

Calgary Housing Company Adds Affordable Housing with Purchase of Building in Downtown East Village

Today, Calgary Housing Company (CHC) announced the acquisition of East Village Place, a 163-unit residential building located in Calgary's East Village community.

"This is an exciting addition to CHC's affordable housing portfolio," says Councillor Brian Pincott, CHC Board Chair. "This acquisition will secure housing for more than 150 current tenants, secure this building long term for affordable housing and move forward work to secure community space for the residents of the East Village."

East Village Place will be added to the over 7,000 subsidized and affordable housing units already operated and managed by CHC.

Building operations transitioned to CHC on June 30, 2016, and all current tenants will be maintaining their leases and existing rent levels. With CHC as their property manager, tenants will be able to access [resources](#) and supports provided through CHC's tenant liaison services.

In addition to existing ground floor commercial uses, the ground two floors of the building include significant opportunities for office, meeting and community uses.

CHC and The City of Calgary are working together to develop plans for this space. Community engagement is being planned for this summer to understand the potential needs and priorities for a community space. These efforts have already begun through consultations with various stakeholders including local residents and the East Village Neighbourhood Association.

"With this exciting announcement, we accomplish two objectives," says Ward 7 Councillor Druh Farrell, "we can now work together on opportunities for community space for East Village residents both long-term and new. The purchase of East Village Place also helps to secure the future of housing diversity in East Village. "

The building and land are being acquired at a cost of \$12 million with funding from The City, the Government of Alberta and CHC. The City's contribution includes transferring the land, valued at \$6.5 million, for the book value of approximately \$185,000. The Province is contributing \$1.4 million.

In addition, CHC is assuming \$8 million in deferred maintenance and renovation costs which will be funded by \$8 million from The City's Corporate Housing reserve.

“Everyone deserves a safe place to call home, whether you’re a senior, child, unemployed or someone living with disabilities,” said Lori Sigurdson, Minister of Seniors and Housing. “That’s why this government is moving Alberta forward by investing in housing and in projects like East Village Place.”

For more information on CHC visit calgary.ca/CSPS/CH or visit calgary.ca/affordablehousing to learn more about The City’s role in supporting affordable housing.

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Additional Information

Building overview

- Located at 750-5th ST SE
- 15 storeys
- 163 residential units
- Ground floor commercial currently: grocery store, pharmacy
- Ground floor multi use – potential community space
- 102 underground parking stalls
- Constructed in 1982-83

Cost and funding overview

This acquisition is being funded by Calgary Housing Company, The City of Calgary, and the Government of Alberta.

The primary cost of the acquisition is \$12 million which is being funded by CHC (\$5 million), a contribution from the Province (\$1.4 million) and debt.

Additionally, CHC is assuming \$8 million in deferred maintenance which is being funded by \$8 million from The City's Corporate Housing Reserve.

Purchase Price (Millions)

Capital Cost:	\$11.5
Acquisition Expenses:	\$0.3
Purchase of Land (Book value):	\$0.2

Subtotal:	\$12.0
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Deferred Maintenance

& Renovation:	\$8.0
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Total:	\$20.0
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Funding Sources (Millions)

Existing CHMHC Mortgage:	\$1.7
ACFA* Financing:	\$3.9
Province of Alberta Grant:	\$1.4
CHC Capital Reserve:	\$5.0

Subtotal:	\$12.0
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City of Calgary Corporate

Housing Reserve:	\$8.0
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Total:	\$20.0
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**ACFA: Alberta Capital Finance Authority: 20 year financing at 2.879%*

Background Information and Talking Points

Key Messages

- This acquisition:
 - secures affordable homes for current tenants
 - secures building for affordable housing in downtown
 - secures opportunity for development of inclusive community space
- The welfare of current tenants has been a top priority throughout the transition.
- Province and City providing significant support
- City contribution - \$8.0 million funding and contribution of land (\$6.5 M) for book value (\$185,000)
- Asset being acquired significantly below market value
 - At acquisition cost: \$12 million / 163 units = \$74,000/unit
 - Include maintenance and renovation: \$20 million / 163 units = \$123,000/unit
 - Current market rates in East Village > \$225,000/unit

How does this acquisition benefit the community and Calgarians?

This acquisition provides a number of significant benefits for residents of the East Village and all Calgarians:

1. **Preserves downtown affordable housing** - it enables The City, through CHC, to maintain the supply of affordable housing in downtown Calgary
2. **Add to supply of affordable housing** - the acquisition grows the affordable housing portfolio managed by CHC – responding to Citizen feedback - 2015 Citizen Satisfaction Survey – 64% of Calgarians believe City should invest more in affordable housing.
3. **Security for current tenants** - the acquisition ensures continued affordability for current tenants
4. **Opportunity to develop inclusive community space** - the acquisition allows for provision of an inclusive community benefit through the development of community space in the vacant ground two floors.

How are existing tenants being cared for during this transition?

- CHC will continue to house existing tenants and, as units are vacated, they will be made available to qualified individuals in need of affordable housing
- The welfare of current tenants has been a top priority throughout the transition. CHC began communicating with them as soon as possible – this has included door-to-door visits by the Property Manager and Tenant Liaison staff, an open house to discuss how the change in ownership will impact residents.
- CHC will have an ongoing on-site presence as well as offering tenant support through our existing Tenant Liaison team. This team helps tenants at all CHC-managed properties to access services and supports through more than 125 partner agencies and City Departments.