



Report Number: EC2025-0117

Meeting: Executive Committee

Meeting Date: 2025 January 21

NOTICE OF MOTION

RE: Accelerating Housing Development: Bill 20 and Residential Sub-Classes

Sponsoring Member(s) of Council: Councillor Walcott

WHEREAS... Municipal Affairs Statutes Amendment Act, 2024 (formerly Bill 20) amends the MGA to grant municipal councils the ability to pass property tax incentives intended to accelerate housing development;

AND WHEREAS the Alberta Municipal Government Act (MGA) legislates the ability for and methods by which municipal councils can impose and collect annual property taxes, including the creation of additional subclasses and respective tax rates for those sub-classes¹;

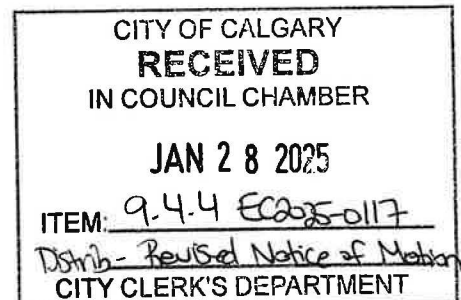
AND WHEREAS the current approach the City of Calgary has taken for the assessment of residential properties does not include sub-classes and differentiated tax rates, and therefore, does not incentivize or disincentivize the building of housing, the proper maintenance or timely development of housing, or the health and safety of vacant housing;

AND WHEREAS a key aspect of a sustainable and affordable housing market is an adequate rental vacancy rate to prevent demand spikes that negatively impact rental affordability, which is supported by robust suppside incentives for purpose built rentals;

AND WHEREAS relying on market forces to maintain sustainable rental vacancy rates has historically been ineffective, for example, in the period between 1990 and 2023, Calgary has only added net +259 rental units, whereas rent has increased from an average of \$532/month to an average of \$1,532/month according to Statistics Canada and Canada Mortgage and Housing Corporation (CMHC);²

AND WHEREAS Municipalities across Canada are accelerating purpose built rental development through property tax incentives, most notably in Kelowna³ and Canmore⁴, with Alberta seeing this power enshrined in the Municipal Affairs Statutes Amendment Act, 2024 (formerly Bill 20);

AND WHEREAS In 2021, Council directed Administration to “investigate the potential to define and identify “derelict properties” that could be taxed at varying rates” through the Notice of Motion to Address Problem Properties (PFC2021-1113)⁵ mirroring programs already implemented in municipalities such as Edmonton, Vancouver, Ottawa, and Toronto;



¹ (MGA, 297(2) and 354(3))

² [Full view \(cmhc-schl.gc.ca\) – Historical Data](https://www.cmhc-schl.gc.ca)

³ [Revitalization Tax Exemption Program Bylaw No. 12561 | City of Kelowna](#)

⁴ [Canmore Council Policy 254604, Purpose Built Rentals Incentives Policy](#)

⁵ [Problem Properties \(escribemeetings.com\)](https://www.escribemeetings.com)

NOW THEREFORE BE IT RESOLVED that Council direct Administration to return to Executive Committee by Q2 2026 with a scoping report, workplan, and supporting budget request for consideration in the 2027-2030 Service Plans and Budgets for a:

1. Vacant Property Tax Program, which includes but is not limited to:
 - a. A program for vacant land targeted toward incentivizing development through variable tax rates;
 - b. A program for derelict properties targeted toward incentivizing development through variable tax rates;
 - c. Eligibility criteria to identify and assess vacant or derelict residential properties, including parcels with and without any improvements and a communications strategy and methods by which property owners would be notified of the program;
 - d. Recommendations for additional residential sub-class(es) and necessary bylaw(s) for their creation;
 - e. Recommendations for directing any taxes collected from these programs, after the capital and operational costs of establishing and administrating the program are recovered, to the Housing Land Fund to support capital funding for Affordable Housing;
2. Purpose-Built Rental Tax Exemption Program for existing market-ready City-identified Transit Oriented Development (TOD) locations that:
 - a. Utilizes the ability granted to municipalities by the Municipal Affairs Statutes Amendment Act, 2024 (Bill 20) to exempt purpose built rental buildings from property taxes, in part or in full, when developed in existing market-ready City-identified Transit Oriented Development locations.
3. Taxation Program to incentivize Multi-Residential Housing Developments city-wide, which may include, but is not limited to:
 - a. The use of residential sub-classes for multi-residential developments that is reflective of the relationship between population density and the per capita cost of providing City services (the building, operating, and maintenance of City services, in addition to the revenues generated by higher per-capita use of City services); and,
 - b. Assessment and taxation modelling that reflect for the cost and productivity of servicing (capital and operating requirements) multi-residential developments or higher density neighbourhoods based on their use and location or Residential Tax Productivity reporting.⁶

AND FURTHER BE IT RESOLVED that Council approve up to \$130,000 in one time funding from the Fiscal Stability Reserve in 2025 and in 2026 to accomplish this work.

Attachment:

1. Notice of Motion Checklist

⁶ Similar to the Managing Growth and Change reports (Factor 3: "Financial Impacts – Managing Growth and Change", Attachment 6 - Business Case Summaries - IP2022-0545.docx) provided for new communities,