



AGENDA

COMMUNITY DEVELOPMENT COMMITTEE

January 16, 2025, 9:30 AM
IN THE COUNCIL CHAMBER

Members

Councillor C. Walcott, Chair
Councillor T. Wong, Vice-Chair
Councillor G-C. Carra
Councillor R. Dhaliwal
Councillor D. McLean
Councillor K. Penner
Mayor J. Gondek, Ex-Officio

SPECIAL NOTES:

*Public are encouraged to follow Council and Committee meetings using the live stream: calgary.ca/watchlive
Members of the Public who wish to speak at a Standing Policy Committee may request to do so using the form at calgary.ca/publicsubmissions
Members may be participating remotely.*

1. CALL TO ORDER
2. OPENING REMARKS
3. CONFIRMATION OF AGENDA
4. CONFIRMATION OF MINUTES
 - 4.1 Minutes of the Regular Meeting of the Community Development Committee, 2024 December 19
5. CONSENT AGENDA
 - 5.1 DEFERRALS AND PROCEDURAL REQUESTS
None
6. POSTPONED REPORTS
(including related/supplemental reports)
None

7. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

7.1 2025-2026 Family and Community Support Services Additional Funding Recommendations, CD2025-0097

7.2 Tax Exemption Bylaw for Non-Profit Non-Market Housing, CD2024-1202

8. ITEMS DIRECTLY TO COMMITTEE

8.1 REFERRED REPORTS
None

8.2 NOTICE(S) OF MOTION
None

9. URGENT BUSINESS

10. CONFIDENTIAL ITEMS

10.1 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES
None

10.2 URGENT BUSINESS

11. BRIEFINGS
None

12. ADJOURNMENT



MINUTES

COMMUNITY DEVELOPMENT COMMITTEE

**December 19, 2024, 9:30 AM
IN THE COUNCIL CHAMBER**

PRESENT: Councillor C. Walcott, Chair
Councillor T. Wong, Vice-Chair (Remote Participation)
Councillor G-C. Carra
Councillor R. Dhaliwal
Councillor D. McLean (Partial Remote Participation)
Councillor A. Chabot (Remote Participation)

ABSENT: Councillor K. Penner (Council Business)

ALSO PRESENT: A/General Manager K. Choi
Senior Legislative Advisor A. de Groot
Senior Legislative Advisor C. Doi

1. CALL TO ORDER

Councillor Walcott called the meeting to order at 9:35 a.m.

ROLL CALL

Councillor Carra, Councillor Dhaliwal, Councillor McLean, Councillor Wong, Councillor Chabot, and Councillor Walcott

Absent from Roll Call: Councillor Penner

2. OPENING REMARKS

Councillor Walcott provided opening remarks and a traditional land acknowledgement.

3. CONFIRMATION OF AGENDA

Moved by Councillor McLean

That the Agenda for the 2024 December 19 Regular Meeting of the Community Development Committee be confirmed.

MOTION CARRIED

4. CONFIRMATION OF MINUTES

Moved by Councillor Wong

That the following Minutes be confirmed in an omnibus motion:

- 4.1 Minutes of the Regular Meeting of the Community Development Committee, 2024 October 22
- 4.2 Minutes of the Regular Meeting of the Community Development Committee, 2024 November 27

MOTION CARRIED

5. CONSENT AGENDA

5.1 DEFERRALS AND PROCEDURAL REQUESTS

None

6. POSTPONED REPORTS

None

7. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

7.1 Vehicle-for-Hire – Proposed Amendments to the Livery Transport Bylaw 20M2021, CD2024-1288

The following documents were distributed with respect to Report CD2024-1288:

- A letter; and
- A Public Submission.

The following speakers addressed Committee with respect to Report CD2024-1288:

1. Arvind Sharma
2. Yanique Williams, Uber
3. Harsimran Pharwan
4. Abdalla Bakhit
5. Mizanur Rahman

Councillor Chabot (Remote Member) left the meeting at 10:30 a.m.

6. Ravinder Dhaliwal
7. Lakhbir Selchoni

Councillor Chabot (Remote Member) joined the meeting at 10:57 a.m.

Moved by Councillor Dhaliwal

That with respect to Report CD2024-1288, the following be approved:

That the Administration Recommendation be amended as follows:

1. Deleting the words "three readings" and replace with "first reading";

2. Adding a new Recommendation 2 to read as follows:

Following first reading, amend the proposed bylaw by deleting section 29 in its entirety; and

3. Adding a new Recommendation 3 to read as follows:

Give second and third readings to the proposed bylaw, as amended.

For: (5): Councillor Walcott, Councillor Wong, Councillor Carra, Councillor Dhaliwal, and Councillor McLean

Against: (1): Councillor Chabot

MOTION CARRIED

Moved by Councillor McLean

That with respect to Report CD2024-1288, the following be approved, **as amended**:

That the Community Development Committee recommend that Council:

1. Give **first reading** to the proposed bylaw in Attachment 3 to amend the Livery Transport Bylaw 20M2021;
2. **Following first reading, amend the proposed bylaw by deleting section 29 in its entirety; and**
3. **Give second and third readings to the proposed bylaw, as amended.**

For: (6): Councillor Walcott, Councillor Wong, Councillor Carra, Councillor Dhaliwal, Councillor McLean, and Councillor Chabot

MOTION CARRIED

- 7.2 Update to the Action Plan to Minimize Impacts of Waste and Recycling Sites, CD2024-1315

Councillor Chabot (Remote Member) left the meeting at 11:18 a.m.

Moved by Councillor Carra

That with respect to Report CD2024-1315, the following be approved:

That the Community Development Committee recommend that Council receive this report for the Corporate Record.

For: (4): Councillor Walcott, Councillor Wong, Councillor Carra, and Councillor McLean

MOTION CARRIED

8. ITEMS DIRECTLY TO COMMITTEE

8.1 REFERRED REPORTS

None

8.2 NOTICE(S) OF MOTION

None

9. URGENT BUSINESS

None

10. CONFIDENTIAL ITEMS

10.1 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

None

10.2 URGENT BUSINESS

None

11. BRIEFINGS

11.1 Calgary's Mental Health and Addiction Strategy Update, CD2024-1351

12. ADJOURNMENT

Moved by Councillor Carra

That this meeting adjourn at 11:25 a.m.

MOTION CARRIED

The following Items have been forwarded to the 2025 January 28 Regular Meeting of Council:

CONSENT AGENDA

- Update to the Action Plan to Minimize Impacts of Waste and Recycling Sites, CD2024-1315

ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

- Vehicle-for-Hire – Proposed Amendments to the Livery Transport Bylaw 20M2021, CD2024-1288

The next Regular Meeting of the Community Development Committee is scheduled to be held on 2025 January 16 at 9:30 a.m.

CONFIRMED BY COMMITTEE ON

CHAIR

CITY CLERK

UNCONFIRMED

**Community Services Report to
Community Development Committee
2025 January 16**

**ISC: UNRESTRICTED
CD2025-0097**

2025-2026 Family and Community Support Services Additional Funding Recommendations

PURPOSE

This report provides recommendations to allocate additional Family and Community Support Services (FCSS) funding for 2025 and 2026.

PREVIOUS COUNCIL DIRECTION

The FCSS Calgary program has existed since 1966. Council approved 2025-2028 FCSS funding allocations in November 2024 (CD2024-1119) and authorized Administration to access up to \$1M from the FCSS Stabilization Fund in 2025 for capacity-building initiatives. In November 2024 (C2024-1097) Council approved a one-time funding increase to FCSS for 2025 and 2026 during the mid-cycle budget adjustments in November 2024.

RECOMMENDATION:

That Community Development Committee recommend that Council approve the additional one-time Family and Community Support Services funding allocations of \$750K in each of 2025 and 2026.

CHIEF ADMINISTRATIVE OFFICER/GENERAL MANAGER COMMENTS

General Manager Katie Black concurs with the contents of this report.

HIGHLIGHTS

- Through the 2024 FCSS Call for Funding Proposals, 156 evidence-informed programs and initiatives were approved for funding beginning in 2025. Based on the last FCSS Annual Report, FCSS Calgary-funded prevention programs and services have increased social inclusion of over 51,000 Calgarians.
- This report recommends four additional programs to receive FCSS funding in 2025 and 2026 to increase the opportunities for Calgarians experiencing vulnerabilities to access preventive social services.
- With a focus on prevention, FCSS is part of a continuum of social wellbeing funding streams administered by The City, which includes prevention and intervention through FCSS, Calgary's Mental Health and Addiction Investment Framework, Crime Prevention Investment Plan, and the Community Safety Investment Framework.
- Background and Previous Council Direction is included as Attachment 1.

DISCUSSION

The FCSS program is a unique funding partnership between The City of Calgary and the Government of Alberta to provide preventive social services. The program is provided in accordance with the provincial FCSS Act and FCSS Regulations, The City's FCSS Policy (CP2016-05) and FCSS Funding Framework. Through this partnership, the province funds a maximum of 80 per cent of the program cost and participating municipalities must contribute a

**Community Services Report to
Community Development Committee
2025 January 16**

**ISC: UNRESTRICTED
CD2025-0097**

**2025-2026 Family and Community Support Services Additional Funding
Recommendations**

minimum of 20 per cent. As per FCSS Calgary Policy, Council has committed to a 25 per cent contribution to the FCSS Calgary budget.

FCSS Call for Funding Proposals

In 2024, eligible non-profit organizations that provide preventive social service programs were invited to submit proposals for the 2025-2028 funding term. The opportunity was widely promoted, and various resources were made available to guide organizations through the application process. In total, 295 applications were submitted with over \$85M in annual requests.

All applications were reviewed using a fair and consistent review process with a comprehensive organizational and program assessment. In November 2024 (CD2024-1119), Council approved the recommendations for 156 programs and initiatives to receive FCSS funding in 2025 and 2026, and 98 of these programs are recommended for continued funding in 2027 and 2028.

Additional Funding Recommendations

As part of mid-cycle budget adjustments (C2024-1097), Council directed Administration to access \$750,000 one-time operating funding for 2025 and 2026 to Family and Community Support Services in funding additional applications previously not recommended due to high demand. Applications that were previously not recommended were reassessed using a consistent and equitable approach. The following four additional programs are recommended to receive FCSS funding in 2025 and 2026.

Organization Name	Program Name & Description	2025	2026
Bridge to Oasis Foundation	Building an Age-Friendly City- Supporting Black Seniors: To create an age-friendly, inclusive & accessible city that enables seniors to enjoy the amenities, services & opportunities available.	\$226,072	\$226,072
Calgary Jiang Zhe Shanghai Association	Golden Year Wellness: To enhance the overall well-being and social integration of seniors in Calgary through engaging in culturally sensitive activities and services.	\$191,428	\$191,428
Centre for Sexuality Society	WiseGirlz: Healthy Relationships and Life Skills Program: To equip girls with the tools they need to cultivate healthy bodies, relationships, and communities.	\$160,000	\$160,000
Korean Social Services Centre	Welcome Home!: To facilitate the settlement, establishment, and integration of Korean newcomers into Canadian society.	\$172,500	\$172,500
Total		\$750,000	\$750,000

Community Services Report to
Community Development Committee
2025 January 16

ISC: UNRESTRICTED
CD2025-0097

2025-2026 Family and Community Support Services Additional Funding Recommendations

All four programs will receive FCSS funding for the first time. Funding beyond 2026 will be based on community needs, program alignment to the FCSS Funding Framework, demonstrated impact, and availability of funds.

EXTERNAL ENGAGEMENT AND COMMUNICATION

- | | | | |
|-------------------------------------|---|-------------------------------------|---|
| <input type="checkbox"/> | Public engagement was undertaken | <input checked="" type="checkbox"/> | Dialogue with interested parties was undertaken |
| <input checked="" type="checkbox"/> | Public/interested parties were informed | <input type="checkbox"/> | Public communication or engagement was not required |

Community engagement was completed during the 2024 FCSS Call for Funding Proposals application review process and no additional engagement was undertaken for the recommendations in this report. The original application review process included external reviewers and internal subject matter experts. Other community funders and subject matter experts were engaged during the assessment stage and were informed of the funding recommendations, to coordinate the process and meet the needs of Calgarians experiencing vulnerabilities as best we can.

Organizations have been providing feedback on challenges with short-term funding as it limits their ability to provide on-going services to Calgarians experiencing vulnerabilities.

IMPLICATIONS

Social

The programs recommended for funding through this report increase the social inclusion of diverse population groups including seniors, LGBTQ2S+ people, newcomers and people from racialized communities. This prevention approach to stop problems before they start advances a key principle in the Social Wellbeing Policy (CP2019-01) and the recommendations align to the FCSS Policy.

Environmental

Not Applicable

Economic

Investments in preventive programs mean resources can be diverted from more costly late-stage interventions such as justice or enforcement services.

Service and Financial Implications

Existing operating funding - one-time

Existing Operating funding – one-time \$750K in 2025 and 2026.

RISK

There is a risk in investing in new organizations and programs that may not have a proven track record using FCSS Calgary's reporting tools. This is mitigated by the thorough review process

Community Services Report to
Community Development Committee
2025 January 16

ISC: UNRESTRICTED
CD2025-0097

2025-2026 Family and Community Support Services Additional Funding Recommendations

that included both an organizational and program level assessment. It is also mitigated by the two-year funding term that will require a demonstration of impact to be considered for funding beyond 2026.

There is a risk that one-time funding is used for on-going social service programs. After 2026, there is no guarantee that FCSS program funding will remain at the same level.

ATTACHMENTS

1. Attach 1 – Background and Previous Council Direction – CD2025-0097
2. Attach 2 – Presentation – CD2025-0097

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Katie Black, General Manager	Community Services	Approve
Kay Choi, A/Director of Partnerships	Community Services	Inform

Author: Sabrina Song, Community Strategies

Background and Previous Council Direction

Background

Family and Community Support Services (FCSS) is a unique funding partnership between The City of Calgary and the Government of Alberta to provide preventive social programs to enhance the lives of Calgarians experiencing vulnerabilities. The provincial and municipal governments share the cost of the FCSS Program. The province funds a maximum of 80 per cent of the program cost and participating municipalities must contribute a minimum of 20 per cent. As per the Calgary FCSS Policy, The City contributes a minimum of 25 per cent to the FCSS Calgary program, to strengthen support for the preventive social service sector in Calgary.

The FCSS program is provided in accordance with the provincial FCSS Act and Regulation along with The City's FCSS Policy (CP2016-05) and Funding Framework. The FCSS Act mandates an emphasis on prevention and volunteerism. The Regulation states that to receive funding "Services under a program must be of a preventive nature that enhances the social well-being of individuals and families." In Calgary, the FCSS Policy directs the work of FCSS Calgary and its relationship with funded organizations. The FCSS Funding Framework guides FCSS funding towards evidence-informed programs and initiatives that contribute to its long-term outcome of increased social inclusion of Calgarians experiencing vulnerabilities.

In 2024, eligible non-profit organizations that provide preventive social service programs were invited to submit proposals for the 2025-2028 funding term. In total, 295 applications were submitted with over \$85M in annual requests. In November 2024, Council approved the recommendation of 156 programs receiving FCSS funding in 2025 and 2026, and 98 of these programs continuously receiving funding in 2027 and 2028.

On 2024 November 21, Council approved and adopted the mid-cycle budget adjustments for the 2023-2026 Service Plans and Budgets, including a one-time operating funding increase of \$750K for 2025 and 2026 to FCSS to support additional applications cut-off due to demand in excess of budget and to support inflationary escalation on City allocation.

Previous Council Direction

DATE	REPORT NUMBER	DIRECTION/DESCRIPTION
11/21/2024	C2024-1097	<p>Mid-Cycle Adjustments to 2023-2026 Service Plans and Budgets</p> <p>On 2024 November 21, Council approved a one-time operating funding increase \$750K for 2025 and 2026 to FCSS to support additional applications cut-off due to demand in excess of budget and to support inflationary escalation on City allocation.</p>
11/26/2024	CD2024-1119	<p>2025-2028 Family and Community Support Services Funding Recommendations</p> <p>Council approved the recommended allocations of \$41.4M annually in 2025 & 2026, and \$25M annually in 2027 & 2028, and authorized up to \$1M from the FCSS Stabilization Fund in 2025 to support non-profit organizations for emerging social issues and capacity-building initiatives.</p>
10/2/2023	CD2023-0953	<p>2023-2024 FCSS Funding Increase and Recommendations</p> <p>Following an increase in the Government of Alberta's contribution to the FCSS Calgary program, Council approved the recommended placement of \$1M of these funds into the FCSS Stabilization Fund in 2023 and the funding allocation of \$1.3M to currently funded programs. Council also authorized access for up to \$1.5M in 2024 from the FCSS Stabilization Fund to support non-profit organizations for emerging social issues and capacity-building initiatives.</p>
11/25/2022	C2022-1051	<p>2023-2026 Service Plans and Budgets</p> <p>On 2022 November 25, Council approved and adopted the 2023-2026 Service Plans and Budgets, including \$2M over 2023-2026 to Family & Community Support Services to offset the operating cost increase of 5% based on population and inflation (for The City of Calgary proportion of funding).</p>

Bylaws, Regulations, Council Policies

Family and Community Support Services Policy (CP2016-05)

The Family and Community Support Services Policy was approved on 2016 June 20 which indicates that City Council will approve or amend FCSS Funding Priorities, funding recommendations and policy directions.

Family and Community Support Services Funding Framework (CPS2019-1286)

The Family and Community Support Services Funding Framework was adopted by Council on 2019 December 16 which guides FCSS Calgary funding allocations investing in social inclusion.

Social Wellbeing Policy (CP2019-01)

The Social Wellbeing Policy was approved on 2019 April 8 which states that The City will advance processes and mechanisms to identify emerging social needs of Calgarians and develop response plans that may be put in place with appropriate partners and services.

Investing in Partnership Policy (CP2017-01)

The Investing in Partnership Policy includes that the Office of Partnership will annually report the investment in and benefits of partnering, to demonstrate accountability and transparency.



2025-2026 Family & Community Support Services Additional Funding Recommendations

January 16, 2025

Recommendations

That the Community Development Committee recommend that Council approve the additional one-time Family & Community Support Services funding allocations of \$750K in each of 2025 and 2026.

FCSS Call for Funding Proposals

- Fully open FCSS call for funding proposals
- 295 applications requesting > \$85M
- 156 programs previously approved for 2025 & 2026
- 98 programs previously approved for 2027 & 2028



Additional recommendations



- Review of previously submitted applications
- Equitable assessment balancing:
 - FCSS priority population groups
 - Alignment to FCSS outcome areas
 - Potential for impact
 - Community needs

Recommendations

That the Community Development Committee recommend that Council approve the additional one-time Family & Community Support Services funding allocations of \$750K in each of 2025 and 2026.

Corporate Planning & Financial Services Report to
Community Development Committee
2025 January 16

ISC: UNRESTRICTED
CD2024-1202

Tax Exemption Bylaw for Non-Profit Non-Market Housing

PURPOSE

This report recommends Council pass a bylaw under section 364 of the [Municipal Government Act \(MGA\)](#) to exempt taxable properties held by non-profit organizations providing non-market (affordable) housing from property taxes. This report also recommends Council approve the amended *Non-Profit Tax Mitigation (NPTM) Council Policy* in Attachment 3 to provide tax relief to eligible non-market housing properties upon completion of construction, including those that become exempt under the proposed bylaw or section 363(1)(e) of the *MGA*.

PREVIOUS COUNCIL DIRECTION

Council approved the [Home is Here: The City of Calgary's Housing Strategy 2024-2030](#) (The Housing Strategy) on September 16, 2023, which directed action 2.A.2. to “enact a bylaw to exempt properties held by non-profit organizations providing non-market housing from municipal property taxes.” Additional background is included in Attachment 1.

RECOMMENDATIONS:

That the Community Development Committee recommend that Council:

1. Give three readings to the Proposed Bylaw in Attachment 2 to establish exemptions from property taxes for non-market housing properties held by non-profit organizations; and
2. Approve the proposed amended *Non-Profit Tax Mitigation Council Policy* in Attachment 3, to make exempt non-market housing properties under the proposed Bylaw eligible for municipal property tax mitigation during the period they were under construction or renovation and were therefore ineligible for exemption.

CHIEF ADMINISTRATIVE OFFICER/GENERAL MANAGER COMMENTS

Les Tochor, Acting Chief Financial Officer and General Manager of Corporate Planning and Financial Services concurs with this report.

HIGHLIGHTS

- Outcome 2 of the Housing Strategy directs The City to “support affordable housing providers to deliver services that make a positive impact.” The proposed exemption would reduce operating costs for eligible properties used by these housing providers, enabling them to redirect funds to other uses such as asset maintenance to preserve the existing limited supply of affordable housing, or to support programs and services for residents.
- The province has enacted legislation (“Bill 20”) to exempt many non-profit affordable housing properties from property taxes. Others are already exempt under other provisions of the *MGA* and its regulations. Providers whose properties do not meet criteria for these existing exemptions may be served by the proposed bylaw, which includes broader criteria.
- To align with other tax exemptions for non-market housing and non-profit organizations, and to further support the non-market housing sector, the proposed exemption would apply to both the municipal and provincial portion of property taxes.
- Administration also recommends an amendment to the *NPTM Council Policy* to allow eligible non-market housing properties to qualify for a cancellation or refund of the municipal

Tax Exemption Bylaw for Non-Profit Non-Market Housing

portion of property taxes levied during the period of construction of the property, during which time they would not be eligible for tax exemptions.

- The proposed actions would support more equitable treatment of non-market housing properties within the tax exemption scheme and the *NPTM* program, which currently provide eligibility for some properties due to recent legislative changes, while others remain ineligible.

DISCUSSION

Property tax exemptions are governed by the *MGA* and associated regulations, including the [Community Organization Property Tax Exemption Regulation](#) (“*COPTER*”) and the [Social and Affordable Housing Accommodation Exemption Regulation](#). Prior to 2023, most non-market housing held by non-profit organizations was not exempt due to provisions in *COPTER* which prohibited exemptions for properties where the use is restricted from the public’s use.

The Housing Strategy, approved in 2023, directed the creation of a bylaw in accordance with *MGA* section 364 to exempt non-market housing held by non-profit organizations to support these housing providers in addressing the housing crisis in Calgary, which would not be subject to the provisions of *COPTER*. Since the Strategy’s approval, there have been two key developments in the property tax exemptions regime:

- A decision from the Court of King’s Bench which opened exemptions to some non-market housing properties under *MGA* s. 362(1)(n) and *COPTER*, starting in 2024. This has resulted in property tax exemptions under *COPTER* for approximately 500 housing properties, saving over \$5.72 million in taxes for housing providers in 2024.
- The Province’s passing of Bill 20, which amended the *MGA* to add s. 363(1)(e), exempting certain affordable housing properties starting in 2025, in accordance Provincially-defined criteria. There are at least 153 additional properties that will be made at least partially exempt under this new exemption starting in 2025.

Despite these developments, housing that is targeted to equity-deserving populations, including for Indigenous Peoples and seniors is unlikely to qualify for exemption under *COPTER*, and non-market housing that is not tied to an agreement with any order of government does not qualify for *MGA* s. 363(1)(e) exemptions. More detailed information on the evolution of property tax exemptions for affordable housing, including the above-mentioned Court decision and Bill 20 is included in Attachment 1.

The proposed bylaw would act as a “safety net” to provide exemptions to non-market housing properties that do not meet the qualifications for existing property tax exemptions. The proposed bylaw includes the following criteria to be met to qualify:

- The property must be held by a non-profit organization.
- The non-profit organization (the housing provider) must have an income verification process to qualify tenants.
- The exemption would only apply to the residential portions of the property, where rent rates are no more than 80% of the average market rent for units with a similar number of bedrooms, as reported in the most recent [Canada Mortgage and Housing Corporation \(CMHC\) data](#) for Calgary.

Tax Exemption Bylaw for Non-Profit Non-Market Housing

This means only the portion of the property used to provide non-market housing will be exempt, while non-residential or market-rate residential portions of the property will remain taxable. Additionally, properties will remain taxable during construction. This is consistent with how properties exempt under MGA s. 363(1)(e) are treated. Additional analysis regarding the rent threshold is included in Attachment 4.

The City offers tax relief to eligible exempt properties of the municipal portion of property taxes paid during the construction or renovation period through the *NPTM* program, to support the development of these properties while upholding the principles of the exemption system. In accordance with the procedures laid out in the *NPTM* Council Policy, an eligible property may receive a tax cancellation in the amount of the municipal property taxes paid during the property's construction, to a maximum of 4 years of taxes. The recommended amendments to the *NPTM Council Policy* would provide access to this program for non-market housing properties that are eligible for tax exemptions under the proposed bylaw or section 363(1)(e) of the *MGA*. Non-market housing properties eligible for exemption under *MGA* s. 362(1)(n)(iii) and *COPTER* s. 15(k) are already considered for *NPTM* under the policy.

EXTERNAL ENGAGEMENT AND COMMUNICATION

- | | | | |
|-------------------------------------|---|--------------------------|---|
| <input type="checkbox"/> | Public engagement was undertaken | <input type="checkbox"/> | Dialogue with interested parties was undertaken |
| <input checked="" type="checkbox"/> | Public/interested parties were informed | <input type="checkbox"/> | Public communication or engagement was not required |

Non-profit housing providers whose properties may be eligible for the exemption under this bylaw were informed by direct email of this report.

IMPLICATIONS

Social

The proposed bylaw would fill a gap in the existing property tax exemption framework that disadvantages non-market housing providers whose property is not currently eligible for exemptions, including ones that serve equity-deserving populations.

Tax exemptions would reduce non-profit housing providers' operational costs. Any reduction in property tax could be used for lifecycle maintenance of aging units, provision of services to tenants or towards projects to build new units. All of which would improve housing outcomes for tenants, particularly the most vulnerable members of our community.

Environmental

Not Applicable.

Economic

In order to maintain Calgary's status amongst the top 10 most livable cities in the world, continue to attract top talent, and to grow our economy, we need to keep housing affordable. Access to safe, adequate and affordable housing is fundamental to quality of life and enables all Calgarians to have stability to work, go to school, and contribute to the economic resilience of our community.

Service and Financial Implications

Tax Exemption Bylaw for Non-Profit Non-Market Housing

No anticipated financial impact / Existing operating funding - base

No additional resources would be required to support the implementation of this proposed bylaw and policy amendment. The existing base operating budget for the Non-profit Tax Mitigation Program (\$500,000/year) is anticipated to be able to accommodate the expanded criteria.

Property tax exemptions do not impact The City’s revenues. When a property becomes exempt from taxation, the tax rate is adjusted accordingly and other properties in the same assessment class become responsible for the share of tax revenue the now-exempt property would have paid. There would be no impact to the 2025 tax rate, as tax implications would be accounted for within existing budgets for current-year change to assessments. Analysis of the estimated property tax implications for 2026 onward, and additional analysis supporting the proposed bylaw and policy changes, is included in Attachment 4.

RISK

- While it is anticipated the administration of this exemption would be manageable within existing resources, depending on volume and complexity of the applications, additional budget for added FTE(s) may be needed to support tax exemption processing.
- Significant growth in the non-market housing sector may lead to increased costs associated with the NPTM program and an increase to the exempt residential assessment base. This will be monitored with the annual reporting for NPTM and through the annual Property Tax Exemptions and Tax Relief Expenditures briefing to Council.
- Not passing this bylaw means:
 - Some non-profit, non-market housing may remain taxable despite similar service offerings to properties that are exempt, leaving an inequity in the taxation system.
 - Not delivering on the actions in the Housing Strategy.

ATTACHMENT(S)

1. Background and Previous Council Direction
2. Proposed Bylaw
3. Proposed Non-Profit Tax Mitigation Council Policy Amendments
4. Tax Implications and Policy Analysis
5. Presentation
6. Public Submission

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Les Tochor, Acting Chief Financial Officer/General Manager	Corporate Planning & Financial Services	Approve
Eddie Lee, Director/City Assessor	Assessment & Tax	Approve
Marcus Berzins, Acting Chief Housing Officer	Chief Operating Officer	Consult

Author: Policy & Strategy, Assessment & Tax

Background and Previous Council Direction

Background

Property Tax Exemptions for Non-Profit Non-Market Housing

In 2023, Council approved Home is Here: The City of Calgary's Housing Strategy 2024-2030 ([CD2023-0749](#)), including action 2.A.2 which directs the creation of a bylaw under *Municipal Government Act (MGA)* section 364 to provide property tax exemptions for non-market housing held by non-profit organizations, which have not been eligible for property tax exemptions in the past.

Shortly after the Strategy was approved, the Court of King's Bench issued a decision in [McDonald v Edmonton \(City\), 2023 ABKB 615](#) which resulted in a new interpretation of the *Community Organization Property Tax Exemption Regulation (COPTER)*. This new interpretation resulted in The City recognizing tax exemptions for some non-market housing providers for the first time, pursuant to *COPTER* and section 362(1)(n) of the *MGA*.

From the time of the Court's decision through early 2024, Administration worked to understand the implications of the decision, identify properties that may be eligible, and to develop and communicate a new application process. In 2024, there were approximately 500 residential properties exempt under the provisions of the *MGA* and *COPTER* impacted by the McDonald v Edmonton decision, representing \$5.72 million in property tax savings for subject property owners.

Despite this, some properties held by non-market housing providers remain taxable, predominantly those who target their services to equity-deserving populations, such as Indigenous people or seniors, as the restriction of the housing programs to these populations constitutes a "restriction" under the meaning given to it in *COPTER* s. 7. While these provisions are presumably intended to prevent discriminatory organizations from benefitting from tax exemptions, the current framework ultimately prevents some organizations providing non-market housing for equity-deserving populations from benefitting from tax exemptions for their properties.

In 2024, the Government of Alberta passed the *Municipal Affairs Statutes Amendment Act, 2024* (commonly referred to as Bill 20), which amends section 363, adding a new provision, section 363(1)(e), of the *MGA* to provide additional exemptions for affordable housing, as determined by criteria in Ministerial Order No. 2024-011 from the Minister of Seniors, Community and Social Services. These exemptions become effective in 2025, with the Assistant Deputy Minister, Housing Division designating a list of properties that meet the prescribed criteria. The list of properties provided *MGA* s. 363(1)(e) exemptions includes at least 153 properties that were taxable in 2024 and will be at least partially exempt from taxation in 2025.

The criteria under the Ministerial Order for a s. 363(1)(e) exemption requires, among other things, that the property's below-market rental rates are defined under an agreement with an order of government, which may not be true of all non-market housing operating in Calgary

(such as those who had an agreement for funding to provide affordable housing for a set period of time which has now lapsed, while the provider continues to offer affordable rates after the agreement’s expiry).

The proposed bylaw, enabled under *MGA* section 364, would fill these gaps by providing exemptions based on The City’s criteria, which are not limited to the criteria under *COPTER*’s provisions, or the requirement under the Ministerial Order to operate under a government agreement.

Non-Profit Tax Mitigation Program

While some property tax exemptions are based purely on the ownership of the property (e.g., government-owned property is generally exempt), other types require the property to be **used** for an exempt purpose to qualify. This “use-based” type of exemption is based on the principle that certain property uses provide a broad public benefit and is commonly applicable to non-profit organizations. This “use-based” type of exemption will also apply to affordable housing properties exempt under section 363(1)(e) of the *MGA*. For consistency, the proposed bylaw under section 364 follows this same approach. This means that during the time these properties are being constructed (and are therefore not being used as housing), they will remain taxable.

Council approved the *Non-Profit Tax Mitigation (“NPTM”) Council Policy* in 2014. The NPTM program supports the development of these properties and equity between properties eligible for ownership-based exemptions and those eligible for use-based exemptions. Eligible organizations may apply to the NPTM program at the time a building permit is issued for their property. Then, once the organization takes occupancy of their property, they may apply for a property tax exemption. Once approved for the exemption, they may receive a tax cancellation for the value of up to 4 years of the municipal property taxes paid during the construction or renovation period.

The NPTM Policy was last reviewed in November 2023, where amendments were made to eligibility criteria to ensure access to the program for additional “use-based” exemption types and to reformat the document to updated policy standards.

The proposed amendments to the NPTM Policy (Attachment 3 of this report) would ensure non-market housing providers, whose property remains taxable until it is in use, may qualify for the NPTM program to receive tax mitigation. This includes both those who would be eligible for tax exemptions under the proposed bylaw, and those that will be exempt under *MGA* section 363(1)(e).

Previous Council Direction

DATE	REPORT NUMBER	DIRECTION/DESCRIPTION
2023 November 28	EC2023-1127	Non-Profit Tax Mitigation Policy Review That Council approve the proposed amended Non-Profit Tax Mitigation Policy as presented.

2023 September 16	CD2023-0749	Home is Here – The City of Calgary’s Housing Strategy 2024-2030 With amendments, Council approved the Housing Strategy 12-3, including action 2.A.2 to enact a bylaw under section 364 of the Municipal Government Act to provide municipal tax exemptions to non-profit non-market housing providers.
2023 July 04	C2023-0688	Housing and Affordability Task Force Recommendations Progress Update (Verbal) That Council direct that Administration consider Council feedback to inform the Corporate Housing Strategy.

Bylaws, Regulations, Council Policies

Below are relevant excerpts of the applicable legislation, regulations and Ministerial Orders that govern the different types of property tax exemptions for non-market housing mentioned in this report, including:

- **MGA s. 361(b)** Property Tax Exemptions for Residences
- **MGA s. 362(1)(n)(iii)** Property Tax Exemptions for Non-Profit Non-Market Housing
- **MGA s. 363(1)(e)** Property Tax Exemptions for Designated Affordable Housing
- **MGA s. 364** Authority to pass a Bylaw for Property Tax Exemptions for Non-Profit Organizations

These excerpts are included to provide an overview of the legislation governing property tax exemptions specific to the non-market housing sector. This includes information on the various criteria that properties must meet in order to qualify, context on how the legislation is evolving, and information on the legislative authorities of Council to enact the proposed bylaw.

In summary, excerpts from the following legislation and regulation are included:

- [Municipal Government Act, RSA 2000, c M-26 \(“MGA”\)](#)
 - [Community Organization Property Tax Exemption Regulation, Alta Reg 281/1998](#)
 - [Social and Affordable Housing Accommodation Exemption Regulation, Alta Reg 12/2022](#)
- [Municipal Affairs Statutes Amendment Act, 2024, SA 2024, c 11](#)
- [Alberta Housing Act, RSA 2000, c A-25](#)
- [Ministerial Order No. 2024-011](#)

Additionally, the *Non-Profit Tax Mitigation Council Policy* is attached to this report (with blacklined proposed amendments for approval) as Attachment 3.

For conciseness, non-relevant content has been removed from the below excerpts, indicated with “[...]”. Direct excerpts of the legislation are in [blue](#).

MGA s. 361(b) Property Tax Exemptions for Residences

Municipal Government Act

Exemptions based on use of property

361 The following are exempt from taxation under this Division: [...]

- (b) residences and farm buildings to the extent prescribed in the regulations;

Social and Affordable Housing Accommodation Exemption Regulation

Tax exemption — Alberta Social Housing Corporation

3 Property that is owned by the Alberta Social Housing Corporation is exempt from taxation under section 361(b) of the Act to the extent of 100% of its assessment.

Tax exemption — former Alberta Social Housing Corporation property

4(1) A property or unit in a property purchased from the Alberta Social Housing Corporation by an affordable housing provider or management body is exempt from taxation under section 361(b) of the Act to the extent of 100% of its assessment

- (a) during any period of time that the Minister of Seniors, Community and Social Services considers is reasonably required by the affordable housing provider or management body or any other affordable housing provider or management body to renovate or repair the property or unit for use as an affordable housing accommodation or social housing accommodation,

- (b) while the affordable housing provider or management body or any other affordable housing provider or management body uses the property or unit to provide affordable housing accommodation or social housing accommodation, and

- (c) during any period of time that the Minister of Seniors, Community and Social Services considers reasonable where the affordable housing provider or management body or any other affordable housing provider or management body intends to use the property or unit to provide affordable housing accommodation or social housing accommodation but the property or unit is vacant.

(2) Subsection (1) does not apply during any period of time that occurs after an affordable housing provider or management body uses the property or unit in circumstances other than those referred to in subsection (1)(a) to (c).

MGA s. 362(1)(n)(iii) Property Tax Exemptions for Non-Market Housing

Municipal Government Act

Exemptions for Government, churches and other bodies

362(1) The following are exempt from taxation under this Division: [...]

- (n) property that is [...]

- (iii) used for a charitable or benevolent purpose that is for the benefit of the general public, and owned by

- (A) the Crown in right of Alberta or Canada, a municipality or any other body that is exempt from taxation under this Division and held by a non-profit organization, or

(B) by a non-profit organization, [...]

and that meets the qualifications and conditions in the regulations and any other property that is described and that meets the qualifications and conditions in the regulations.

Community Organization Property Tax Exemption Regulation

Interpretation

1(1) In this Regulation, [...]

(b) “charitable or benevolent purpose” means the relief of poverty, the advancement of education, the advancement of religion or any other purpose beneficial to the community;

[...]

Non-profit organization

6 When section 362(1)(n)(i) to (v) of the Act or Part 3 of this Regulation requires property to be held by a non-profit organization, community association or residents association as defined in section 13 for the property to be exempt from taxation, the property is not exempt unless

(a) the organization or association is a society incorporated under the Societies Act, or

(b) the organization or association is

(i) a corporation incorporated in any jurisdiction, or

(ii) any other entity established under a federal law or law of Alberta

that is prohibited, by the laws of the jurisdiction governing its formation or establishment, from distributing income or property to its shareholders or members during its existence.

Meaning of restricted

7(1) In this Regulation, a reference to the use of property being restricted means, subject to subsections (2) and (3), that individuals are restricted from using the property on any basis, including a restriction based on

(a) race, culture, ethnic origin or religious belief,

(b) the ownership of property,

(c) the requirement to pay fees of any kind, other than minor entrance or service fees, or

(d) the requirement to become a member of an organization.

(2) The requirement to become a member of an organization does not make the use of the property restricted so long as

(a) membership in the organization is not restricted on any basis, other than the requirement to fill out an application and pay a minor membership fee, and

(b) membership occurs within a short period of time after any application or minor fee requirement is satisfied.

(3) Not permitting an individual to use a property for safety or liability reasons or because the individual's use of the property would contravene a law does not make the use of the property restricted.

[...]

Note: COPTER s. 7 is subject to the Court of King's Bench's interpretation in [McDonald v Edmonton \(City\), 2023 ABKB 615](#). Paragraphs 16 – 30 of the decision include key points on this interpretation, including:

- “that whether ‘individuals are restricted from using the property on any basis’ should be interpreted as meaning restricted from participating in the program,” (para. 21)
- “Consequently, providing individual, exclusive access accommodation does not constitute a restriction of use under s 7.” (para. 22)
- “Using the same interpretation, I find that charging rent does not violate s 7. There are no fees to access the services offered at the property.” (para 23)

Exemption under section 362(1)(n)(iii) of the Act

10(1) Property referred to in section 362(1)(n)(iii) of the Act is not exempt from taxation unless

- (a) the charitable or benevolent purpose for which the property is primarily used is a purpose that benefits the general public in the municipality in which the property is located, and
- (b) the resources of the non - profit organization that holds the property are devoted chiefly to the charitable or benevolent purpose for which the property is used.

(2) Property is not exempt from taxation under section 362(1)(n)(iii) of the Act if, for more than 30% of the time that the property is in use, the use of the property is restricted within the meaning of section 7.

MGA s. 363(1)(e) Property Tax Exemptions for Designated Affordable Housing

Municipal Government Act

Exempt property that can be made taxable

363(1) The following are exempt from taxation under this Division:

[...]

[Added by Bill 20 – See below]: (e) affordable housing accommodation as defined in the *Alberta Housing Act* that is not exempt under section 361 of this Act.

[...]

(3) A council may by bylaw make any property listed in subsection (1)(d) or (e) subject to taxation to any extent the council considers appropriate other than for the purpose of raising revenue needed to pay the requisitions referred to in section 326(1)(a).

Municipal Affairs Statutes Amendment Act, 2024 (“Bill 20”)

Amends RSA 2000 cM-26

2(1) The Municipal Government Act is amended by this section. [...]

(25) Section 363 is amended

(a) in subsection (1) by adding the following after clause (d):

(e) affordable housing accommodation as defined in the *Alberta Housing Act* that is not exempt under section 361 of this Act.

(b) in subsection (3) by adding “or (e)” after “subsection (1)(d)”. [...]

(34) Subsections (24) and (25) come into force on January 1, 2025.

Alberta Housing Act – Section 1

Definitions

1 In this Act,

(a) “affordable housing accommodation” means a housing accommodation designated by the Minister as an affordable housing accommodation under section 31.1(1);

Designation of affordable housing

31.1 (1) Subject to subsections (2) and (3), the Minister may designate a housing accommodation as an affordable housing accommodation if the Minister is of the opinion that in the circumstances the housing accommodation is suitable for designation as an affordable housing accommodation.

Ministerial Order No. 2024-011

THEREFORE, I, JASON NIXON, Minister of Seniors, Community and Social Services, pursuant to section 31.1 (1) of the Alberta Housing Act, hereby:

1. Establish the circumstances under which a housing accommodation is suitable for designation as an affordable housing accommodation are that it must:
 - a. be subject to an agreement between the owner or operator of the housing accommodation and the Government of Canada, Province of Alberta, or a municipality;
 - b. have rental rates which are below market rates, pursuant to the agreement referred to in subclause (a); and,
 - c. be owned or operated by a not-for-profit organization incorporated under the Societies Act, Companies Act, or Business Corporations Act, a management body established under the Alberta Housing Act, or similar organization as determined under this Ministerial Order, that has a stated mission or mandate to serve those in core housing need (as defined in section 8(2)(a) of the Social Housing Accommodation Regulation) or to provide housing to target population groups identified in Stronger Foundations: Alberta's 10-year strategy to improve and expand affordable housing.

2. Delegate to the Assistant Deputy Minister, Housing Division, the authority to designate a housing accommodation as an affordable housing accommodation, in accordance with the circumstances set out in clause 1, including the authority to determine a similar organization under clause 1 (c).
3. Direct the Assistant Deputy Minister, Housing Division, to create and maintain a list of designated affordable housing accommodations to be reviewed and updated at least annually, or upon notification of the transfer of a housing accommodation designated as an affordable housing accommodation under this Ministerial Order.

MGA s. 364 Bylaw Powers for Property Tax Exemptions

Municipal Government Act – Section 364

Exemptions granted by bylaw

364 (1) A council may by bylaw exempt from taxation under this Division property held by a non-profit organization.

[...]

- (2) Property is exempt under this section to any extent the council considers appropriate.

Note: MGA s. 364 is the section empowering the proposed bylaw (Attachment 2 to this report).

Proposed Wording for a Bylaw to Provide Property Tax Exemptions to Non-Market Housing Held by Non-Profit Organizations

Short Title

1. This Bylaw may be cited as the “Non-Market Housing Property Tax Exemption Bylaw”.

Definitions and Interpretation

2. (1) In this Bylaw:
 - (a) “*Act*” means the *Municipal Government Act*, RSA 2000, c. M-26;
 - (b) “*assessed person*” means a person who is named on an assessment roll for a property in accordance with section 304 of the *Act*;
 - (c) “*City*” means the municipal corporation of The City of Calgary, and includes the geographical area within the boundaries of The City of Calgary where the context so requires;
 - (d) “*Municipal Assessor*” means the person appointed as the designated officer under Bylaw 49M2007, or that person’s delegate;
 - (e) “*non-market housing*” means property that is used to provide rental housing for income groups not served by the private market where:
 - i. the provider has an income verification process in place to qualify its tenants for housing services, and
 - ii. the rent is no more than 80 percent of the average market rent listed in the most recent Canada Mortgage and Housing Corporation (CMHC) rental market report for the *City* for properties that have a similar number of bedrooms;
 - (f) “*non-profit organization*” means an organization that is:
 - i. a society incorporated under the *Societies Act*, RSA 2000, c S-14,
 - ii. a company incorporated under Part 9 of the *Companies Act*, RSA 2000, c C-21, or
 - iii. an organization that is incorporated in any jurisdiction, or any other entity established under a federal law or law of Alberta, provided that such organization or entity is prohibited by the laws of the jurisdiction governing its formation or establishment, or by its articles of incorporation or articles of continuance, from distributing income or property to its shareholders or members during its existence; and

- (g) “*taxes*” means the property taxes owing on a property under Division 2 of Part 10 of the *Act* that are imposed for the purposes of raising revenue to be used towards the payment of:
 - i. the expenditures and transfers set out in the municipal budget approved by Council, and
 - ii. the requisitions, as that term is defined in section 326(1)(a) of the *Act*.
- (2) Nothing in this Bylaw relieves a person from complying with any Federal or Provincial law or regulation, other bylaw or any requirements of any lawful permit, order or licence.
- (3) Where this Bylaw refers to another Act, bylaw, regulation or agency, it includes reference to any Act, bylaw, regulation or agency that may be substituted therefore.
- (4) Every provision of this Bylaw is independent of all other provisions and if any provision of this Bylaw is declared invalid for any reason by a Court of competent jurisdiction, all other provisions of this Bylaw shall remain valid and enforceable.

Tax Exemption

- 3. (1) An *assessed person’s* property is exempt from 100 percent of the *taxes* on the portion of that person’s property within the *City* that is:
 - (a) classified as residential;
 - (b) held by a *non-profit organization*;
 - (c) used to provide *non-market housing*; and
 - (d) is not otherwise exempt from taxation under either the *Act*, or a regulation made under the *Act*, or Bylaw 5M2013.
- (2) For greater certainty, a property that is under construction is not exempt under this Bylaw until such time as the construction is completed and the property is available to tenants for *non-market housing*.
- 4. (1) The *Municipal Assessor* may request information from the *assessed person*, or the *non-profit organization*, in order to determine a property’s eligibility for an exemption under this Bylaw including:
 - (a) proof of non-profit status;
 - (b) rent rolls; and
 - (c) a declaration and supporting documentation from the *non-profit organization* confirming its income verification process for tenants.

- (2) If requested by the *Municipal Assessor*, the information in subsection (1) must be provided by an *assessed person* or *non-profit organization* in an application, and such application must be in the form required by the *Municipal Assessor*.

Alberta Human Rights Act Applies

5. Nothing in this Bylaw purports to limit the application of the *Alberta Human Rights Act*, RSA 2000, c A-25.5 to *non-market housing* providers receiving exemptions under this Bylaw.

Coming into Force

6. This Bylaw comes into force on the day it is passed.



Council Policy

Policy Title: Non-Profit Tax Mitigation Policy
Policy Number: CP2023-06
Report Number: TBD
Adopted by/Date: 2014 December 15
Effective Date: 2014 December 15
Last Amended: TBD
Policy Owner: Assessment & Tax

1. POLICY STATEMENT

- 1.1 Council will consider cancelling the municipal taxes where a non-profit organization holds a property, facility, or both, in Calgary that is under construction or renovation for up to four consecutive years, if all the following criteria have been met:
- a. a building permit for the site has been issued;
 - b. the organization has filed the necessary application forms to qualify for the municipal tax cancellation under this policy; and,
 - c. upon completion and occupancy of the facility, the organization has filed an application for property tax exemption under the *MGA* or *COPPER* and the application has been approved.
- 1.2 Per section 1.1, the municipal tax cancellation period may be for up to four years and is defined as follows:
- a. The municipal tax cancellation period begins when a building permit has been issued so long as an application for municipal tax cancellation has been filed within the same calendar year.
 - b. Applications for municipal tax cancellation can be made at any time after a building permit has been issued but if an application is filed in a calendar year following the issuance of a building permit, then the municipal tax cancellation period will begin on January 1 of the year in which an application is submitted.
 - c. The municipal tax cancellation period ends either four years from the date that the municipal tax cancellation period begins or when the subject property becomes exempt from taxation, whichever is earlier.

- 1.3 Where a building is only partially being used for an exempt purpose after construction or renovation, only the portion of the building that is being used for the exempt purpose shall be eligible for the municipal tax cancellation.
- 1.4 A municipal tax cancellation may only be granted if the property received an exemption and a non-profit organization is the property owner or has an active lease with the property owner during the term of construction or renovation.
- 1.5 Any cancellation of penalties imposed under section 344 and 345 of the *MGA* will not be considered for any period while the building is being operated illegally, including situations where a property is being used but final approvals have not been granted.

2. **PURPOSE**

- 2.1 Properties held by public and non-profit organizations for the benefit of the general public are generally exempt from property tax through the *MGA* and *COPTER*. Some property tax exemptions require the property or facility be in active use for an exempt purpose to qualify for an exemption. Exemptions based on use do not apply to properties or facilities while a property is under construction or renovation. This policy addresses this issue by providing the basis for municipal tax cancellations to support non-profit organizations where municipal taxes were paid during the construction or renovation period of their facility and where the subsequent use of the property met the criteria for property tax exemption.
- 2.2 This policy will ensure that municipal tax cancellations for properties or facilities that are under construction or renovation in Calgary are considered in an equitable and consistent manner through an open and transparent process by setting out eligibility criteria and procedures.
- 2.3 The policy does not limit Council's discretion in exercising its section 347 powers under the *MGA*.

3. **DEFINITIONS**

- 3.1 In this Council Policy:
 - a. "Building Permit" means a permit issued under the Safety Codes Permit Bylaw 39M2018;
 - b. "*COPTER*" means the *Community Organization Property Tax Exemption Regulation, AR281/98*; and
 - c. "*MGA*" means the *Municipal Government Act, RSA 2000, c M-26*.

4. **APPLICABILITY**

4.1 This policy applies to properties and facilities after construction or renovation that qualify for **property tax exemptions** under the following **provisions sections in the MGA and COPTER**, where use does not include the construction or renovation period of the property or facility:

a. *MGA* section 362(1)

- i. (d) post-secondary educational facilities (excluding student dormitories);
- ii. (e) hospital buildings;
- iii. (g.1) health regions;
- iv. (h) nursing homes;
- v. (j) library boards;
- vi. (k) religious buildings;
- vii. (l) cemeteries;
- viii. (m) lodge accommodations;
- ix. (n)(ii) sports and recreation;
- x. (n)(iii) charities;
- xi. (n)(iv) lodge accommodations;
- xii. (n)(v) agricultural societies;
- xiii. (o) airports;

b. ***MGA* section 363(1)(e) affordable housing accommodation;**

c. *COPTER* section 15;

- i. (a) sports and recreation;
- ii. (b) fairs and exhibitions;
- iii. (c) arts and museums;
- iv. (e) linguistic organizations;
- v. (f) ethno-cultural;
- vi. (g) charitable or benevolent purposes (users reside outside municipality);
- vii. (h) thrift shops;

- viii. (i) sheltered workshop;
- ix. (j) chamber of commerce;
- x. (k) charitable or benevolent purposes (users reside inside municipality);
and

d. The *Non-Market Housing Property Tax Exemption Bylaw*, enacted pursuant to MGA section 364.

5. LEGISLATIVE AUTHORITY

- 5.1 Pursuant to section 347(1) of the MGA if Council considers it equitable to do so, it may, generally or with respect to a particular taxable property or business or a class of taxable property or business, do one or more of the following, with or without conditions:
- a. cancel or reduce tax arrears;
 - b. cancel or refund all or part of a tax; or
 - c. defer the collection of a tax.

6. PROCEDURE

- 6.1 Organizations may apply to be considered for a municipal tax cancellation pursuant to this policy by completing the proper form, available directly from Assessment & Tax or from calgary.ca. This must be submitted to Assessment & Tax before the subject property or facility becomes exempt from taxation.
- 6.2 Applications will be reviewed by the Municipal Assessor or designate for completeness and eligibility; and if complete and eligible, municipal tax cancellations will be recommended to Council for approval. Administration shall recommend municipal tax cancellations pursuant to this policy once annually.

7. AMENDMENT(S)

Date of Council Decision	Report/By-Law	Description
2014 December 15	C2014-0919	Creation of this Council Policy
2016 October 13	NA	Minor revision relates to the update of Alberta Building Code 2006 to Alberta Building Code 2014, which

		defines "Building Permit" for the purposes of this Council policy
2023 November 28	EC2023-1127	Revisions to update the policy template, reflect the updated organizational structure, the new basis for building permits, and clarify applicability.
TBD	TBD	Section 4 amended to expand program eligibility to additional non-market housing properties.

8. **REVIEW(S)**

Date of Policy Owner's Review	Description
2023 September	This Policy was reviewed in accordance with the Council Policy Program.

Property Tax Exemptions for Non-Market Housing - Tax Implications and Policy Analysis

Estimated Hypothetical Property Tax Implications of Exemption

There would be **no impact to 2025 property tax rates** because of the proposed bylaw and property tax exemption. Properties that become exempt from taxation because of the bylaw and the minimal tax implications they would have will be accounted for within existing budget provisions for current-year changes to property assessments. Actual tax rate implications would take effect beginning in the 2026 tax year.

The below analysis uses 2025 property assessments and tax rates as a hypothetical scenario to examine the potential tax rate implications, as 2026 data is not available at this time.

It is important to note this is a hypothetical for information purposes only: actual implications will vary based on a number of factors, including actual uptake and applicability of the exemption, changes to properties' assessed values in 2026, and other factors impacting the tax rates in 2026, when the proposed exemption would begin to impact the tax rates.

- 360 taxable, residential-use properties currently held by known non-market housing providers were identified as being potentially eligible for at least a partial exemption under the proposed bylaw, representing a combined total 2025 assessed value of \$372 million.
- Using 2025 values and tax rates as a baseline, if all 360 properties became fully exempt from taxation, this would represent approximately \$1.45 million in residential municipal property tax responsibility redistribution (equating to an approximately a 0.11% residential tax rate increase in 2025 terms).
- This would represent municipal property tax bill increases of:
 - Up to \$2.94 / year (\$0.24 / month) for the median single detached residential property valued at \$700,000.
 - Up to \$2.55 / year (\$0.13 / month) for the median apartment condominium residential property valued at \$360,000.

Actual tax implications would not take effect until 2026, and the above estimates are in 2025 terms for information purposes only due to the unavailability of 2026 data at this time. Actual tax implications will vary depending on the factors listed above.

Non-Market Rent Threshold: Exemption Eligibility Criteria Analysis

The proposed bylaw includes a definition of “non-market housing” as requiring the rent charged to tenants to be no more than **80% of the average market rent** as reported by the Canada Mortgage and Housing Corporation (CMHC) for a unit with a similar number of bedrooms.

Comparator rent thresholds or definitions of non-market housing vary across jurisdictions and programs, including for other property tax programs and other funding programs for non-market housing.

Examples of these different thresholds from various housing-related funding or property tax programs include:

Program	Rent Threshold Requirement
Calgary – Housing Incentive Program	Average rent for the building must be no more than 90 per cent of CMHC average market rent.
Calgary – Non-Market Housing Land Sales (Project Evaluation Methodology)	Average aggregate monthly rent for project must be less than 86% of CMHC median market rent.

Program	Rent Threshold Requirement
Edmonton – Affordable Housing Incentive Program	Minimum 30% of total residential units must have rent not exceeding 80% of average market rent.
Edmonton – Affordable Housing Tax Grant	Minimum 25% of units must qualify as government supported (transitional or supportive) housing or other permanent affordable housing, where rent is a maximum of 80% of the market rent, or no more than 30% of the tenants' pre-tax gross household income.
Alberta – Affordable Housing Partnership Program (Program Guidelines)	Various rental bands depending on unit type: <ul style="list-style-type: none"> • Minimum Rent Band: 60% Median Market Rent (minimum 10% of units) • Mid-Range Rent Band: 60% to 90% Median Market Rent • Market/Near-Market Rent Band: Greater than 90% Median Market Rent
BC Housing - BC Builds Grants for Co-Operative/Non-Profit and First Nations Controlled Developments	At least 20% of units at 20% below market rents (i.e., 80%)
Canada Mortgage and Housing Corporation (CMHC) – Affordable Housing Fund New Construction – Community Housing Sub-stream (Project Assessment Workbook)	Minimum 30% of units at 80% of Median Market Rent

To establish a threshold for the proposed bylaw, options for thresholds were compared to 39,861 actual multi-residential rental rates (excluding rates reported for subsidized units or seniors facilities) that have been reported to Assessment & Tax.

The below analysis does **not** account for other requirements of the proposed bylaw to qualify for the exemption and is **not** intended to represent the portion of properties expected to receive the exemption. Instead, this analysis is intended to compare the proposed threshold to the current rental market, to support decision-making for a well-targeted exemption that balances supporting the non-market housing sector with the impacts of the tax responsibility redistribution to the remainder of the residential tax base.

Proposed Threshold (In Recommended Bylaw): 80% of CMHC Average		
Unit Type	80% of CMHC Average (Oct. 2023) Rent ¹	Actual Multi-Residential Rents at or Below Threshold (Up to Oct. 2024) ²
Bachelor	\$961.60	23.2%
1 Bed	\$1,170.40	22.4%
2 Bed	\$1,352.80	17.7%
3+ Bed	\$1,435.20	41.0%
Total	\$1,266.40	22.2%

Alternative Threshold (For Comparison): 90% of CMHC Average		
Unit Type	90% of CMHC Average (Oct. 2023) Rent¹	Actual Multi-Residential Rents at or Below Threshold (Up to Oct. 2024)²
Bachelor	\$1,081.80	40.2%
1 Bed	\$1,316.70	37.0%
2 Bed	\$1,521.90	30.5%
3+ Bed	\$1,614.60	52.0%
Total	\$1,583.00	35.8%

¹ Indicates the maximum monthly rent a housing provider could charge for this unit type and still qualify for the exemption under the described threshold.

² Indicates the percentage of 39,861 actual multi-residential rental units reported to Assessment & Tax (not including senior facility or subsidized rents) that charge rent at or below the described threshold.

Non-Profit Tax Mitigation Program Budget and Expenses

The Non-Profit Tax Mitigation (NPTM) program currently has a budget of \$500,000 per year. Below are the actual expenses of the NPTM program for the past six years, up to 2024.

Year	Total NPTM Expenses
2024	\$ 28,980.23
2023	\$ 142,865.09
2022	\$ 16,382.18
2021	\$ 177,887.15
2020	\$ 583,899.10 ¹
2019 (Report 1) / (Report 2)	\$ 148,128.55
Average	\$ 183,023.72

To predict possible costs associated with providing NPTM to non-market housing properties, the existing inventory of known non-market housing properties was reviewed. This provides an estimate of how much in tax cancellations a typical property in the non-market housing sector may be able to qualify for through NPTM.

	Non-Market Housing Property Assessed Value	Estimated 2025 Property Tax Bill (Municipal Portion)²	Estimated Maximum NPTM Tax Cancellation Amount Per Property (4 Years)²
2025 Average	\$1,250,103	\$4,763.75	\$19,055.00
2025 Median	\$423,250	\$1,612.87	\$6,451.49

¹ In 2020, one property qualified for approximately \$552,000 in total tax cancellations through NPTM, a rare outlier.

² For estimation purposes, the indicative 2025 municipal property tax rate from [Revised Attachment 8, C2024-1097](#), adjusted for the estimated implications of the proposed exemption, was used, representing one year's worth of taxes (column 3) or four years of taxes (column 4).



Tax Exemption Bylaw for Non-Profit Non-Market Housing

CD2024-1202

2025 January 16

Previous Council Direction

2023 September 14: Home is Here: The City of Calgary's Housing Strategy CD2023-0749

That Council:

1. Approve Home is Here: The City of Calgary's Housing Strategy 2024-2030 (Attachment 2), as amended below, and rescind Foundations for Home – Calgary's Corporate Affordable Housing Strategy (2016-2025):
2. Direct Administration to:
 - a. Immediately begin work on implementing the Housing Strategy's actions that do not need further Council direction or budget approval.

Home is Here: The City of Calgary's Housing Strategy

Action 2.A.2: Enact a municipal bylaw under s. 364 of the Municipal Government Act to exempt properties held by non-profit organizations providing non-market housing from the municipal portion of property tax.



Recommendations

That the Community Development Committee recommend that Council:

1. Give three readings to the Proposed Bylaw in Attachment 2 to establish exemptions from property taxes for non-market housing properties held by non-profit organizations; and
2. Approve the proposed amended Non-Profit Tax Mitigation Council Policy in Attachment 3, to make exempt non-market housing properties under the proposed Bylaw eligible for municipal property tax mitigation during the period they were under construction or renovation and were therefore ineligible for exemption.



Background

Sept. 2023

- Housing Strategy approved: direction to exempt non-profit non-market housing by bylaw

Nov. 2023

- “Right at Home” decision (Alberta Court of King’s Bench) – new interpretation of *COPTER*
 - To date, approximately 500 residential properties exempt under impacted *COPTER* provisions

May 2024

- *Municipal Affairs Statutes Amendment Act, 2024* (Bill 20) passed
- New exemption for affordable housing (*MGA s. 363(1)(e)*)
 - List of properties to be provided by Government of Alberta for exemption

Dec. 2024

- Finalized list of properties receiving *MGA s. 363(1)(e)* exemptions received
 - 153+ additional properties to become exempt effective 2025



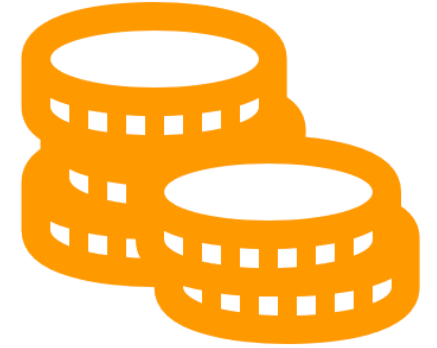
Supporting Housing Providers

- Reduce operating costs for non-market housing providers.
- Create equity for providers who don't qualify for existing exemptions.
- Fill the gap for providers who serve equity-deserving populations.



Tax Exemption

- Property must be held by a non-profit organization.
- Applies to non-market housing where there is an income verification process and rent is **no more than 80% of market average**.
- Exempts both municipal and provincial property tax.



Non-Profit Tax Mitigation

- Properties remain taxable until available as housing.
- Retroactive cancellation of **municipal** property taxes paid during construction (up to 4 years), upon completion.
- No additional budget for NPTM required.



Property Tax Implications

Exemptions reduce the taxable assessment base...

$$\text{Tax Rate} = \frac{\text{Tax Revenue Requirement}}{\text{Sum of Taxable Assessed Property Values}}$$

...but the tax revenue collected remains the same. (*Revenue Neutral*)

No impact to 2025 tax rates.

Tax implications take effect 2026 tax year.

Estimates in 2025 terms for information purposes.

Actuals will vary.

360 **potentially** eligible properties identified.

~\$372 million total assessed value

Up to \$1.45 million tax responsibility redistribution

High-end estimate in 2025 terms.

Assumes all identified properties will qualify and become fully exempt.

Up to 0.11% residential tax rate increase



Overview



The Housing Strategy – Outcome 2

Support affordable housing providers to deliver services that make a positive impact.

Actions	Implications	Timing
<p>2.A.2. Enact a municipal bylaw under s. 364 of the Municipal Government Act to exempt properties held by non-profit organizations providing non-market housing from the municipal portion of property tax. HATF</p>	<p>Administration estimates that the work to create such a bylaw would take up to a year. The work involved is primarily updating existing research and analysis, legal drafting, and Council approval. This work may be done within existing resources currently and may require budget and resource requests in the future.</p>	<p>Next</p>

Up to \$1.45 million in annual savings for non-market housing providers

Supporting asset maintenance and development of affordable housing sector

No anticipated impact to City budgets or revenue

Up to est. 0.11% residential tax rate increase (**not** effective for 2025)

Recommendations

That the Community Development Committee recommend that Council:

1. Give three readings to the Proposed Bylaw in Attachment 2 to establish exemptions from property taxes for non-market housing properties held by non-profit organizations; and
2. Approve the proposed amended Non-Profit Tax Mitigation Council Policy in Attachment 3, to make exempt non-market housing properties under the proposed Bylaw eligible for municipal property tax mitigation during the period they were under construction or renovation and were therefore ineligible for exemption.



FREEDOM OF INFORMATION AND PROTECTION OF PRIVACY ACT

Personal information provided in submissions relating to matters before Council or Council Committees is collected under the authority of Bylaw 35M2017 and Section 33(c) of the Freedom of Information and Protection of Privacy (FOIP) Act of Alberta, and/or the Municipal Government Act (MGA) Section 636, for the purpose of receiving public participation in municipal decision-making and scheduling speakers for Council or Council Committee meetings. Your name and comments will be made publicly available in the Council or Council Committee agenda and minutes. If you have questions regarding the collection and use of your personal information, please contact City Clerk's Legislative Coordinator at 403-268-5861, or City Clerk's Office, 700 Macleod Trail S.E., P.O. Box 2100, Postal Station 'M' 8007, Calgary, Alberta, T2P 2M5.

Please note that your name and comments will be made publicly available in the Council or Council Committee agenda and minutes. Your e-mail address will not be included in the public record.

ENDORSEMENT STATEMENT ON TRUTH AND RECONCILIATION, ANTI-RACISM, EQUITY, DIVERSITY, INCLUSION AND BELONGING

The purpose of The City of Calgary is to make life better every day. To fully realize our purpose, we are committed to addressing racism and other forms of discrimination within our programs, policies, and services and eliminating barriers that impact the lives of Indigenous, Racialized, and other marginalized people. It is expected that participants will behave respectfully and treat everyone with dignity and respect to allow for conversations free from bias and prejudice.

First name [required] Connie

Last name [required] Leslie

How do you wish to attend?

You may bring a support person should you require language or translator services. Do you plan on bringing a support person?

What meeting do you wish to comment on? [required] Council

Date of meeting [required] Jan 16, 2025

What agenda item do you wish to comment on? (Refer to the Council or Committee agenda published here.)

[required] - max 75 characters Community Development Committee (CDC)City Council -Property Tax Exemption

Are you in favour or opposition of the issue? [required] In favour



ATTACHMENT_01_FILENAME

ATTACHMENT_02_FILENAME

Comments - please refrain from providing personal information in this field (maximum 2500 characters)

Cooperative Housing is considered affordable Housing as we provide subsidies housing oto those in need and our Max housing for non- subsidized units at at least 70% of the Market Housing costs in Calgary. Unfortunately the Market doesn't understand the Copperative Model and fail to understand we are not a condo and no one owns a unit. We have Members not Tenants. People become members when they move in. Our application process is an open process. We are very diverse committee. Our Members pay for all areas of the Coop ad we do not make a profit. We are non profit. It would really benefit the Coop as we are non profit. In order to keep up with repairs of our aging building, pay all the expenses and maintain affilordability in the housing the exemption would really help.