Alberta
Canadian Home Builders' Association

January 31, 2017

Honourable Shaye Anderson
Minister of Municipal Affairs
Government of Alberta
132 Legislature Building
10800 - 97 Avenue
Edmonton, AB
T6K 2B6

Dear Minister Anderson:

Re: Additional Amendments to the MGA – Continuing the Conversation

Thank you for the opportunity to provide a submission on additional amendments proposed to the MGA. While there are a number of positive proposals that we anticipate all stakeholders will support, there are a number of highly concerning proposals that should either not move forward or be subject to considerable consultation with relevant stakeholders.

As detailed in the attached submission, policies under Bill 20, Bill 21 and now proposals under the *Continuing the Conversation* represent an estimated $14,900 - $56,850 increase to the cost of a home. These changes when combined with new mortgage rules at the federal level will cause a dramatic shift in housing affordability across the province, something that runs counter to many of the other initiatives this government is pursuing. While many of these changes have been approved through Bills 20 and 21, the province can still help limit the impact by not considering a provincial transportation levy, something that in itself could add $2,000 - $40,000 to the price of a home.

The province is working under aggressive timelines to complete the regulations, City Charters and now additional amendments to the MGA. We have long advocated that the province take the time necessary to get these critical pieces of legislation right, but as fall 2017 approaches it has become increasingly clear that this time will not be afforded. We respectfully ask that the province provide the time needed to vet substantial policy changes and their application with stakeholders.

Multiple stakeholder sessions are needed to review and modify elements of individual regulations to ensure the rules can and will function as intended. Failure to do this will likely result in the province needing to modify regulations and policies shortly after enacting them. The focus should be getting it right, not completing it within an arbitrary timeline. The repercussions of these policies will live on for years.

The attached submission was prepared by CHBA – Alberta and UDI Alberta and represents the viewpoints of both associations. If you have any questions, please do not hesitate to contact us.

Sincerely,

Donna Moore
CEO, CHBA – Alberta

CC: Ryan Scott (President of CHBA – Alberta); Keith McLaughlin (Chief of Staff – Municipal Affairs); Brad Pickering (Deputy Minister – Municipal Affairs); Gary Sandberg (Assistant Deputy Minister – Municipal Services and Legislation Division, Municipal Affairs)

UDI ALBERTA
One Vision; One Voice

Alberta
Canadian Home Builders' Association

CONTINUING THE CONVERSATION – MGA REVIEW

UDI Alberta & CHBA – Alberta Response

1. OVERVIEW

After years of working with the province on the MGA Review we were surprised by the introduction of an additional 46 proposed amendments to the MGA. It was made quite clear in our discussions over the past year that the government would not consider additional amendments outside of those proposed in Bills 20 & 21. While many of these are minor in nature, others represent **substantial impacts to industry, Albertans and housing affordability**. We are concerned that the impact of these proposed topics has not been thoroughly vetted and the outcome of these modifications will create a variety of unintended consequences.

The following document outlines our concerns and policy suggestions. Additionally, the attached table highlights our response to each of the 46 proposed amendments. Should the province decide to move forward with some of the more troublesome amendments, such as the provincial transportation levy, it is imperative that the province allocate time for stakeholders and the government to discuss and understand the significant implications of these proposals.

The impact of some of these proposals have the potential to increase the cost of homes by thousands if not tens of thousands of dollars. The province needs to consider the impact this change would have on housing costs in addition to all the other new policies that have been downloaded onto homeowners by both the federal and provincial governments in recent months:

Federal

The federal government has introduced a number of changes to mortgage rules nationally. Many of these are intended to address market challenges in Vancouver and Toronto, however, they will also have significant impacts on the Alberta housing market. Specific changes introduced and proposed include:

- Maximum 25 year mortgages.
- Minimum 10% downpayment for homes valued between $500,000 and $1,000,000,
- Stress test:
  - Buyers must qualify at a posted rate of 4.64% even if the negotiated rate is much lower.
  - Buyers can't be spending more than 39% of their income on household costs (mortgage, heating, taxes).
- Considering shifting the liability of insured mortgages from the federal government to lenders.

While it is difficult to measure the exact impact at this time, these changes ultimately make it harder for first time homebuyers and those with moderate and lower incomes to afford a home. The stress test and limits to mortgage terms will remove a sizeable portion of the potential home buying public from an already depressed market in Alberta. The shift in mortgage insurance will result in increased mortgage rates, further limiting those who can actually afford a home.

Provincial

The province has introduced and proposed a number of new policies through the MGA Review that will directly result in increased housing costs:

Policy	Estimated Cost / Unit	Notes
Inclusionary Housing	$7,900 – $11,850 / unit	• A 2-3% increase in housing prices was shown in a study of cities in California with inclusionary zoning versus those without. This was then applied to the 2016 average home price ($395,000) in Alberta. • Scale of impact is largely dependent on the variety of offsets made available and if municipalities are required to make their inclusionary housing programs market impact neutral.
New Off-Site Levies	$5,000 / unit	• Calculation based on the impact witnessed in Calgary based on their voluntary levy.
Provincial Transportation Levy	$2,000 - $40,000 / unit	• Numbers derived from calculations contained in Section 2.1.
TOTAL	**$14,900 - $56,850 / unit**	

These are just recent changes and are increases that are the direct result of government policies and does not include the additional financing costs required by developers, builders and eventually home buyers through their mortgage. There is the belief by many municipalities that these costs can be absorbed by industry, which is simply not the case. When a project is being contemplated, developers / builders have to deliver a certain return on investment. This return is determined by capital markets and cannot be reduced because of affordable housing or levy requirements. Lenders and any equity partners have their own financial requirements, and if those cannot be met, the project simply does not go forward. Any additional costs resulting from these policies will be carefully calculated and result in one of two scenarios:

a) The cost becomes part of the overall purchase price of the home / condo, the result being that fewer people can now afford to buy a home; or

b) The cost of homes becomes so high (squeezing out the first-time home buyer) that developers and builders stop pursuing new projects. The degradation of the residential construction sector (provided 213,463 jobs and 13.6 billion in wages in 2015) has substantial implications for our economy.

Since taking office this government has stressed the importance of housing affordability, however, some policies previously approved and now proposed (through the provincial transportation levy) run counter to this. When comparing median family income against average housing prices, Alberta had been able maintain an affordable housing stock despite the rapid growth witnessed across the province. Recent policy changes at the federal, provincial and municipal levels have substantially eroded overall affordability to the point that the Calgary and Edmonton regions may soon be mentioned in the same conversation as Toronto and Vancouver when it comes to housing affordability.

2. KEY POLICIES

The following section outlines specific policy proposals that are of critical importance to both CHBA – Alberta and UDI Alberta. A response to each of the 46 proposed policy amendments has been included in the attached.

2.1 Provincial Transportation Levies (Proposal #13)

Proposed Changes:

1) *Enable off-site levies, by bylaw, to be charged for provincial transportation projects that serve the new or expanded developments.*
2) *Require approval of the Minister of Transportation before this type of levy can be collected.*
3) *Consequential amendment to the Public Highways Development Act may be required to authorize the Minister of Transportation to approve municipal off-site levy bylaws pertaining to provincial highway off-site levies.*

CHBA – Alberta / UDI Alberta Comments:

We ask that this policy not be enacted as it transfers a core provincial responsibility to home buyers and will result in significantly higher housing costs. A provincial transportation system services the entire province and must include all components of the system to be functional. This includes the requirement to construct interchanges and overpasses. One of the basic principles that we have been working with regarding the implementation of levies is that *"Those who benefit from growth should pay for the infrastructure required in accordance with the degree of benefit"*.

The Province is a net beneficiary of growth in that Gross Domestic Product is improved as growth continues to occur. This translates into additional provincial revenues. The province must continue to invest in infrastructure in order for all Albertans to continue to gain the benefits of an improving economy and not offload the cost of Provincial infrastructure on to new homeowners.

Notwithstanding the principle of benefit and revenue generation noted above, the proposal in its current form also fails to address a number of critical considerations:

- How will the province address the front end cost of building this infrastructure? Industry would not have the funds available to cover these costs.
- Industry and thereby new homeowners should not be required to fund the entirety of new interchanges based on the principle of proportionate benefit and the considerable benefit provinces and municipalities receive from this infrastructure.
- Would municipalities be collecting funds on behalf of the province?
- Would the levy amount be based on the percentage a development benefits?
- Has the province done any assessment on the impact this would have on housing affordability?
- How could industry and new home buyers be expected to fund this infrastructure in small communities when projects develop over a number of years if not decades?

The cost implications of this proposal are substantial. The cost of interchanges is often $50 - $70 million, though this can be significantly higher (the QEII Highway / 41st Ave NW interchange in Edmonton cost $205 million). The Province has historically funded portions of these interchanges with municipalities being responsible for paying the remainder. Municipalities then download this cost to industry in the form of a levy or development charge. This is enabled through *Alberta Transportation*

Department Policy Statement TCE-TS 509 which provides municipalities the necessary tools to charge industry for the municipal portion of an interchange / highway access.

Based on the existing tool available to municipalities, are we to assume the province will now require industry (and thereby new home buyers) to fund part or all of both the provincial and municipal portions of this infrastructure? While this is not explicitly stated, the presence of an existing tool for municipalities to impose development charges for this infrastructure suggests the province seeking additional tools in the form of its own levy and will use municipalities to collect it from industry.

To put into perspective the impact this would have on new home buyers, the following table outlines a potential levy relative the number of units required to fund an interchange:

Housing Units Required to Fund Interchanges						
		Levy Per Unit				
		500 ***Units in ASP***	***1,000*** ***Units in ASP***	***5,000*** ***Units in ASP***	***10,000*** ***Units in ASP***	***30,000*** ***Units in ASP***
Interchange Cost	**$50,000,000**	$100,000	$50,000	$10,000	$5,000	$1,667
	$70,000,000	$140,000	$70,000	$14,000	$7,000	$2,333
	$100,000,000	$200,000	$100,000	$20,000	$10,000	$3,333
	$200,000,000	$400,000	$200,000	$40,000	$20,000	$6,667

These levies would most likely be calculated and applied at the Area Structure Plan (ASP) phase of a project. In larger centres, the ASPs typically are completed for developments with anywhere between 5,000 and 30,000 units. In smaller municipalities, it is not uncommon for ASPs to be prepared for 500 units. Assuming the province intends this levy to fund 100% of this infrastructure (this is what we are lead to believe based on this proposal), the impact on housing costs is substantial. **Depending on the number of units in the ASP, number of interchanges required and the cost of the interchange, the increased price on every housing unit could be anywhere between $2,000 and $40,000.**

2.2 Changing Swamp to Wetland (Proposal #37)

Proposed Change: *Change the reference from swamp to wetland under land features which can be considered Environmental Reserve - Section 664(1).*

CHBA – Alberta / UDI Alberta Comments:

Our understanding, based on conversations with Minister Larivee and by this being listed as a "General Technical Amendment", is that this seemingly minor change is intended to provide clarity and harmonization within the Act. While well intended, this seemingly minor change would substantially alter the improvements to the framework of Environmental and Conservation Reserve achieved through Bill 21. Far from harmonizing the legislation this will essentially erode the intent and purpose of Environmental and Conservation Reserve.

This will be problematic as swamps must be preserved under the definition of Environmental Reserve (ER) but not all wetlands are preserved under the *Water Act*. The proponents of this change may not be aware that while all swamps are wetlands, not all wetlands are swamps. This would change the scope of ER dramatically resulting in large tracts of undevelopable land being left inside municipalities. As a result, development costs and municipal operating costs would increase dramatically. Based on the above, **we ask that this amendment not be considered further.**

The City of Edmonton's policies provide an example of the implications of this seemingly minor change to the wording. The MGA does not include a definition of "wetland" meaning municipalities will have the leeway to establish their own definition. The City of Edmonton references Alberta Environment's definition of wetland but also includes a definition for ephemeral wetlands which it considers the same as any other wetland:

> *"An area that is periodically covered by standing or slow moving water and that has a basin typically dominated by vegetation of the low prairie zone, similar to the surrounding lands. Because of the porous conditions of the soils, the rate of water seepage from these areas is very rapid, and surface water may only be retained for a brief period in early spring."*

The City's Municipal Development Plan outlines how this relates to Environmental Reserve:

> *7.1.1.12 Lands and features that meet the definition of environmental reserve, but are not claimed by the Province, should be taken by the City as environmental reserve and protected.*

By changing the word "swamp" to "wetland" under Section 664(1) of the *MGA*, the province would thereby enable municipalities, like Edmonton, to require any area that gets seasonally wet (at the municipality's discretion) be dedicated as Environmental Reserve. This is completely contrary to the refinement of Environmental Reserve and the creation of Conservation Reserve under Bill 21. It is unclear why this is proposed but it would significantly undermine the changes under Bill 21, which as we understand, was not the intent of this general technical amendment.

2.3 Validating Existing Off-Site Levy Bylaws (Proposal #15)

Proposed Change: *Specifically, state that any off-site levy fee or charge made by bylaw or agreement before November 1, 2016 is deemed to be valid.*

CHBA – Alberta / UDI Alberta Comments:

It is unclear if the province fully understands the impact this policy proposal would have on the fair, transparent and lawful application of off-site levies across the province. It would put the province in the position of approving bylaws that contravene its own law. There is no legislative requirement for municipalities to include expiry dates or review off-site levy bylaws at any point, meaning municipalities could administer unlawful off-site levies in perpetuity. There are a number of municipalities who previously or currently institute policies in contravention of the Act, whether it be recreation levies or intentionally limiting appeals.

The province has instituted a number of policy measures aimed at improving the transparency and accountability of local governments. Through the regulation consultation process a number of other key transparency and accountability measures have been discussed and put forward by industry including:

- Increased and transparent accounting of all levy funds to ensure money being collected is spent where and on what it should be. Currently, many municipalities collect levy funds and simply place it into general revenue. Those residents who pay this levy through the increased cost to their home therefore have no assurances that the money they paid is actually being spent on the infrastructure they paid for.
- Ensuring that the residents who actually pay the levy receive the benefit in a timely manner. If a resident pays for infrastructure there needs to be the expectation that they will actually see the benefit in the foreseeable future, not 30 years down the road.

- Open disclosure of formulas and calculations for off-site levies. It is fair and reasonable that those paying a levy are provided with an open and honest calculation that they can assess and challenge if there are mistakes. Many municipalities currently do not disclose this information.

The above changes are reasonable expectations for municipalities who are collecting hundreds of millions of dollars through these levies. If the province adopts the proposed policy, municipalities will have the ability to continue practices that run counter to the goal of transparent and accountable governance. Minister Larivee indicated in our meeting on January 11, 2017 that she did not have a concern with this policy given that municipalities would need to be compliant once their current off-site levies expire. **Under the MGA, there is no requirement for municipalities to include an expiry date as part of their off-site levy bylaw** which is the case for most municipalities across Alberta. Theoretically this means that municipalities may continue to be non-compliant with the pre-existing and new legislative requirements associated with off-site levies in perpetuity.

A unique situation exists in Calgary, where the City's current Off-Site Levy Bylaw (passed by Council on January 11, 2016) already includes voluntary levies for recreation centres, fire halls, police stations and libraries. This was done based on an agreement between the City and BILD Calgary Region (formerly CHBA - UDI Calgary Region) and included a five-year commitment from administration that "the overall methodology will not be reviewed for five years to provide certainty to the industry". Other municipalities who currently do not conform to the Act did not create their Bylaws as part of any agreement with industry and as previously mentioned, the majority do not include any expiry date.

While changes to the Act will formally legalize aspects of Calgary's existing levies, it is highly likely that changes to the Principles and Criteria for Off-Site Levies Regulation may force the City to undertake a full-scale review of their Bylaw, something not desired by the City or BILD Calgary Region at this time. Our understanding is that this "validation" policy is intended to allow the City of Calgary Council and Administration to uphold their commitment to industry and maintain the existing Off-Site Levy Bylaw and community service charge until that commitment expires at the end of 2020. Given the extensive work put into this process by both the City and BILD Calgary Region, it is reasonable to allow for this agreement to persist until its expiry date.

In consideration of this unique situation, we would propose that rather than essentially "validating" all non-conforming off-site levy bylaws province wide, the province craft a specific provision limited to the City of Calgary. This provision should stipulate that the City of Calgary has a period not exceeding 5 years to bring their Off-Site Levy Bylaw into compliance with the MGA and Principles and Criteria for Off-Site Levies Regulation. **All other municipalities should be subject to the transitional provisions of the Act.**

2.4 Identification of Conservation Reserve (Proposals #19 and #20)

Proposed Changes:

1) *Clarify that in addition to other types of reserve land that must be included in an MDP, a municipality may include policies addressing the proposed new conservation reserve designation, including types and locations of environmentally significant areas and the environmental purpose of conservation.*
2) *Specifically state that municipalities may develop policies addressing reserve lands within their area structure plans. This would include identifying types and locations of environmentally significant areas and the environmental value of conservation.*

CHBA – Alberta / UDI Alberta Comments:

We fully support the identification of any lands for Conservation Reserve (CR) as early in the planning process as possible. In many cases, the Area Structure Plan, Neighborhood Area Structure Plan or Area Redevelopment Plan phase of a development project (where applicable) is the appropriate time to identify these features. These plans generally require environmental / biophysical assessments which allow for the identification of any features that either warrant protection or require a more detailed assessment (i.e. formal wetland assessment).

A key component that is missing from the proposed policies is that they must **require municipalities to follow through with the purchase of any lands <u>once</u> they have been designated as CR in statutory plans**. Some municipalities requested that councils have the ability to determine whether to proceed with the purchase of lands at the time of subdivision approval, well after a project has been designed and received planning approvals. When lands are designated as CR, developers will plan and design communities based on this understanding. This includes millions of dollars in planning and engineering work. Without a firm requirement to follow through on the purchase of previously designated CR lands, municipalities would have the ability to choose not to purchase the applicable lands at the subdivision approval portion of the project. This would result in developers having to redesign all or significant portions of the development. Notwithstanding the costs associated with creating new engineering and planning designs and studies, it would lead to substantial delays which further drives up the cost of the end housing units.

2.5 Disposal of Conservation Reserve (Proposal #22)

Proposed Change:

Allow municipalities to dispose of land designated as the proposed new conservation reserve when a substantive change outside of municipal control occurs to the feature being conserved, while ensuring the public process used to dispose of municipal reserve and school reserves is followed with the disposal of conservation reserve lands. Specifically state that any proceeds from the disposal of conservation reserve would have to be used for conservation purposes.

CHBA – Alberta / UDI Alberta Comments:

Disposition of CR should not be permitted. If land is taken to preserve some natural feature it should be retained. We expect that municipalities are required to make committed, evidence-based decisions that consider long term value and sustainability when applying public dollars towards conservation efforts. The popular example is taking a tree stand which then burns and has no conservation value. However, fire is a natural process that all forests face, and they will recover if retained. Municipalities

seem to view CR and ER as static systems but what they are taking on are slowly evolving systems. They should understand that and accept it or not try to preserve the system.

2.6 Environment as a General Purpose (Proposal #8)

Proposed Change: *Include consideration of the stewardship of the environment as a municipal purpose.*

CHBA – Alberta / UDI Alberta Comments:

We oppose this being included as a municipal purpose as it will confuse the roles of municipalities and the province in terms of environmental policies and management, potentially leading to legal issues. It is paramount that the province clarifies that municipalities do not have any additional powers relative to land dedication for Wetlands, Environmental Reserve or other reserves. Without clarity from the province on this it could open the door to municipalities circumventing the rules and policies that are being established through the MGA, Water Act and Alberta Wetland Policy. This would create an inconsistent and piecemeal application of environmental regulations.

Environmental stewardship in urban development is addressed locally through land use policies, environmental reserve and conservation reserve. These matters were discussed in detail throughout the MGA Review and regulation consultation process. **Environmental policies and management needs to be retained by the province to allow for the overall protection of the environment on a regional basis**. Ecosystems do not respect municipal boundaries and it is for this reason that the Alberta Land Stewardship Act was created. It is not a Municipal purpose but a Provincial responsibility.

3. ADDITIONAL POLICY PROPOSALS FOR CONSIDERATION

Prior to the release of the Discussion Guide, the province had not indicated any willingness to consider additional amendments to the MGA and stated numerous times that the focus of consultation was on the amendments previously proposed. Understanding this shifted at some point in the process, we would like to propose a few **changes to the appeal process of all off-site levies**.

The appeal process for levies currently lacks fairness for applicants as it provides them with only two, less than desirable, options: pay a levy that may be unlawful or have your project delayed by upwards of three years by taking it to the Court of Queen's Bench. The following recommendations are aimed at providing an increasingly fair process for applicants:

(a) Appeal of All Levies

The current revisions to the MGA only allow for the appeal of new off-site levies. It would appear that in the interest of preserving transparency and accountability that all levies should be appealable in the same manner, including the new measures outlined in (b), (c) and (d). We request that this revision be incorporated into any further amendments being contemplated in the MGA.

(b) Appeal of Levy Bylaw

It was proposed by municipalities, as part of the regulations consultation, that there be a very limited appeal period following the enactment of an off-site levy bylaw. This is highly problematic given issues are often not noticed until the bylaw has been applied on a few projects which often fall outside of the appeal period. Further compounding the issue is that many municipalities use the same bylaw for five or more years (there is no legislative requirement for the review or expiry of off-site levy bylaws) providing no future opportunity to

appeal the bylaw to the MGB. The only remedy available to applicants is to appeal the matter to the Court of Queen's Bench which can take upwards of three years. Because of the cost and construction time lost through this route, few bylaws are appealed which has allowed municipalities to continue charging levies that are not in accordance with the MGA. **There should be no time limit to appeal an off-site levy bylaw.** If a municipality's bylaw is unlawful, it should be appealable at any point in time.

(c) Appeal of Individual Projects

Under the existing legislation applicants are able to appeal levies on specific projects to the local Subdivision and Development Appeal Board (SDAB). The regulation needs to stipulate that municipalities must enable SDABs to rule on matters of levy amounts contained within Subdivision Agreements. Some municipalities have directed their SDAB to not consider these matters which leave applicants with only one option for remedy; take the matter to the Court of Queen's Bench. This is extremely costly due to legal fees and delayed construction which is why many applicants simply pay the levy, even if it is not fair or accurate. An alternative to this is outlined in (d). This policy should apply to both the existing and newly proposed levies.

(d) Holding Money in Trust

A major barrier to achieving an effective appeal process for individual projects is the time delay, and substantial costs incurred because of this, by taking matters to the Court of Queen's Bench. Delaying construction for upwards of three years has considerable financial implications on a project and generally result in applicants simply paying the levy even if it is not lawful. We recommend that the regulation stipulate any levy funds which are subject to an appeal be held in trust and require that municipalities allow the project to proceed. This policy should apply to both the existing and newly proposed levies.

4. SUMMARY

While there are a number of proposed amendments within the Discussion Guide that we support, those items identified in this document would have substantial impacts on our industry. It is unclear to us why, at this late stage in the process, this government would even consider such substantial amendments without providing considerable opportunities for consultation. It is also unclear whether any research has been done to assess the impact these changes would have on housing affordability.

We have worked with the province in good faith since the MGA Review was announced in 2012. To have such substantial proposals and changes brought forward at the end of this process is disappointing and fails to respect the years of work put forward by our associations and member volunteers. Specific to the provincial transportation levy, should the province decide to pursue this further we request the matter be delayed until after the regulations and City Charters are finalized. This policy has the potential to add thousands of dollars to the price of a home and surely such a substantial issue warrants an appropriate level of research and consultation.

Continuing the Conversation

Comments from CHBA – Alberta and UDI Alberta on all Proposed Policies

#	Topic	Proposed Changes	CHBA – Alberta Comment
Collaboration with Indigenous Communities			
1	**Agreements with Indigenous Communities**	Add a provision to the proposals in the MMGA to clarify that a municipality may invite Indigenous communities to participate in an ICF or any sub-agreement that is part of an ICF.	We fully support this amendment.
2	**Orientation Training for Municipal Councillors**	Add Indigenous Awareness Training to the list of topics councillors would be offered as part of their orientation training.	We fully support this amendment.
3	**Statutory Plan Preparation**	Require municipalities to implement policies with respect to how they will keep neighbouring Indigenous communities informed during the development of statutory plans and require municipalities to inform Indigenous communities that share a common boundary with two-week's notice of a public hearing for statutory plans including notice information (i.e. statement of purpose, date, time, and address of the meeting).	We fully support this amendment.
Enforcement of Ministerial Orders			
4	**General Minister Powers**	Allow the Minister the same authority currently available with respect to the inspection process for situations where, in the Minister's opinion, a municipality has not complied with direction provided by an Official Administrator or by the Minister in respect of an intermunicipal disagreement. With this authority, the Minister could: • suspend the authority of a council to make resolutions or bylaws in respect of any matter specified in the order; • exercise resolution or bylaw-making authority in respect of all or any of the matters for which resolution or bylaw-making authority is suspended under the above measure; • remove a suspension of resolution or bylaw-making authority, with or without conditions; and,	We fully support this amendment.

#	Topic	Proposed Changes	CHBA – Alberta Comment
		• withhold money otherwise payable by the Government to the municipality pending compliance with an order of the Minister.	
5	**Judicial Review**	Require 10-day notice be given to the Minister prior to applying for injunctive relief against a decision of the Minister. The Ministerial Order would remain in effect during an appeal of the Minister's decision.	We fully support this amendment.
Parental Leave for Municipal Councillors			
6	**Parental Leave Policy**	Enable councils, by bylaw, to create a policy respecting parental leave. The contents of the policy will be determined by each municipality in accordance with the needs of that municipality. If the municipality allows for parental leave, it must also then address how the constituents will be represented during the councillor's absence.	We fully support this amendment.
7	**Reasons for Disqualification of Councillors**	Specifically state that a councillor is not disqualified by being absent from regular council meetings under subsection (1)(d) if the absence meets the criteria set out in a parental leave policy bylaw.	We fully support this amendment.
Environmental Stewardship			
8	**Environmental Stewardship as a Municipal Purpose**	Include consideration of the stewardship of the environment as a municipal purpose.	Please see our comprehensive comments on this proposal within the main document, Section 2.6.
Notification of Amalgamations and Annexations			
9	**Amalgamations: Initiation by a Municipal Authority**	Require that a municipality initiating an amalgamation must notify all local authorities that operate or provide services in the affected municipalities, and include proposals for consultation with local authorities in the requirement for notice.	We fully support this amendment.
10	**Initiation of Annexation**	Require that a municipality initiating an annexation must notify the Minister of Municipal Affairs and all local authorities that operate or provide services in one or both of the affected municipalities be notified.	We fully support this amendment.
Municipal Collaboration with School Boards			
11	**Benefitting Area Contribution**	Provide municipalities with increased flexibility to use a 'benefiting area contribution structure' that would support land dedication and development parameters with respect to assembly of parks and school sites.	At this stage we require additional information as to how this would be implemented. This appears to be bringing forward the matter of Municipal and School Reserves which were discussed in 2015 as part of the MGA Review. This is a complex matter with substantial implications on the design on communities. Specific

#	Topic	Proposed Changes	CHBA – Alberta Comment
		From context preamble: • *This structure would give municipalities the ability to define a geographical area in a developing area that will benefit from larger assembly of land sites, such as the catchment area for children attending a high school.* • *This benefitting area will typically have more than one developer involved in developing the land. Once the benefiting area is defined, municipalities would identify which developers' subdivision will contain the reserve land site.* • *The municipality would then be enabled to collect up to half of the other developers' maximum 10% contribution in funds rather than in lands, and the resulting funds could be used to compensate the developer where the site is located (for the additional land required for the site above and beyond the normal 10% dedication).*	consultations should occur that all parties can discuss a potential framework. Our understanding is that this policy would follow through with the municipal / industry consensus item related to municipal, school and special reserves. This capped the total amount of reserve lands at 10% but provided flexibility to municipalities in the following manner: • 5% of lands or cash-in-lieu dedicated solely as municipal reserve (MR) within the subdivision; and • 5% of lands or cash-in-lieu to contribute to either a regional park, school reserve or additional municipal reserve within the subdivision. We remain supportive of this approach so long as it ensures portions of the reserve lands be used for parks within the neighbourhoods who are contributing versus all of it going to regional parks.
12	**Mandatory Joint Use Agreements**	Require municipalities to enter into JUAs with school boards within their municipal boundaries and to collaborate with respect to addressing the effective and efficient use of municipal and school reserve lots. The contents of a JUA would include: • the process for acquiring and disposing of land and associated servicing standards for the schools; • a process for enabling and developing long term and integrated planning for school sites/facilities; • a process for determining access agreements for facilities and playing fields, including matters related to any maintenance, liabilities and fees; • a dispute resolution mechanism agreed to by both the municipality and the school boards;	The existing MGA and proposed amendment fail to respect the fact these lands were dedicated to a municipality / school board for a specific purpose. A developer provides these lands with the expectation facilities will get built. Residents who purchase lands in these neighbourhoods have a reasonable expectation that lands dedicated for the purposes of a school will actually contain a school. Currently there is no responsibility for municipalities or school boards to actually build the on the dedicated reserve land. This is a fundamentally flawed process. If land is declared to be surplus to the needs of a school board, it should be firstly offered back to the originating developer. Should the developer decline to purchase the

#	Topic	Proposed Changes	CHBA – Alberta Comment
		• a process for determining ancillary reserve use to complement or enhance the primary school uses for reserve land outlined in the MGA and that have a public benefit; • a time frame and mechanism for regular review of the joint use agreement. Consequential amendments may be required to the School Act and the Education Act.	lands, then the lands can be sold back to the municipality for uses currently described in the MGA.
Off-Site Levies			
13	**Provincial Transportation Systems**	Enable off-site levies, by bylaw, to be charged for provincial transportation projects that serve the new or expanded developments. Require approval of the Minister of Transportation before this type of levy can be collected. Consequential amendment to the Public Highways Development Act may be required to authorize the Minister of Transportation to approve municipal off-site levy bylaws pertaining to provincial highway off-site levies.	Please see our comprehensive comments on this proposal within the main document, Section 2.1.
14	**Intermunicipal Off-Site Levies**	Enable municipalities to collaborate with one another on the sharing of intermunicipal off-site levies, including the expanded uses (libraries, police stations, fire halls, community recreation facilities). *From context preamble:* • *Stakeholders indicated that, in some instances, off-site infrastructure or the benefit of additional off-site infrastructure may extend into developments in another municipality. It was proposed that municipalities should have the ability to levy for off-site infrastructure across municipal borders.* • *In this model, when new or expanded off-site infrastructure is located in one municipality, but the benefitting area extends to one or more other municipalities, off-site levies could be charged to developments in either municipality benefiting from the infrastructure.*	We support the premise of intermunicipal off-site levies as it recognizes the shared responsibility of many pieces of infrastructure. As with any levy, the specifics related to implementation, calculations, appeals and transparency are rather complicated. Applying levies across m8unicipal boundaries adds an additional layer of complexity which was not considered as part of the consultation on the levies regulation or the intermunicipal collaboration frameworks. It is critical that the province invests the time to consult with stakeholders on this issue to avoid any unintended consequences which could easily arise. The major risk we see is that without proper legislative guidelines, one municipality could control and dictate development within another municipality.
15	**Validating Existing Off-Site Levy Bylaws**	Specifically, state that any off-site levy fee or charge made by bylaw or agreement before November 1, 2016 is deemed to be valid.	Please see our comprehensive comments on this proposal within the main document, Section 2.3.

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16	**Education**	Exempt school boards from paying off-site levies on non-reserve lands that are developed for school board purposes.	In most situations, Off Site Levies have been paid on lands that have been subdivided. If a School Board acquires land that has not paid levies, then it should expect to pay those levies and should factor that into the land acquisition price. It is very problematic if this does not occur as levies are calculated based on the non – MR land available. If some of that land (the denominator of the levy calculation) can be exempted (but we don't know how much if any) then the calculation will be incorrect by an unknown amount and cause yet more costs to be incurred by the neighbourhood residents. If the school board benefits from the services, they should be expected to contribute to that infrastructure, just as the residents have to.
Conservation Reserve			
17	**Transfer of conservation reserve**	Require the municipality receiving the annexed land to pay compensation to the other municipality for any conservation reserve lands within the annexed area in the amount that the municipality originally paid for the land.	No comment.
18	**Transfer of conservation reserve**	Specifically state that the proposed new Conservation Reserve designation is treated the same as these other categories of land and that the designation would remain on that land until such time as it is changed through any required processes.	No comment.
19	**Identification of conservation reserve**	Clarify that in addition to other types of reserve land that must be included in an MDP, a municipality may include policies addressing the proposed new conservation reserve designation, including types and locations of environmentally significant areas and the environmental purpose of conservation.	Please see our comprehensive comments on this proposal within the main document, Section 2.4.
20	**Identification of conservation reserve**	Specifically state that municipalities may develop policies addressing reserve lands within their area structure plans. This would include identifying types and locations of environmentally significant areas and the environmental value of conservation.	Please see our comprehensive comments on this proposal within the main document, Section 2.4.
21	**Exempting conservation**	Exempt land designated as conservation reserve under the proposed new provisions from paying municipal property taxes.	We support this proposal **IF** municipalities are required to exempt conservation lands from paying property

#	Topic	Proposed Changes	CHBA – Alberta Comment
	reserve lands from paying municipal property taxes.		taxes at the time the land is designated as Conservation Reserve, regardless of the owner. The lands should not become exempt only when purchased by the municipality (as has been proposed by the City of Edmonton).
22	**Disposal of conservation reserve**	Allow municipalities to dispose of land designated as the proposed new conservation reserve when a substantive change outside of municipal control occurs to the feature being conserved, while ensuring the public process used to dispose of municipal reserve and school reserves is followed with the disposal of conservation reserve lands Specifically state that any proceeds from the disposal of conservation reserve would have to be used for conservation purposes.	Please see our comprehensive comments on this proposal within the main document, Section 2.5.
Compliance with the Linked Tax Rate Ratio			
23	**Compliance Timeframe**	Add a provision requiring municipalities to comply with the proposed maximum tax rate ratio. Allow the Minister to set a schedule with progressively lower maximum tax ratios that municipalities exceeding the 5:1 ratio would have to meet in the intervening years. The Minister would have authority to set timeframes by which municipalities or groupings of municipalities would have to reach the 5:1 ratio, based upon how much their local ratio diverges from the legislated 5:1 ratio. Municipalities would always set their own tax rates, but within the ratios set out in the regulation. Add a provision giving the Minister authority to exempt a municipality from any aspect of the proposed compliance schedule if and when they consider it appropriate.	No comment.
Taxation of Intensive Agricultural Operations			
24	**Levy on Intensive Agriculture**	Explicitly authorize municipalities to pass a bylaw imposing a levy on intensive agricultural operations. Also authorize the creation of regulations respecting the intensive agricultural operations levy including: • the definition of intensive agricultural operations; • the calculation of the levy;	No comment.

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		• the purposes for which funds collected through the levy may be used; and, • any other matter necessary or advisable to carry out the intent and purpose of the levy.	
Access to Assessment Information			
25	**Access to DIP Assessment Information**	Include provisions in the proposed new legislation to allow a municipality to request information regarding assessments of designated industrial property in their jurisdiction. The provincial assessor would have to comply with this request except while there is an active complaint from the municipality on the property.	No comment.
26	**Providing the Information to Municipalities**	Specifically state that information provided to the province by property owners under sections 294 and 295 could be provided to municipalities upon request, subject to confidentiality requirements.	No comment.
Assessment Notices			
27	**Notice of Assessment Date**	Requires municipalities and, in the case of the proposed MMGA provisions, the provincial assessor to set a "notice of assessment date" which would be required to be between January 1 and July 1. The notice of assessment date would be included on assessment notices, and assessment notices would be sent prior to the notice of assessment date. Enable municipalities and the proposed provincial assessor to establish additional notice of assessment dates for amended and supplementary assessment notices, which could occur at any time throughout the year. The deadline for filing a complaint about an assessment would be 60 days from the notice of assessment date.	No comment.
Clarity Regarding Tax Exemptions			
28	**Taxation of Provincial Agencies**	Specifically state that properties owned, leased and held by provincial agencies (as defined in the Financial Administration Act) are taxable for the purposes of property taxation. This would not include Alberta Health Services, housing management bodies established under the Alberta Housing Act, schools, colleges and universities.	No comment.
Corrections to Assessments Under Complaint			
29	**Changes to Assessments**	Establish the following process for revising an assessment that is under complaint:	We support the proposed change as it would allow for a more expedient process.

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	under complaint	• Require an amended assessment notice, along with written reasons for the changes to the assessment, to be sent to - the assessed person; - the municipality (if the property is Designated Industrial Property); - the complainant (if it is not the assessed person); and - the assessment review board or Municipal Government Board (depending on the property type). • Require the assessment review board or Municipal Government Board to cancel the complaint, notify the property owner of the cancellation, and refund the complaint fee.	

General Technical Amendments

#	Topic	Proposed Changes	CHBA – Alberta Comments
General Technical Amendments – Governance			
30	**Other Requirements for a Petition**	The absence of affidavits makes it difficult to determine the validity of signatures, and therefore the overall sufficiency of a petition. The inclusion of an explicit provision requiring affidavit submission will assist in either compelling their submission or finding the petition to be insufficient.	No comment.
31	**Contents of an Operating Budget**	This amendment would ensure that funding obligations under proposed ICFs would be addressed, and will also continue the provisions in a soon-to-expire regulation governing the sharing of revenue from Improvement District 349 in the Bonnyville-Cold Lake region (ID 349 Revenue Sharing Regulation).	No comment.
32	**Advertisement Bylaw**	Some stakeholders raised concerns with the potential lack of transparency that could result. 606(2)(d) and 606.1 allow for the same form of notification while including additional transparency and accountability measures if a council wants to use such alternative notification methods. In practice, this means that a municipality could still use their website as a means of satisfying public notification requirements, but only if a bylaw had been passed, following a public hearing, to enable this approach.	No comment.
33	**FOIP and Closed Council meetings**	The Privacy Commissioner has identified that the reference to the exceptions from FOIPP should be replaced by specific provisions in the MGA or associated regulations. This change would allow the description of the exceptions to be clearer by framing them in the context of meetings. The exceptions will be incorporated into the proposed Closed Council Meetings Regulation.	No comment.
34	**Form of Nomination The Local Authorities Elections Act**	This is consistent with the intent of requiring all municipalities to have a code of conduct in the 2015 MGAA.	No comment.
35	**Revision Authorized**	Stakeholders have expressed a need to clarify the process for correcting minor errors to bylaws.	No comment.
36	**Requirements Relating to Substituted Bylaws**	Stakeholders have expressed a need to clarify the process for correcting minor errors to bylaws.	No comment.

General Technical Amendments—Planning and Development			
37	**Environmental Reserve** s.664(1)(a) This section identifies the types of land that can be dedicated as Environmental Reserve during subdivision application processes.	Changing swamp to wetland will modernize the language in the MGA and harmonize the legislation with the wetland policy that was developed by Environment and Parks.	Please see our comprehensive comments on this proposal within the main document, Section 2.2.
38	**Statutory Plans** s.636.1 The MGA addresses notifications with respect to statutory plans and the provision of opportunities for suggestions or representations regarding those plans.	Alberta Transportation has indicated that this will assist with their long-range planning.	This already occurs in almost every municipality. The challenge is that AT rarely responds to the submissions and refrains from making decisions in support or opposition to a particular plan. According to the Subdivision and Development Regulation **14** Subject to section 16, a subdivision authority shall not in a municipality, other than a city, approve an application for subdivision if the land that is the subject of the application is within 0.8 kilometres of the centre line of a highway right of way where the posted speed is 80 kilometres per hour or greater unless: *(e) the land is contained within an area structure plan satisfactory to the Minister of Transportation and the proposed use of the land is permitted under that plan.* The lack of response from any ministry should indicate acquiescence to an Area Structure Plan.
39	**Subdivision and Development Appeals**	Development permit decisions can be posted, advertised or mailed, depending on a municipalities land use bylaw. Maintaining this provision, as is, would mean that mailed notices would have 21 days to file an appeal, but that published or advertised notices would only have 14 days.	No comment.

		An amendment to adjust this section to make the appeal period the same for posted, advertised and mailed and published notices was not possible through house amendment.	
General Technical Amendments—Assessment and Taxation			
40	**New** **Extension of Linear Property Regulation**	This regulation treats electric power generation plants that have the ability to sell power as linear property for assessment and taxation purposes. The Extension of Linear Property Regulation is a section 603 made regulation that expires June 30, 2017. There is a need to have the regulation remain until the matter is dealt with in the Matters Relating to Assessment & Taxation Regulation (MRAT)	No comment.
41	**New** **Electric Energy Exemption Regulation Elevation**	The regulation enables the making of a Ministerial Order to exempt components used for or in the generation of electricity of 'electric power systems' from paying education property taxes. The Electric Energy Exemption Regulation first came into effect January 1, 2001 to provide for the consistent property assessment of all types electric power generating systems, to provide for a tax incentive that would attract industry investment, and to mitigate any adverse financial impacts for certain municipalities in a deregulated market environment for electric power generation. This regulation expires on June 30, 2017 and cannot be renewed under s.603 which provides time-limited regulation-making authority. The Municipal Government Amendment Act (2015) saw the elevation of other s.603 regulations in the Act; for others, new regulation-making authority was created.	No comment.
42	**Right to enter on and inspect a property**	Information should only be used for the purpose for which it was collected. Aligning the purposes for which an assessor may request information and perform an inspection would mean that all information in the assessors' possession can be used for the same purpose (i.e. to carry out their duties and responsibilities under the MGA).	No comment.
43	**Assessment information**	This amendment would create a better balance between the access to information rights of property owners and assessors. It would mean that while a complaint is active, both parties are	This requires clarification. It would seem to be more expedient for both parties to divulge information during the complaint process so that fewer complaints end up being heard at the

		only obliged to share information as part of the complaint process.	tribunal stage. It would also appear to violate the rights of the property owner if the records of the assessor were not to be divulged if the property owner files a complaint.
44	**Subclasses**	Applying non-residential sub-classes to property assessments would require additional work and investment in information technology infrastructure for most municipalities. This amendment would allow municipalities to avoid these expenses if they choose not to use non-residential sub-classes.	No comment.
45	**Liability Code**	This code was required because provincial auditors made use of it when auditing municipal assessments – it is not meaningful for property owners or municipalities. It is no longer required for the audit program.	No comment.
46	**Receipts**	Costs associated with issuing receipts (usually by mail) may be unnecessary if property owners do not wish to receive a receipt.	No comment.