



BILD[®]
ALBERTA

HOUSING ATTAINABILITY ACTION PLAN



Introduction

Our province is recognized as a national leader in **housing affordability**, which is largely attributed to **effective collaboration** between government and industry.

However, we must remain vigilant and proactive to avoid the deterioration of our housing affordability and attainability.

Facing unprecedented population growth and the corresponding housing demand, industry has responded with rapid and record levels of new housing construction, including historic levels of purpose-built rentals. Despite this, housing has been outpaced by population growth. Should this continue, the gap between supply and demand will grow, along with housing prices.

Builders and developers are working to increase housing supply, but better coordination between municipal, provincial, and federal governments is needed to streamline processes and drive further construction of new housing and purpose-built rentals. This will build on important work, legislative changes, and policy choices the Government of Alberta has already made. The most effective way to address the challenges we face is through collaboration, BILD Alberta stands ready to support government in developing solutions.

The Government of Alberta has supported industry efforts to increase capacity by implementing policies prioritizing low regulatory burden on housing projects. That action has been supplemented by several critical decisions and new policies related to housing. These included:

- Removing authorities related to inclusionary housing under City Charters as similar policies in Ontario have led to an additional \$20,000 to \$60,000 cost per unit.
- Removing the ability for large cities to adopt separate building code requirements. This exists in British Columbia and has created a fractured, confusing and expensive regulatory requirement.
- Providing a degree of cost predictability and providing balance in the transparency by removing broad development charge (off-site levy) authorities and introducing enhanced transparency and accountability measures.
- Enabling appeals of off-site levy bylaws through the Land and Property Rights Tribunal in all municipalities to ensure accountability and balance.
- Resisting proposals such as rent control which would have had immediate and lasting implications on private sector investments in purpose-built rental. This decision combined with Canada Mortgage and Housing Corporation (CMHC) financing programs and the removal of Federal GST has resulted in record levels of new rental construction.



- Adopting Tier 1 of the Federal Tiered Energy Codes. This measured and responsible approach allows for industry innovation towards, affordable energy efficient housing while preserving the competitiveness of many small and medium sized builders.
- Reviewing the *Municipal Government Act* and limiting the ability for municipalities to use and consider non-statutory plans, policies and studies when making decisions on development and building applications.
- Removing the requirement for public hearings for minor amendments to Area Structure Plans and Neighborhood Area Structure Plans.

The impact of the actions taken by the provincial government to this point cannot be overstated and has resulted in a significantly more predictable environment to build every type of housing, including rental. This is happening despite difficult economic conditions, high interest rates, and inflation that has led to a significant deterioration of new housing construction in every other major center nationwide.

A province-wide approach is necessary to ensure housing remains affordable and attainable long-term while ensuring industry has the capacity and resources to increase housing supply. This document will identify imminent threats to the housing market and inventory while providing clear, immediate, actionable solutions to address the genuine challenges ahead. More can be done and it is critical that the Government of Alberta continue its determined approach to preserving housing markets that are attainable to current, new and future Albertans.

Detailed information on all recommendations is available upon request.

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SCOTT FASH

CEO, BILD Alberta Association



DEVELOPMENT CHARGES, FEES AND INFRASTRUCTURE FUNDING

Development charges through off-site levies are rapidly increasing across many municipalities and remain one of the largest barriers to housing affordability. While levies help finance the infrastructure needed to build new communities, these costs have escalated considerably and are often being used on gold-plated facilities or infrastructure that exceeds what is actually needed. The padding of these costs is ultimately funded through the cost of new homes. Strong provincial oversight is essential to ensure off-site levies contribute to efficiently build infrastructure efficiently through use of funds.

GOVERNMENT SOLUTIONS:



1. RESTORE CONFIDENCE WITH ARMS-LENGTH EXTERNAL AUDITS

Establish provincial authority to initiate an arms-length external audit of off-site levies to ensure fair methodology, reasonable construction standards and that federal/provincial grants and municipal revenues are considered in calculating future rates.



2. REQUIRE QUALITY, EFFICIENT AND COST EFFECTIVE INFRASTRUCTURE

Establish regulatory parameters to ensure municipalities build infrastructure efficiently and construct new facilities in the most economical and lowest reasonable cost manner required to address a service need.



3. REVIEW MUNICIPAL RESERVE LAND ACCESSIBILITY

Examine provincial policy to identify any gaps that enable municipalities to require developers provide more than 10% of the municipal reserve outlined in the *Municipal Government Act*.



4. REDUCE FINANCING BARRIERS

Work with BILD Alberta and industry stakeholders to identify and implement alternative infrastructure financing mechanisms, including municipal bonds and/or grants to municipalities that invest in growth-related infrastructure.

BECOMING LEADERS IN BUILDING INNOVATION

While Building Codes are developed by the Federal Government, the Government of Alberta retains the authority to adopt and modify them provincially. There are opportunities to prioritize affordability, promote more consistent interpretations and update certain provisions of the code to better support more affordable housing options.

GOVERNMENT SOLUTIONS:



1. ESTABLISH AFFORDABILITY AS GOVERNING CRITERIA

Evaluate impacts to affordability prior to any provincial government code decisions. This should be second only to public health and safety.



2. REVIEW THE NATIONAL BUILDING CODE – 2023 ALBERTA EDITION

Establish provincial policy, practices and resources to provide clear and timely interpretations of building code requirements.



3. INCREASE DENSITY WITH SECONDARY SUITES

Make appropriate modifications to the National Building Code – 2023 Alberta Edition to streamline approvals and improve affordability for secondary suites.



4. PREVENT ADDITIONAL DELAYS

Further clarify and limit the involvement of engineering authentication for Part 9 buildings under the National Building Code - 2023 Alberta Edition.



5. REDUCE COSTS FOR MID-RISE BUILDINGS TO INCENTIVIZE DENSITY

Modify the National Building Code - 2023 Alberta Edition to enable single-egress stairs on buildings of up to 8-storeys.



ELIMINATE UNNECESSARY DELAYS, BARRIERS AND COSTS

Approval timelines for all projects have increased in recent years, largely due to complex municipal policy environments and discretionary authorities provided to staff. Delays in municipal approvals have major cost implications on residential construction and often discourage people from pursuing new projects.

GOVERNMENT SOLUTIONS:



1. STRENGTHEN REQUIREMENTS RELATED TO APPROVAL TIMEFRAMES

Update the *Municipal Government Act*, and Subdivision and Development Regulation to compel municipal approvals to adhere to the provincially prescribed requirements.



2. STANDARDIZE PROVINCIAL REGULATORY APPROVAL TIMELINES

Implement a province-wide standard for provincial regulatory approval timelines that are predictable, reasonable and allow all regional offices to approve applications consistently.



3. DEMONSTRATE PUBLIC ACCOUNTABILITY THROUGH PERFORMANCE

Establish and regularly publish performance measures (i.e., a report card) for municipalities and provincial departments related to approval timelines, development charges and fees.



4. PREVENT MULTIPLE SUPPLEMENTARY INFORMATION REQUESTS

Prevent municipalities from issuing multiple supplementary information requests as a method to extend their legislated approval timeline.



5. LIMIT DISCRETIONARY AUTHORITIES OVER DEVELOPMENT AND BUILDING PERMITS

Limit the use of discretionary authorities from administration over building and development permits. Require any statutory policies approved by council as guidance. Requirements need to be clearly established by council approved statutory documents, rather than individual interpretations or opinions.



UNLOCK LAND FOR NEW HOUSING

Land supply, both inner-city and greenfield, is one of the largest factors impacting housing affordability and availability. Limiting land supply drives up demand and costs. Outdated views on suburban development have restricted greenfield growth in many large centers, exacerbating the industry's challenges in meeting the rising demand for affordable housing.

GOVERNMENT SOLUTIONS:



1. REDUCE BARRIERS TO UNLOCKING LAND

Evaluate the current municipal authorities that manage land supply and influence growth.



2. INCENTIVIZE HOUSING AND STRATEGICALLY FUND INFRASTRUCTURE

Provide provincial and federal grants for strategic capital infrastructure investments to municipalities that prioritize the construction of more housing and commit to building infrastructure efficiently.



3. ENCOURAGE PROPERTY TAX REBATES FOR RESIDENTIAL CONVERSIONS

Work with municipalities to provide a 100% property tax rebate (for up to 10-years) on any legal parking lot, brownfield office or retail that is converted into residential units through demolition, new construction or renovation.



4. UTILIZE GOVERNMENT OF ALBERTA LAND FOR HOUSING

Provide opportunities for developers and builders to purchase suitable land for housing from the Government of Alberta.

CREATE PARTNERSHIPS TO BUILD MORE NON-MARKET HOUSING

There is currently a lack of coordination between government, industry and not-for-profits on how to partner to construct non-market housing in Alberta. Key stakeholders must become more integrated to utilize better-existing opportunities to collaborate and deliver housing across the province.

GOVERNMENT SOLUTIONS:



1. DEVELOP A COLLABORATIVE NON-MARKET HOUSING FRAMEWORK

Develop a framework with committed parties on building a spectrum of non-market housing. This should include a target number of housing units to be built in locations with the most urgent needs over the next 36 months. Long-term strategies should aim on ramping up non-market housing construction during low volume periods in market housing construction.



2. INDUSTRY, GOVERNMENT AND NOT-FOR-PROFIT COMMITMENTS

A collaborative framework should include government funding through capital investment or land supply, industry commitment to build at cost, and not-for-profits' commitment to operate and provide necessary services.



3. REDUCE TIMELINES WITH PRE-APPROVED PLANS

Consider the use of pre-approved architectural plans from industry for efficiency and cost reductions.



4. ALTERNATIVE HOUSING SOLUTIONS

Engage with modular builders to design efficient, innovative and cost effective housing solutions.



5. ATB NON-MARKET HOUSING INVESTMENT TOOLS

In collaboration with ATB, assess tools to reduce private sector investment risk in purpose-built rentals, such as higher leverage loans with reduced debt service cost ratios.

ATTRACT MORE SKILLED TRADES AND PROFESSIONALS

Shortages in skilled trades have been an issue for the residential construction industry for decades. It is estimated that 21% of the current skilled labour force will retire by 2030, making this an even greater threat.

GOVERNMENT SOLUTIONS:



1. FAST TRACK HOUSING IMMIGRATION FOR SKILLED TRADES PROFESSIONALS

Fast-track immigration specialized in skilled trades and professions through the Alberta Advantage Immigration Program. Review criteria to ensure residential construction trades are prioritized.



2. REQUIRE STREAMLINED CREDENTIAL RECOGNITION PROCESSES

Engage regulatory bodies to swiftly review and recognize professional accreditation for newcomers, enhancing Alberta's construction resources and capacity.



3. ENSURE NEWCOMERS HAVE THE RESOURCES TO COMMUNICATE

Support the creation of 'English for Construction' programs to provide newcomers with the initial skills needed to get onto jobsites.



4. PROMOTE SKILLED TRADES TO YOUNG ALBERTANS

Partner with industry to develop a strategy attracting young Albertans to skilled trades, including education, apprenticeships, training, and Charter schools focused on trades and professions in residential construction.



5. DIVERSITY AND ACCESSIBILITY IN SKILLED TRADES

Provide supports to Albertans transitioning to a career in skill trades from vulnerable or underrepresented groups.

