

## THE CITY OF CALGARY

**TABULATION OF CAPITAL BORROWING AND LOAN BYLAWS  
TO BE PRESENTED TO THE COUNCIL OF THE CITY OF CALGARY  
ON MONDAY, 2021 JULY 5**

**BORROWING BYLAWS INFORMATION**

Bylaw No.	-	7B2020
Purpose of borrowing	-	To finance construction of a portfolio of new affordable rental housing projects by Calgary Housing
Borrowing Authority	-	\$10 million
Term	-	Not to exceed 30 years
Type of Debenture	-	Self-supported
Bylaw No.	-	8B2021
Purpose of borrowing	-	To finance construction of the Rundle project of new affordable rental housing by Calhome Properties Ltd. (operating as Calgary Housing Company ("CHC"))
Borrowing Authority	-	\$5.5 million
Term	-	Not to exceed 30 years
Type of Debenture	-	Self-supported
Statutory References		<i>Municipal Government Act ("MGA")</i> – Section Nos.
Borrowing Authorization	-	251(1) and 258(1)
Terms of a Borrowing	-	253(1)
Passing a bylaw	-	187

Borrowing Authorization

Section 251(1) of the MGA stipulates that:

- a municipality may only make a borrowing if the borrowing is authorized by a borrowing bylaw; and
- a borrowing bylaw must set out:
  - (a) the amount of money to be borrowed and, in general terms, the purpose for which the money is borrowed;
  - (b) the maximum rate of interest, the term and the terms of repayment of the borrowing; and
  - (c) the source or sources of money to be used to pay the principal and interest owing under the borrowing.

Section 258(1) applies to a borrowing made for the purpose of financing a capital property when the term of the borrowing exceeds 5 years. Borrowing bylaws authorized under this section require advertising.

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Terms of a borrowing:

Section 253(1) of the MGA stipulates that a borrowing must be used for the purpose for which it is borrowed.

Passing a bylaw:

Section 187 of the MGA stipulates:

- that every proposed bylaw must have 3 distinct and separate readings; and
- sets out the procedures for the readings of bylaws.

**LOAN BYLAW INFORMATION**

Bylaw No.	- 39M2021
Loan made to	- Calhome Properties Ltd. (operating as Calgary Housing Company (" <b>CHC</b> "))
Purpose of loan	- To loan to CHC the funds raised under Borrowing Bylaw No. 8B2021
Amount	- \$5.5 million
Repayment Terms	- CHC shall pay to The City semi-annual principal and interest installments not exceeding a term of 30 years plus a basic fee of 0.25% per annum on the average monthly outstanding debenture held by The City on behalf of CHC
Statutory References	<i>Municipal Government Act ("<b>MGA</b>")</i> – Section Nos.
Lending Authorization	- 264(1)(b) and 265
Advertising of Bylaw	- 265(3)

Lending Authorization

Section 264(1)(b) of the MGA provides that a municipality may lend money to one of its controlled corporations.

Section 265 of the MGA stipulates that:

- a municipality may only lend money to one of its controlled corporations if the loan is authorized by bylaw; and
- a bylaw authorizing a loan must set out:
  - (a) the amount of money to be loaned and, in general terms, the purpose for which the money that is loaned is to be used;
  - (b) the minimum rate of interest, the term and the terms of repayment of the loan; and
  - (c) the source or sources of the money to be loaned.

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Advertising of Bylaw

Section 265(3) of the MGA stipulates that a bylaw that authorizes a loan must be advertised.

**CAPITAL PROGRAM INFORMATION**

Council's Authorizing Document(s)

- PFC2021-0445

Business Units and Capital Programs

- Calgary Housing, Program P489\_AHS
- Calgary Housing Company, Program\_P489\_000

**AFFIRMATIVE VOTES REQUIRED**

- Majority of members present

**ADMINISTRATIVE COMMENTS**

Borrowing Bylaw No. 7B2020 is to finance the Capital Projects by Calgary Housing.

Borrowing Bylaw No. 8B2021 is to finance the Capital Projects by CHC.

The City will issue debentures and loan the funds to CHC.

The City and CHC are parties to an existing credit agreement which will be amended to provide up to \$5.5 million of additional loans from The City to CHC.

CHC shall pay to The City interest and principal installments when due and as required, plus a basic fee of 0.25% per annum based on average monthly outstanding debenture balances, all of which will be reflected in the amended form of credit agreement between The City and CHC.

Loan Bylaw No. 39M2021 is required to loan the debenture funds to CHC, a controlled corporation, pursuant to Sections 264 and 265 of the MGA.

On 2021 May 31, Council gave first reading to Borrowing Bylaws 7B2020 and 8B2021 and Loan Bylaw 39M2021. Pursuant to Section 231 of the Municipal Government Act, Borrowing Bylaws 7B2020 and 8B2021 and Loan Bylaw 39M2021 were advertised in the Calgary Herald on 2021 June 7 and 14. The 15-day statutory deadline for a petition asking for a vote on the Bylaws was 2021 June 29. There have been no valid petitions received for the bylaws.

**FINANCIAL CAPACITY**

Pursuant to the City's Debt Policy, total debt will not exceed 1.6 times revenue. The total debt service will not exceed 0.28 times revenue.

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**OTHER LEGISLATIVE REQUIREMENTS**

Pursuant to MGA section 254, no municipality may acquire, remove or start the construction or improvement of a capital property that is to be financed in whole or in part through a borrowing unless the borrowing bylaw that authorizes the borrowing is passed.

**RECOMMENDATION**

That Council give:

1. Borrowing Bylaws 7B2020 second and third readings and 8B2021 second and third readings
2. Loan Bylaw 39M2021 second and third reading

**ATTACHMENTS**

1. Proposed Bylaw 7B2020
2. Proposed Bylaw 8B2021
3. Proposed Bylaw 39M2021