

Bill No. 74 of 1945.

A BILL TO INCORPORATE THE ALBERTA HOUSING  
ASSOCIATION LIMITED

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NOTE.

This Bill incorporates the Alberta Housing Association Limited.

Section 3 constitutes as a corporation the Minister of Municipal Affairs and such municipalities as become shareholders.

Section 5 fixes the capital stock at Two Million Dollars and provides that shares can only be allotted for cash, and that they shall be non-profit bearing.

Section 6 sets out the powers of the Association which generally are to lend money on mortgage to assist in the erection of dwelling houses and to take proper security for such loans. Authority is given to the Association to apply for approval as a lending institution under *The National Housing Act, 1944*. Authority is also given to the Association to raise money by the sale of debentures in the amount of Two Million Dollars bearing interest at 3½%.

By section 7 of the Bill it is provided that the Province shall subscribe for five thousand shares and purchase debentures in the sum of Five Hundred Thousand Dollars.

Section 8 deals with municipalities and enables them to purchase shares out of revenue or sinking fund, but if a municipality purchases shares it must purchase shares the par value of which is not less than One Dollar for each resident of the municipality. Likewise, municipalities may purchase debentures. Each municipality which is a shareholder may appoint some person to represent it at meetings of the Association.

Section 10 provides for a Board of Directors to be constituted as set out in the section.

The first or provisional directors of the Association are named in section 13 who shall hold office until the first general meeting of shareholders, which by section 14 must be held within three months of the coming into force of this Act.

Section 15 (1) provides that the books of the Association will be open until April 1st, 1945, for the purchase of shares and debentures, and that the money available for loans shall be then allocated to municipalities who are shareholders, and subsection (2) sets out the method to be used in making these allocations.

Section 16 provides for the allocation of moneys not allocated pursuant to section 15 and of moneys received from the sale of shares and debentures subsequent to April 1st, 1945.

Section 17 places limits upon the amount of loans and the rate of interest and the cost of the house with respect to which a loan is made.

Section 18 authorizes the guarantee by the Provincial Treasurer on behalf of the Province, of debentures issued to the public.

Provision is made by section 19 for a municipality withdrawing after five years from the Association and the terms upon which it may withdraw are set out.

The Order in Council validated by section 21 is in the same terms as this Bill.

W. S. GRAY,  
*Legislative Counsel.*

*(This note does not form any part of the Bill but is offered in explanation of its provisions.)*

# BILL

No. 74 of 1945.

An Act to Incorporate The Alberta Housing Association Limited.

(Assented to \_\_\_\_\_, 1945.)

**H**IS MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Alberta, enacts as follows:

**1.** This Act may be cited as "*The Alberta Housing Association Act.*"

**2.** For the purposes of this Act "municipality" means a city, town, village and municipal district.

**3.**—(1) The Minister of Municipal Affairs, together with such municipalities as shall hereafter become shareholders, is hereby constituted a body corporate and politic under the name of The Alberta Housing Association Limited, hereinafter called "the Association", and by that name shall have perpetual succession and a common seal.

(2) The Association shall not be deemed to be an agency or emanation of the Crown, and may sue and be sued in all courts in the same manner as any other corporation.

**4.** The head office of the Association shall be at Edmonton in the Province of Alberta.

**5.**—(1) The capital stock of the Association shall be two million dollars divided into twenty thousand shares of one hundred dollars each.

(2) The shares shall be allotted only for cash and there shall be no personal liability on the shareholders for any debts of the Association.

(3) The shares of the Association shall be non-profit bearing and shareholders shall be entitled at any meeting of shareholders to cast one vote for each share held.

(4) The shares of the Association shall be non-transferable.

**6.** The powers of the Association shall be,—

(a) to carry on the business of lending money upon the security of mortgages upon real estate in the Province for the purpose of assisting in the erection of dwelling houses in the Province;

- (b) to take as security for money lent in addition to mortgages on real estate any other security of any nature whatsoever which the directors may consider it advisable to take;
- (c) to purchase, take on lease or in exchange, hire or otherwise acquire and hold any real and personal property and any rights or privileges which the directors may consider necessary or convenient for the purposes of the Association;
- (d) to enter into any arrangements with any governments or authorities that may seem conducive to the objects of the Association or any of them and to obtain from any such government or authority any rights, privileges and concessions which the directors may think it desirable to obtain and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions;
- (e) to raise money by the issue and sale of debentures up to the total amount of two million dollars which debentures shall be in denominations of one hundred dollars, five hundred dollars, and one thousand dollars, and shall bear interest at three and one-half per centum per annum payable in twenty years from date of issue and redeemable on such terms and at such times as may be determined by the directors, and shall be and are hereby constituted a charge upon all the property and assets of the association;
- (f) to invest and deal with the moneys of the Association not immediately required in such manner as the directors may from time to time determine;
- (g) generally to do all things which are necessary or incidental to the carrying on of the business of lending money to assist in the erection of dwelling houses;
- (h) to apply to the Minister of Finance of Canada for approval of the Association as a lending institution under the terms of *The National Housing Act, 1944*;
- (i) for any of the foregoing purposes to lay out and employ the property and capital of the Association for the time being and the money authorized to be raised by the Association in addition to its capital.

**7.—**(1) The Provincial Treasurer shall on behalf of the Province subscribe for five thousand shares in the Association and pay to the Association for the said shares the sum of five hundred thousand dollars and he is hereby authorized and empowered so to do.

(2) Upon payment of that sum there shall be allotted to the Minister of Municipal Affairs, to hold on behalf of the Province, five thousand shares in the Association.

(3) The Provincial Treasurer shall purchase in his name on behalf of the Province debentures issued by the Associa-

tion to the extent of five hundred thousand dollars and pay for the same and he is hereby authorized and empowered so to do.

**8.** Notwithstanding the provisions of any city charter, *The Town and Village Act*, *The Municipal District Act*, or *The Public Utilities Act*, or any other Act or law of the Province,—

- (a) any municipality may, without submitting the matter to the ratepayers or burgesses, apply for shares in the Association and may pay for the shares out of its revenue or sinking fund or otherwise and any municipality applying for shares shall apply for not less than the number of shares the par value of which is an amount equal to one dollar for each resident of the municipality, according to the records of the Dominion Census taken in the year 1941;

Provided that where the number of residents of any municipality is not an even multiple of five hundred the nearest multiple of five hundred exceeding the number of residents shall for the purposes of this section be deemed the number of residents in the municipality;

- (b) any municipality which has applied for and paid for shares of a par value of not less than the required amount shall be entitled to have such shares allotted to it;
- (c) any municipality may without submitting the matter to the ratepayers or burgesses, apply for debentures in the Association and may pay for the same out of its revenue or sinking fund or otherwise;
- (d) the council of any municipality, being a shareholder, may appoint one person to attend any meeting of the shareholders who shall be entitled to cast on behalf of the municipality the number of votes to which it is entitled.

**9.** The Government and every municipality which is a shareholder shall upon every reasonable occasion when so requested by the directors, make available to the Association the services of any inspector, architect, engineer or technical adviser in the employ of such shareholder.

**10.**—(1) There shall be a Board of Directors of the Association consisting of not less than five nor more than eleven directors at any time appointed as follows:

- (a) The Lieutenant Governor in Council may appoint on behalf of the Province not more than six directors;
- (b) The council of the city of Calgary, if that city becomes a shareholder, may appoint one director;
- (c) The council of the city of Edmonton, if that city becomes a shareholder, may appoint one director;

- (d) The cities other than Calgary and Edmonton who become shareholders may in writing jointly appoint one director and in the event of disagreement between them as to the person to be appointed, the appointee shall be selected by a majority vote at a meeting of the said shareholders, each city having one vote for each share subscribed;
- (e) The towns and villages who become shareholders may in writing jointly appoint one director and in the event of disagreement between them as to the person to be appointed, the appointee shall be selected by a majority vote at a meeting of the said shareholders, each town and village having one vote for each share subscribed;
- (f) The municipal districts who become shareholders may in writing jointly appoint one director and in the event of disagreement between them as to the person to be appointed, the appointee shall be selected by a majority vote at a meeting of the said shareholders, each municipal district having one vote for each share subscribed.

(2) Subject to the provisions of section 13, a director shall take office on the date of the first general meeting of shareholders following the date of his appointment and shall continue in office until the next annual general meeting of shareholders at which time he shall retire from office.

Provided that a director may be removed and a new director appointed in his place at any time by the shareholder or shareholders who appointed him or by the Lieutenant Governor in Council in the case of a director appointed on behalf of the Province.

(3) A retiring director may be appointed.

(4) On the death or resignation of a director, the Lieutenant Governor in Council or shareholder or shareholders, as the case may be, may forthwith appoint a new director to replace the one who has died or resigned.

(5) A director appointed to replace a director who has been removed, died or resigned, shall take office immediately upon his appointment and shall continue in office until the next annual general meeting of shareholders following the date of his appointment at which time he shall retire from office.

(6) A majority of the directors for the time being shall constitute a quorum.

**11.** The directors may exercise all the powers of the Association except such as are by this Act or by the by-laws or regulations of the Association required to be exercised by the shareholders in general meeting.

**12.** The directors shall have power to make and amend by-laws and regulations relating to the management of the

affairs of the Association and all matters necessary and incidental to the carrying on of the business of the Association.

**13.** The first directors of the Association shall be,—

- (a) The Honourable Clarence E. Gerhart, Minister of Municipal Affairs, who shall be Chairman of the Board;
- (b) The Honourable Lucien Maynard, Attorney General;
- (c) William D. King, Deputy Minister of Trade and Industry;
- (d) J. Francis Percival, Deputy Provincial Treasurer;
- (e) Henry J. Wilson, Deputy Attorney General;
- (f) Wesley D. Stacey, Superintendent of Buildings;
- (g) The first director appointed by the City of Calgary prior to the first general meeting of shareholders;
- (h) The first director appointed by the City of Edmonton prior to the first general meeting of shareholders;
- (i) The first director appointed by the cities other than Calgary and Edmonton prior to the first general meeting of shareholders,—

and the first six named shall take office forthwith upon the coming into force of this Act and the last three shall take office forthwith upon their appointment and all shall continue in office until the first general meeting of shareholders at which time they shall retire from office.

**14.** The first general meeting of shareholders shall be held within three months from the coming into force of this Act on a day to be fixed by the first directors and subsequent annual general meetings of shareholders shall be held on the first Monday in February in each year or on such other day as may be fixed by the shareholders in general meeting.

**15.—**(1) The books of the Association shall be open for the purchase of shares and debentures up to and including the first day of April, 1945, at which time the books of the Association shall be closed for the purpose of allocating for loans in the municipalities which are then shareholders the moneys available for loans from shares and debentures subscribed for up to that time.

(2) The directors shall allocate for loans in each municipality which is then a shareholder,—

- (a) an amount equal to the par value of the shares purchased by the municipality, together with an amount equal to the par value of the debentures purchased by it, not exceeding the amount of the par value of the shares purchased by it; and

- (b) a proportionate share of the sum of one million dollars representing shares and debentures purchased by the Provincial Treasurer, bearing the same proportion to the sum of one million dollars as the amount which the municipality is entitled to have allocated to it under the provisions of paragraph (a) hereof, bears to the total amount which all municipalities are entitled to have allocated to them under the said paragraph; and
- (c) an amount equal to the par value of any additional debentures purchased by the municipality in excess of an amount equalling the par value of the shares purchased by it; and
- (d) an amount equal to the par value of any debentures purchased by any person or corporation other than a municipality residing or carrying on business in the municipality where the person or corporation requests at the time of applying for the same that the proceeds be allocated for loans in that municipality.

**16.** Any moneys received by the Association from the sale of shares and debentures which have not been allocated under the provisions of section 15 hereof, and all moneys received from the sale of shares and debentures or otherwise subsequent to the first day of April, 1945, shall be allocated for loans in such municipalities which are shareholders as the directors in their discretion may deem advisable.

**17.** The Association shall not,—

- (a) make any one loan in excess of the sum of five thousand dollars;
- (b) make any loan at a rate of interest in excess of four and one-half per centum per annum;
- (c) make any loan to assist in the erection of a house estimated to cost more than seven thousand five hundred dollars.

**18.** All debentures issued pursuant to paragraph (e) of section 6 other than those issued to the Provincial Treasurer shall be guaranteed as to both principal and interest by the Province of Alberta, and the Provincial Treasurer is hereby authorized to guarantee on behalf of the Province the due payment of such debentures and interest thereon.

**19.—**(1) Any municipality which is a shareholder may, upon the expiration of five years from the date it first became a shareholder, and upon the council of such municipality passing a by-law to that effect, request the Association to purchase the shares of the Association held by such municipality.

(2) Notwithstanding anything contained in *The Companies Act* or any other Act, upon receipt of such request,



and a duly certified copy of the by-law, the Association shall have the power to purchase the shares held by the municipality so requesting, and shall purchase the same at a price computed and payable as follows:

- (a) At the end of the calendar year in which the request is received from the municipality, the Association shall ascertain the loss, if any, incurred by the Association in carrying on business to that date, and the purchase price of the shares shall be the par value thereof, less an amount equal to that proportion of any such loss bearing the same relation to the total of any such loss as the par value of the shares purchased bears to the total par value of all shares issued and then outstanding;
  - (b) The purchase price of the shares shall be paid at such times and in such amounts as the directors may determine from the moneys received by the Association as payments on account of loans made in the municipality in question.
- (3) Upon the purchase by the Association of any shares pursuant to this section, the share certificates for the same shall be surrendered and cancelled and the name of the shareholder removed from the register of shareholders and the Association shall be in the same position with respect to the shares as if the same had never been issued.

**20.** The provisions of the following Acts:

- (a) *The Companies Act*, being chapter 240 of the Revised Statutes of Alberta, 1942;
  - (b) *The Companies Information Act*, being chapter 242 of the Revised Statutes of Alberta, 1942;
  - (c) *The Corporations Taxation Act*, being chapter 41 of the Revised Statutes of Alberta, 1942;
  - (d) *The Securities Act*, being chapter 243 of the Revised Statutes of Alberta, 1942,—
- shall not apply to the Association.

**21.** Order in Council No. 309-45, dated the 22nd day of February, 1945, is hereby validated and confirmed and is declared to have been in force at all times on and after the 22nd day of February, 1945 up to the date of the coming into force of this Act.

**22.** This Act shall come into force on the day upon which it is assented to.

No. 74.

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FIRST SESSION  
TENTH LEGISLATURE  
9 GEORGE VI  
1945

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**BILL**

An Act to Incorporate The Alberta  
Housing Association Limited

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Received and read the

First time.....

Second time.....

Third time.....

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HON. MR. GERHART.

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EDMONTON:  
A. Shnitka, King's Printer  
1945