

CITY OF CALGARY
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DEC 15 2025

ITEM: 11.6 EC2025-0912
Distrib - Attach 5
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PROPOSED

EC2025-0912
Attachment 5

BYLAW NUMBER 12B2025

AUTHORIZATION OF THE CITY OF CALGARY TO GUARANTEE REPAYMENT OF CALHOME PROPERTIES LTD.'S \$9,000,000 REVOLVING LINE OF CREDIT *****

WHEREAS The City, through its wholly owned corporation, Calgary Housing ("CH"), provides safe and affordable housing, which Council believes to be of general benefit to the municipality in alignment with *Home is Here: The City of Calgary's Housing Strategy 2024-2030*.

AND WHEREAS CH wishes to obtain the Loan, which is a revolving line of credit facility that will serve to fund CH's day-to-day operations, emergency repairs and short-term liquidity, generally;

AND WHEREAS short-term liquidity to finance operating expenditures enables CH to employ flexible, efficient, and cost-effective financial strategies to support ongoing operations and manage temporary cash flow needs;

AND WHEREAS The City wishes to facilitate procurement of the Loan, and CH's business mandate generally, by providing the Lender the Guarantee, and obtaining authorization to borrow funds pursuant to the Takeout Loan in the event the Guarantee is enforced;

AND WHEREAS The City is subject to the MGA, which provides that The City may only guarantee the repayment of a loan between a lender and one of its controlled corporations, and that it may only make a borrowing, if, in each case, it is authorized by bylaw;

AND WHEREAS Council wishes to pass this Bylaw pursuant to Section 266(1) and 251(1) of the MGA to authorize the Guarantee and the Takeout Loan.

AND WHEREAS The City is, as of the date hereof, within its Debt Limit, and the borrowing(s) contemplated in this Bylaw will not cause The City to exceed its Debt Limit.

NOW, THEREFORE, THE COUNCIL OF THE CITY OF CALGARY ENACTS AS FOLLOWS:

1. DEFINITIONS

In this Bylaw, including in the preamble, the following capitalized terms have the following meanings, respectively:

- (a) "*Bylaw*" means this loan guarantee and borrowing bylaw number 12B2025;
- (b) "*CH*" means Calhome Properties Ltd., operating as Calgary Housing, a controlled corporation of The City, continued under the Business Corporations Act, R.S.A. 2000, c. B-9 on 1985 May 29;
- (c) "*Charter*" means the *City of Calgary Charter, 2018 Regulation*, Alta Reg 40/2018;
- (d) "*Council*" means the municipal Council of The City of Calgary;

- (e) “*Debt Limit*” means the debt limit of The City, as determined from time to time in accordance with the MGA and the Debt Policy;
- (f) “*Debt Policy*” means The City’s Debt Policy CP2020-05, as adopted on 2020 November 02, and made effective on 2021 January 01;
- (g) “*Financing Options*” means the potential sources of financing for any borrowing made pursuant to the Takeout Loan, including: (i) the Province of Alberta; (ii) one or more other lenders; and/or (iii) the issuance of debt in the capital markets in accordance with any applicable policy The City may have in effect from time to time;
- (h) “*Guarantee*” means The City’s promise to pay and perform all of CH’s debts and obligations under the Loan in the event CH fails to do so, all on such further terms and conditions as may be required by the Lender;
- (i) “*Lender*” means the financial institution providing the Loan to CH;
- (j) “*Loan*” means the revolving line of credit facility, and all of CH’s indebtedness in respect thereof, with a maximum borrowing limit of up to the Principal Amount, which is anticipated to be provided by the Lender, to CH, as borrower, for the purpose of funding CH’s day-to-day operations, emergency repairs and short-term liquidity, generally;
- (k) “*MGA*” means the *Municipal Government Act*, R.S.A. 2000 c. M-26, as amended by the Charter;
- (l) “*Principal Amount*” means the maximum principal amount which may be outstanding under the Loan from time to time, or, if applicable, under the Takeout Loan, being \$9,000,000;
- (m) “*Takeout Loan*” means the loan The City would obtain, all at once or from time to time, under any one or more Financing Options to satisfy CH’s obligations under the Loan in the event the Guarantee is enforced, and it includes all of The City’s indebtedness in respect thereof, with a maximum borrowing limit of up to the Principal Amount;
- (n) “*The City*” means the municipal corporation of The City of Calgary.

2. INTERPRETATION

In this Bylaw, any reference to a statute, rule, regulation, bylaw, policy or program means and includes that statute, rule, regulation, bylaw, policy or program, as may be amended, amended and restated, supplemented or replaced from time to time, and in the case of a statute, it includes any rules and regulations passed thereunder.

3. GUARANTEE AND BORROWING

- (a) The City is hereby authorized to provide the Guarantee on such terms and conditions as may be required of the Lender, provided that the terms of the Loan are not inconsistent with the following:
 - i. The maximum principal amount of the Loan shall not exceed the Principal Amount;

- ii. Interest accruing under the Loan shall not exceed 8%;
 - iii. Borrowed amounts under the Loan are to be used for the purposes of funding CH's day-to-day operations, emergency repairs and short-term liquidity, generally; and
 - iv. The Loan shall be structured as a revolving line of credit facility requiring monthly interest payments.
- (b) Subject to any actual or threatened enforcement of the Guarantee, The City is hereby further authorized to borrow pursuant to the Takeout Loan to satisfy its obligations under the Guarantee.
- (c) The Chief Financial Officer of The City, or any delegate of the Chief Financial Officer, is hereby authorized, from time to time, to negotiate, approve, execute and deliver the Guarantee, the Takeout Loan, and any such agreements, instruments (including negotiable instruments), certificates, notes and other documents, and do such further acts and things as may be reasonably necessary or as may be reasonably requested or required for the purpose of providing the Guarantee, obtaining the Takeout Loan, and performing The City's obligations thereunder and under any associated agreements, instruments, certificates, notes or other documents.
- (d) Any borrowing contemplated under the Takeout Loan shall be repayable in accordance with one or more of the following repayment structures over a term not to exceed thirty (30) years from the applicable date of advance:
- i. installments of principal and interest, as and when due, throughout such term;
 - ii. interest only installments followed by payment of principal outstanding at maturity; or
 - iii. as required by the applicable lender or lenders under the Financing Options,
- with interest on outstanding amounts from time to time, not exceeding 8% per annum.
- (e) If required under the Guarantee, The City shall pay any principal and interest owing under the Loan using net amounts advanced under the Takeout Loan and/or The City's revenues and taxes, user fees, levies, the proceeds from the sale of any assets, and any available funds from other sources. Principal and interest owing under the Takeout Loan shall be paid using The City's revenues and taxes, user fees, levies, the proceeds from the sale of any assets, and any available funds from other sources. To the extent any such amounts are insufficient, The City shall levy and raise municipal taxes sufficient to repay any such amounts owing.
- (f) The net amount borrowed pursuant to the Loan or the Takeout Loan shall be applied to the purposes specified in this Bylaw, which, in each such case, may also include: (i) repaying, redeeming or refinancing the related indebtedness, or (ii) replenishing cash assets or financial resources previously used, expended or advanced in connection with any such purposes, including any fees or other costs of funds associated with the use of such cash assets or financial resources.

4. COMING INTO FORCE

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

READ A FIRST TIME THIS ____ DAY OF _____, 2025.

READ A SECOND TIME THIS ____ DAY OF _____, 2025.

READ A THIRD TIME THIS ____ DAY OF _____, 2025.

MAYOR
SIGNED ON _____

CITY CLERK
SIGNED ON _____