

THE CITY OF CALGARY

TABULATION OF A BYLAW TO EXTEND THE TERM OF A MUNICIPAL LOAN TO BRIDGE ATTAINABLE HOUSING SOCIETY TO BE PRESENTED TO COUNCIL OF THE CITY OF CALGARY ON TUESDAY 2023 JANUARY 24

Loan Extension Bylaw Information

Bylaw	-	48M2022
Purpose	-	To amend the term of a municipal loan to Bridge Attainable Housing Society as set out in Bylaw 45M2010 from 15 years to 20 years
Borrowing authority	-	\$6.3 million
Term	-	20 years
Type of debt	-	Tax-supported
Statutory references	-	<i>Municipal Government Act</i> - Section numbers
Loan authorization and advertising requirement	-	264 and 265
Amendment of bylaw	-	191
Passing a bylaw	-	187

Loan authorization and advertising requirement:

Section 264(2)(a)

“The City may lend to a non-profit organization, if the council considers that the money loaned will be used for a purpose that will benefit the municipality.”

Section 265(1)

“A municipality may only lend money to a non-profit organization if the loan is authorized by bylaw.

(2) The bylaw authorizing the 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;
- (c) the source or sources of the money to be loaned.

(3) The bylaw that authorizes the loan must be advertised.”

Amending of bylaw:

191(1) “The power to pass a bylaw under this or any other enactment includes a power to amend or repeal the bylaw.

(2) The amendment or repeal must be made in the same way as the original bylaw and is subject to the same consents or conditions or advertising requirements that apply to the passing of the original bylaw, unless this or any other enactment provides otherwise.”

Passing a bylaw:

Section 187(1) “Every proposed bylaw must have 3 distinct and separate readings.” The readings of a bylaw must follow the legislated procedures set out in the *Municipal Government Act*.

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Council's Authorizing Document - EC2022-1138

AFFIRMATIVE VOTES REQUIRED FOR PASSING OF A BYLAW - Majority of members present

ADMINISTRATIVE COMMENTS

In 2010, The City of Calgary ("The City") entered into a land sale and loan arrangement with Bridge Attainable Housing Society ("The Society") for the purpose of supporting qualified purchasers to attain home ownership, supporting a shared equity program and the development of McPherson Place. The City loan of \$6.3 million to The Society was the value of the land and not a cash loan.

The Society then passed the loan through to qualified purchasers to assist them to purchase units in McPherson Place. Effectively, each unit owner would repay their portion of the municipal loan upon their unit's sale or refinancing in the future, and in the meantime a second mortgage secured the commitment for the municipal loan repayment.

Since 2010, anticipated increases in the value of the attainable residential condominium units sold by The Society has not occurred. **Therefore, The Society requires a 5-year extension of the existing Loan with The City which matures on 2025 September 30. The Loan extension will help ensure that the attainable home ownership objectives of The Society's shared equity program are met.**

The Loan extension does not require a cash injection by The City. Given the different parties' arrangements, the order of loan extensions means that The City's extension must occur first in order to provide an extension beyond 2025. The Society can then extend the maturity date of mortgage obligations with unit owners from 2023 March 31 up to 2028 March 31 within the existing mortgage agreements.

On 2022 December 6 Council gave first reading to Bylaw 48M2022 and pursuant to Section 231 of the *Municipal Government Act*, Bylaw 48M2022 was advertised in the Calgary Herald on 2022 December 15 and 2022 December 22. The 15-day statutory deadline for a petition asking for a vote on the bylaws was 2023 January 6. There were no valid petitions received.

RECOMMENDATION

That Council give:

1. Bylaw 48M2022 second and third readings

ATTACHMENT

1. Bylaw 48M2022