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# ADVOCACY PRIORITIES

AS OF JULY 29, 2020



## CONSTRUCTION AS AN ESSENTIAL SERVICE

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From the onset of restrictions associated with COVID-19, BILD Alberta was focused on ensuring construction sites and projects remained operational. Through significant advocacy and a commitment to enhanced safety measures, construction was deemed an essential service in Alberta whereas in many other provinces it was not. While some restrictions associated with the COVID-19 pandemic have eased, we continue to monitor any government action and remain in contact in order to make sure residential construction remains open.



## ECONOMIC RECOVERY

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In late-March, BILD Alberta began engaging multiple ministries and the Premier's office to position the industry as a key driver in Alberta's economic recovery. While the need to expedite legislative changes that reduce red tape and housing costs remains critical, we have also been advocating for the following:

1. Strategic investments in infrastructure that promote private sector investment in new residential communities and development projects.
2. A tax credit for all forms of renovation to stimulate consumer spending.

The Ministers of Infrastructure and Transportation have indicated that stimulating private sector investment will be a central factor in the decisions associated with infrastructure funding. We continue conversations with other ministries making sure our industry is always in the forefront during the province's recovery.





## RED TAPE REDUCTION

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Reducing red tape has been a central focus of the current government and BILD Alberta. In October 2019, BILD Alberta coordinated a collaborative submission with 29 recommendations focused on streamlining approval processes and costs for land developers, builders and renovators (read the full submission [here](#)).

Significant progress has been made on industry priorities which are detailed below. Other items remain part of the discussion as BILD Alberta participates on a government-led panel focused on identifying short and long-term initiatives to reduce the regulatory burden on the construction industry.

## OFFSITE LEVIES

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Offsite levies remain one of the largest costs associated with developing land and ultimately building and buying homes. As an industry we have supported paying a fair share of hard infrastructure costs but recent changes to the Municipal Government Act, Offsite Levies Regulation and City Charters have greatly expanded these costs, municipal powers and reduced the transparency of funds collected. New levies associated with recreation centres, fire halls, police stations and libraries will potentially add thousands of dollars to every lot and home.

BILD Alberta is advocating to revert levies back to core infrastructure and increase the level of transparency associated with calculations, levy funds and their use. We have seen positive steps forward on this initiative with the Minister of Municipal Affairs recently confirming they will open the Municipal Government Act for review in the fall.

## CITY CHARTERS

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City Charters for Calgary and Edmonton were introduced in the fall of 2018 without industry consultation. The Charters provided new powers to the two cities related to offsite levies, inclusionary housing and the environment. This created a significant degree of unpredictability within our industry as it has the potential for nearly limitless policies, powers and costs associated with development, residential construction, project timelines and affordable housing. Some believe the Charter provides the two cities the ability to introduce new building code requirements as it relates to energy efficiency (potentially leading to multiple building codes in Alberta).

This remains of high priority for BILD Alberta and we are confident progress will be made on this file in the coming months as we work with government to rectify.

## REMOVING UNNECESSARY BUILDING CODE REQUIREMENTS

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BILD Alberta participates on a number of government-led working groups focused on assessing elements of existing building code that add unnecessary costs and delays to home construction and renovations. While discussions are preliminary, the current government has expressed a commitment to simplifying code application and processes in Alberta.





## **INCLUSIONARY HOUSING**

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Inclusionary Housing is a municipal policy tool that requires builders and/or developers to provide a specified number or units or lots to a municipality at a discounted rate for the purposes of affordable housing. Preliminary cost projections estimate this adds \$5,000 - \$10,000 to the cost of every market home.

BILD Alberta has successfully advocated to remove this tool from the Municipal Government Act but it remains in City Charters. We remain hopeful that inclusionary housing will be removed from City Charters within the next few months as we continue to push for solutions that subsidize the person instead of the home.

## **MGA REVIEW**

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BILD Alberta has successfully advocated to reopen the Municipal Government Act to address the issues that arose through amendments made in the preceding four years. Consultation begins in the next month to address permit timelines, offsite levies and appeal mechanisms / procedures amongst other items.

## **ADOPTION OF FUTURE BUILDING CODE**

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Members have expressed continued concerns with the national code development process specifically related to a lack of consideration for Alberta's climate and inadequate cost-benefit analysis being carried out on items such as Energy Step Codes. BILD Alberta is engaging government regularly in an effort to establish tools to determine whether elements of future codes make sense for Alberta.



## PROMPT PAYMENT

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Prompt Payment involves amendments to the Builders Lien Act where payment of invoices will be required in an expedited fashion (as short as 28-days). This was introduced in a few provinces and is being debated in most others. The Government of Alberta is committed to introducing some form of Prompt Payment this fall and BILD Alberta is working to make sure the legislation does not introduce an overly cumbersome or burdensome process. We fully support the timely payment of all trade and supplier members but owner companies have indicated 28 days creates logistical challenges specifically when dealing with financing and lenders. We are seeking a prompt payment period that extends at least a calendar month to try and address this challenge.



## MORTGAGE RULES

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As part of their 2019 election, the United Conservative Party included a made-in-Alberta solution to the federal mortgage stress test as part of their platform. This was based on BILD Alberta's advocacy and remains a commitment however the solutions are more challenging than initially thought. BILD Alberta remains engaged with the Government of Alberta and partner associations in attempts to find alternatives that provide consumers with options for homeownership.



## ENVIRONMENTAL APPROVALS

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Approvals related to the Water Act and Public Lands Act have been a longstanding challenge historically leading to multiple months and in some cases years of delays. The advocacy of BILD Alberta and other partner organizations has recently led to improvements in these timelines and work continues in an attempt to further streamline the application and approval process.

