

PROPOSED

BYLAW NUMBER 11B2025

**AUTHORIZATION OF THE CITY OF CALGARY
TO BORROW UP TO THE MAXIMUM PRINCIPAL AMOUNT OF
\$87,525,000 TO FINANCE AFFORDABLE HOUSING PROJECTS
CARRIED OUT THROUGH CALHOME PROPERTIES LTD.**

WHEREAS The City, through its wholly owned subsidiary, Calgary Housing (“CH”), has adopted a Strategic Plan which contemplates, among other things, future acquisitions of financially viable housing and land assets to grow CH’s portfolio and offer more affordable mixed-income housing choices, as well as the development and redevelopment of perpetually affordable rental housing (1,500-3,000 homes) over 10 years;

AND WHEREAS in furtherance of the Strategic Plan, The City wishes to borrow, and intends to subsequently lend to CH pursuant to the On-Lending Arrangement, an amount not to exceed the Principal Amount, to finance costs associated with the Projects;

AND WHEREAS The City is subject to the MGA, which provides in Section 251(1) that The City may only make a borrowing if such borrowing is authorized by a borrowing bylaw;

AND WHEREAS The City has established a Debt Policy, which provides, among other things, that the issuance of any new debt by The City be approved by Council in accordance with the MGA;

AND WHEREAS Council wishes to pass this Bylaw pursuant to Section 251 of the MGA, and the Debt Policy, to authorize borrowing(s), all at once or from time to time, from the Financing Options up to the Principal Amount for the purpose of financing the Projects through the On-Lending Arrangement;

AND WHEREAS the term of any borrowing authorized under this Bylaw will not exceed the probable (useful) lifetime of the completed Project to which it relates;

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 borrowing bylaw number 11B2025;
- (b) “*Charter*” means the *City of Calgary Charter, 2018 Regulation*, Alta Reg 40/2018;

- (c) "*CH*" means Calhome Properties Ltd., operating as Calgary Housing, a wholly owned subsidiary of The City, established as an entity under the *Companies Act* (Alberta), RSA 1970, c 60 on 1978 June 16, and continued under the *Business Corporations Act*, SA 1981, c B-15 on 1985 May 29;
- (d) "*Council*" means the municipal Council of The City of Calgary;
- (e) "*Debt Capital Markets Program*" means The City's debt capital markets and private placement program established pursuant to Bylaw 10B2023;
- (f) "*Debt Limit*" means the debt limit of The City, as determined from time to time in accordance with the MGA and the Debt Policy;
- (g) "*Debt Policy*" means The City's Debt Policy CP2020-05, as adopted by Council on 2020 November 02, and made effective on 2021 January 01;
- (h) "*Financing Options*" means the potential sources of financing for any borrowing made pursuant to this Bylaw, including: (i) the Province of Alberta; (ii) other lenders; and/or (iii) the issuance of debt in the capital markets or private placements under The City's Debt Capital Markets Program;
- (i) "*MGA*" means the *Municipal Government Act*, R.S.A. 2000 c. M-26, as modified by the Charter;
- (j) "*On-Lending Arrangement*" means the arrangement whereby net proceeds borrowed through the Financing Options are loaned to CH for purposes of financing the Projects, subject to authorization by Council to lend by way of a lending bylaw;
- (k) "*Principal Amount*" means the maximum principal amount of \$87,525,000 to be borrowed pursuant to this Bylaw;
- (l) "*Projects*" means the following project(s):
 - a. Southview phase 1, being the first phase of the affordable housing development project carried out by CH in the Southview neighbourhood of Calgary, which includes, among other things the development or redevelopment of approximately 260 affordable housing units, to which, as of the date of the coming into force of this Bylaw, \$39,000,000 out of the total Principal Amount is allocated to finance estimated costs associated therewith ("**Southview Phase 1**");
 - b. a real estate development holding, being an identified parcel of real property held by The City, which is anticipated to be transferred to CH to carry out an affordable housing development project within a Calgary community and which includes, among other things, the development or redevelopment of approximately 57 affordable housing units, to which, as of the date of the coming into force of this Bylaw, \$18,525,000 out of the total Principal Amount is allocated to finance estimated costs associated therewith (the "**Real Estate Development Holding**");
 - c. a real estate acquisition, being an identified real property acquisition and

anticipated housing development in respect thereof which is anticipated to be completed by CH in furtherance of the Strategic Plan, which includes, among other things, the development or redevelopment of approximately 176 affordable housing units, to which, as of the date of the coming into force of this Bylaw, \$30,000,000 out of the total Principal Amount is allocated to finance estimated costs associated therewith (the “**Real Estate Acquisition**”);

- d. strategic project opportunities, being any one or more strategic real property acquisitions and related development or redevelopment housing projects which further the Strategic Plan, and which may be made from time to time as and when opportunities arise, and which includes, among other things, the re-allocation of any part of the Principal Amount from time to time that has been previously allocated to, but no longer required for, any of the following:
 - i. Southview Phase 1,
 - ii. the Real Estate Development Holding, and
 - iii. the Real Estate Acquisition;
- (m) “*Strategic Plan*” means CH’s 2023 – 2030 Strategic Plan, approved 2025 June 20 by Council, as representatives of The City, in its capacity as sole shareholder of CH; and
- (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, plan or program means and includes that statute, rule, regulation, bylaw, policy, plan 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. BORROWING

- (a) The City is hereby authorized to borrow all at once or from time to time up to the Principal Amount to finance the Projects by way of the On-Lending Arrangement with CH, using any one or more of the Financing Options.
- (b) The Chief Financial Officer of The City, or any delegate of the Chief Financial Officer, is hereby authorized to negotiate, approve, execute and deliver 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 for the purpose of carrying out any borrowing contemplated in this Bylaw and performing The City’s obligations under any associated agreements, instruments, certificates, notes or other documents.
- (c) Any borrowing contemplated in this Bylaw shall be repayable over a term that will not exceed the probable (useful) lifetime of the completed Project to which it relates, which term shall not exceed a maximum of thirty (30) years from the date of advance of the applicable borrowing.
- (d) Any borrowing contemplated in this Bylaw shall be repayable in accordance with one

or more of the following repayment structures:

- (i) installments of principal and interest, as and when due, throughout the term of the borrowing;
- (ii) interest only installment payments, as and when due, followed by payment of the outstanding Principal Amount at maturity;
- (iii) as and when required by the applicable lender or lenders under the Financing Options; or
- (iv) as established in accordance with the Debt Capital Markets Program,

with interest on outstanding amounts due from time to time, not exceeding 8% per annum.

- (e) The source or sources of repayment of principal and interest and any other amounts incurred in connection with any borrowing made under this Bylaw shall be the repayments received by The City from CH pursuant to the On-Lending Arrangement. In the event of any deficiency, City revenues and taxes, user fees, levies, the proceeds from the sale of any assets and funds from other sources shall be used to repay principal and interest to the extent of such deficiency. In the event of any further deficiency, The City shall levy and raise municipal taxes sufficient to repay any such amounts.
- (f) The net amount borrowed under this Bylaw shall be applied to the purposes specified in this Bylaw, which may also include: (i) repaying, redeeming or refinancing any amounts previously borrowed under this Bylaw; or (ii) replenishing cash assets or financial resources of The City that have previously been used, expended or advanced for any of the Projects, including any fees or other costs of funds associated with the use of such cash assets or financial resources.
- (g) If any borrowing associated with this Bylaw is carried out under the Debt Capital Markets Program, all additional authorities and powers granted under such program will also apply in respect of borrowing made under this Bylaw.

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 _____, 2026.

READ A THIRD TIME THIS ___ DAY OF _____, 2026.

MAYOR
SIGNED ON _____

CITY CLERK
SIGNED ON _____

