Leader Post, City's public notice board and website on September 25, 2021 of intent to enter into a loan agreement.
REFERENCE:	City Council, October 13, 2021, CM21-19
AMENDS/REPEALS:	New bylaw

CLASSIFICATION:	Administrative and Executory
INITIATING DIVISION:	Financial Strategy and Sustainability
INITIATING DEPARTMENT:	Financial Services