

**Title:** Tuesday, November 6, 2007  
**Date:** 07/11/06

**Time:** 8 a.m.

[Mr. Dunford in the chair]

**The Chair:** Okay. I note that a quorum is here, so we'll call the meeting to order. I'd like to welcome everyone, and as usual we'll read our names by way of introducing ourselves. That way it'll be read into the record. I'm Clint Dunford, Lethbridge-West.

**Mr. Taylor:** Dave Taylor, Calgary-Currie.

**Dr. B. Miller:** Bruce Miller, Edmonton-Glenora.

**Mr. Rogers:** George Rogers, Leduc-Beaumont-Devon.

**Ms Dean:** Shannon Dean, Senior Parliamentary Counsel.

**Dr. Massolin:** Good morning. Philip Massolin, committee research co-ordinator, Legislative Assembly Office.

**Ms Sorensen:** Rhonda Sorensen, manager of communications services, Legislative Assembly Office.

**Ms Roth von Szepesbela:** Katrin Roth von Szepesbela, legal research officer, Legislative Assembly Office.

**Mr. Prins:** Ray Prins, Lacombe-Ponoka.

**Mr. Martin:** Ray Martin, Edmonton-Beverly-Clareview.

**Mr. Doerksen:** Vic Doerksen, Red Deer-South.

**Mr. Herard:** Denis Herard, Calgary-Egmont.

**Ms Rempel:** Jody Rempel, committee clerk, Legislative Assembly Office.

**The Chair:** Okay. Now, circulated electronically were both the agenda and the minutes. Any additions to the agenda? Those in favour of the agenda? Opposed? Carried.

The minutes of October 24 were circulated. Any additions or deletions? Those in favour of the minutes? Those opposed? Carried.

Now we have a review of the focus issues document. This is the document that has been prepared by Philip and dated November 2, 2007. Does everyone have a copy of that available? Philip, did you wish to lead us through this document?

**Dr. Massolin:** Sure, I will do. Thank you, Mr. Chair.

**The Chair:** I'm sorry. Just a minute. I'm neglecting my little script here. I need to advise you – but you probably are already aware of this – that follow-up responses have come from Deputy Minister Shelley Ewart-Johnson, the Alberta Association of Municipal Districts and Counties, the Alberta Urban Municipalities Association, Canada Mortgage and Housing Corporation, the University of Calgary Students' Union. As well, three other research papers have been provided following the discussion at the last meeting. Philip and his staff have provided us with a review of inclusionary zoning; affordable housing, the legislative context for inclusionary zoning; and affordable housing, municipal regulatory tools. That brings us up to date on the stakeholder and briefing material. Any questions on any of that?

Seeing none, Philip, if you would like to go forward.

**Dr. Massolin:** Okay. Great. Thank you, Mr. Chair. Before I begin in terms of talking about the focus issues themselves, you, Mr. Chair, had asked me whether there was anything new that was brought up on the part of stakeholders or had they reflected the task force report. I just want to report to you orally now that upon checking, there really wasn't anything substantively new. There are a few things like change sort of the powers and the abilities of the FCSS, for instance, in terms of providing more income support to seniors. The task force report didn't mention that specifically but talked about sort of income supports generally. So, you know, there are some nuance differences like that, but in general what I found is that the task force report basically covered the stakeholders' issues.

**The Chair:** After reviewing all of this, do you suppose that my instructions to them were clear enough, that this is what we were wanting, or did I fail to communicate and they felt that it was just an opportunity for them to reaffirm what they'd originally said? Is there any indication one way or the other?

**Dr. Massolin:** I don't see that the instructions were unclear.

**The Chair:** Okay. I guess we'll assume, then, for the purposes of today that there isn't anything new that people wanted to bring forward after they had their opportunity with the task force.

**An Hon. Member:** Because the report was so good.

**The Chair:** Good is an evaluative term. Let's say it was good and comprehensive. How's that?

Okay. Go ahead, Philip.

**Dr. Massolin:** Thank you. The document is a focus issues document. It's basically a three-column chart that we're looking at here, starting on page 3. What we've done, as you can see, is indicate issues and stakeholder feedback in the left-hand column. In the middle column we've talked about legislative provisions or tools currently available, and then in the right-hand column there are items for discussion.

Now, Mr. Chair, maybe I can get your guidance on this. Would you like me to go through this piecemeal, issue by issue, and allow for discussion after each issue, or would you like me to go through the entire document first and then allow for discussion afterwards?

**The Chair:** I don't know that I have a preference. Any suggestions from committee members as to the process?

**Mr. Rodney:** If you can give us an overview first, that may be a good way to go. Questions later. Just to set the context.

**The Chair:** While we wait for breakfast.

**Mr. Rodney:** It might be more efficient.

**The Chair:** Okay. Ray, you're on limited time. What would your pleasure be?

**Mr. Martin:** I know we can go through the whole thing, but we're not going to solve the debate. I noticed rent guidelines. We know where we stand. We know where the government stands. That's probably not going to change, whether we have a debate here or not, right? But there were some very specific things. I think we have limited time, is what I'm suggesting, to get this report because we want to bring it forward to the session. Am I correct?

**The Chair:** Right.

**Mr. Martin:** I thought the things that we might be able to take a good look at were whether the Municipal Government Act specifically hindered the ability of municipalities to bring in inclusionary zoning. That's something that we'd get our teeth in rather than going through the whole thing, and time for guidelines or not, we all know where that's going to go, right? So that would be my suggestion, that we look at where we can actually have some impact. I thought that's what we would attempt to do, deal with the act and see if there were some barriers there.

**The Chair:** Well, that would certainly be one that would be clear-cut, and right now the act doesn't provide for it. It does happen to be number 1 on our list.

Dave, do you have a problem if we just tackle number 1?

**Mr. Rodney:** Number 1 is just fine with me, Chair.

**The Chair:** Okay. Philip, do you want to lead this, or do you want to sit back and watch?

**Dr. Massolin:** How about if I just go through some of the issues briefly, Mr. Chair, and then I'll turn it back to you. Is that all right?

**The Chair:** Okay.

**Dr. Massolin:** Great. Inclusionary zoning. Yes, number 1 on the list. The basic issue, as everyone around the table understands, is this issue of voluntary or incentive-based as opposed to imposed or mandatory inclusionary zoning. You can see the stakeholder's own concern there in terms of if it's imposed or mandatory, their potential sort of legal ramifications. The city of Edmonton, in particular, brought that up.

Now, in terms of the MGA, the MGA gives the municipalities the ability to control zoning of land in general. It also allows for the municipalities to enter into voluntary agreements for the provision of affordable housing. The MGA permits municipalities to acquire and use land for their affordable housing projects; however, the MGA does not give municipalities explicit authority to require developers to provide affordable housing on the land that the municipality doesn't itself own. The other consideration here is this last bullet point: "the MGA does not give municipalities explicit authority to impose linkage fees."

I'll turn it back to you. The basic issue is whether or not the committee wants to recommend a policy of inclusionary zoning, and if so, what legislative changes might the committee recommend, Mr. Chair.

**The Chair:** Okay. We've started a speakers list. Victor Doerksen.

**Mr. Doerksen:** I just have a couple of questions, Philip, if I could, for clarification. Reading through some of the documents you provided, there seemed to be a difference between voluntary and mandatory. Is there a possibility that if you were to amend the MGA, you could include a voluntary component that's not there now versus mandatory? Is that an option?

8:10

**Dr. Massolin:** Well, I think it might be an option, and I'll maybe ask Katrin to supplement after I'm finished here because she did a lot of work on this. But I think that in terms of the voluntary inclusionary zoning, we're already there.

**Mr. Doerksen:** That was more my question, whether the voluntary part was there. I thought that it would be. I didn't know if we had to amend. Okay.

The second one was clarification on this linkage fee. I wasn't clear what "linkage fees" meant.

**Dr. Massolin:** Well, my understanding is that if it's an imposed situation or mandatory situation, there's the ability to get the developer to pay fees, basically to provide the housing itself, and those fees could be used in turn for other projects. That's my understanding.

Katrin, do you have anything further on that?

**Ms Roth von Szepesbela:** Yeah. There are several types of linkage fees. Where one originated is that some of the people helping to create the development are also granted some of the housing at a lower rate, and then there are linkage fees that are paid into a trust fund that could be held by the municipality, the funds of which will then be used for the creation of affordable housing.

**Mr. Doerksen:** So a linkage fee is paid by whom? The developer or the people that buy the property?

**Ms Roth von Szepesbela:** It is initially paid by the developer. No research has been done as to how much of that would be actually forwarded or asked of the purchasers if it is, in fact, condominiums. But the developer pays up front.

**Mr. Doerksen:** Okay. How is that different now? In our community the city I think has a levy that they put aside for when a community wants to develop their recreational area. So, obviously, there's a provision now under the MGA that allows them to do something similar. I'm lost as to: is that really restrictive in terms of the MGA?

**Ms Roth von Szepesbela:** I suppose that someone has submitted or suggested that the MGA does not expressly permit linkage fees for the purpose of affordable housing.

**Mr. Doerksen:** Okay. Mr. Chair, I think I indicated at the last meeting already that I'm not a big proponent of the mandatory inclusionary zoning. I did read through the research papers that were provided to us, and it wasn't conclusive that they were necessarily effective. There were some positive parts to it, there were some negative parts to it, but nothing really overwhelmed me with evidence that it was actually effective.

The other observation I would make is that to date this committee has only heard from the representatives of municipalities. We have not heard from the developers. It would be really interesting to know what their particular view of the world is. It's probably too late to have them present and still get the report to the Legislature. But just for the record I'm not convinced yet that this is a direction that we want to go.

**The Chair:** Well, maybe we can help with that.

**Mr. Martin:** The task force and this group have said we have a crisis, and the crisis is still going on. With condo conversions we're actually falling behind in rental accommodation. When I see that most of the groups that are impacted – the municipal governments are asking for the ability to do this, and they would have to take the responsibility, you know, for doing it and making the case, and then

it becomes a political decision that they make. I think we should give them the right to do that.

I would disagree. What we and the task force heard – and Bruce was there; Len's not here – is that people did feel that it worked in places like Vancouver and Toronto. It's not going to solve all the problems, but it seems to me that that's something, then, that the local governments can deal with with the developers themselves and try to work it out, but we should give them that right to do it. If this is an impediment – and they think it is – to actually bring on more affordable housing, I think this is one small part of the puzzle, and we should take a look at it. We're not saying they should do it or not. We're giving local governments the right to do it.

**The Chair:** Okay. Bruce.

**Dr. B. Miller:** Yeah. I think there's a middle ground here, rather than getting into debate between voluntary or imposed. I understand where you're coming from. I think I favour some sort of imposition, but I think there's a middle ground. You know, look at Edmonton's situation. The city council just approved requiring a developer to provide 5 per cent for affordable housing, and their legal experts say that if they have an overall plan that includes affordable housing, then they can go ahead and require of a developer the 5 per cent. The problem is that it's the development of the overall plan and then the application of it.

I think what Edmonton has suggested in their submission to us, the changes to the Municipal Government Act, seems to me to mean that there's just a reference to affordable housing in the Municipal Government Act, which isn't there right at the moment. For example, their first suggestion is that in the general jurisdiction clauses there be some reference to affordable housing, and then part 17, division 4, municipal development plans to specifically reference affordable housing, and then division 5 under Land Use that there be some reference to it in reference to land use or zoning bylaws. I think that's really helpful to municipalities.

I mean, their point is that they want an amendment to give more certainty to the opportunity for municipalities to exercise initiatives such as inclusionary zoning. That's not really imposition, I don't think. It's just allowing the municipalities to go ahead and set their own whatever it is, 5 per cent, 10 per cent, and not be threatened all the time, you know, with: well, it's not in the MGA; therefore, we're going to go after you. I mean, that's a line a developer might follow. I think there is a middle ground here that we could pursue.

**The Chair:** Okay. Dave Taylor, then George Rogers.

**Mr. Taylor:** Thank you, Mr. Chairman. I think one of the things that the province of Alberta has to do to show leadership in addressing the affordable housing crisis is to make changes to the legislation that we have on our books or sometimes pass new legislation. But primarily, first and foremost, we need to make changes to the legislation on our books already that either does or is perceived to get in the way of groups, communities, more junior levels of government, private-sector developers who wish to address the affordable housing issue and do something about it.

I think that we do need to amend the MGA to enable and empower municipalities to bring in inclusionary zoning. I would favour mandatory inclusionary zoning over voluntary because voluntary by its very nature could become very costly, could become very difficult to put into effect. There is evidence to suggest that in jurisdictions that have voluntary inclusionary zoning, the cost of the incentives that have to be offered to developers to keep them from taking illegal action is considerably more than when inclusionary zoning is mandated.

I would not for a moment dream of mandating inclusionary zoning without recommending in the strongest possible terms that incentives also be offered to offset the cost to the developer of solving a problem that the developer, after all, didn't cause in and of itself. There does need to be the involvement of things like density bonusing, fast-tracking on permitting, lower development fees, and those are things that perhaps we should talk about in a little more detail in this committee.

On this issue of the MGA not giving municipalities explicit authority to impose linkage fees – and I confess that I'm still not sure that I understand entirely what linkage fees are all about – I'm skeptical about doing that because to my way of thinking linkage fees, putting money into a pot to build future affordable housing if you're the developer, almost suggests to me that that's a way around including affordable housing or nonmarket units in your housing development. It almost sounds as though if we're going to give the authority for a municipality to impose linkage fees, what we're really saying is that it's okay for city hall to say to the developer: well, I'm sensing a little push back from you here on the inclusionary zoning issues, so rather than have you build 10 per cent of your units at below market or affordable housing rates, we'll just get you to put some money into a pot, and we'll put it in somebody else's back yard.

One of the things that came out to me as a positive in inclusionary zoning is that it does to an extent anyway tend to effectively address NIMBYism, and I think linkage fees, if I'm understanding it correctly – and again I say that I'm not sure that I am – might just undo that.

Thank you.

8:20

**The Chair:** George Rogers, and then Ray Prins.

**Mr. Rogers:** Thank you, Mr. Chairman. The current Municipal Government Act as it sits today is very much enabling. A lot of the discussions that we have at this table, frankly, I would suggest in many cases are unnecessary because the municipalities do have a lot of flexibility in terms of what they can negotiate with the development industry.

Now, the issue of linkage fees and the fact that the legislation does not allow for the linkage of funds to be socked away for affordable housing: frankly, I wouldn't want to see that change because the reality is it's not the job of business to build affordable housing. When I say affordable housing, it's in terms of social housing. Business is in the job of doing business, of making a profit. That's what our economy, what this province is based on.

The rules as they exist today allow the municipality to negotiate with the development industry. For example, if Edmonton requires 5 per cent affordable housing in a particular given development, the development industry is going to decide based on a business case whether or not that particular development that they're proposing, with those conditions from the city, will be viable, and if it's not, they won't build it. That's the nature of the business. I believe that there's a lot of flexibility, and the idea that we would create something that would force business just to put money into a pot to pay for something that I don't believe is their responsibility is certainly not something that I would support around this table.

We've talked about a number of things around this table; for example, secondary suites and so on. In many cases – I'm going to be blunt – we have to put the monkey back where it belongs, on the back of the municipalities to make those tough decisions, to make the decisions that are right for their communities.

The MGA does two things. It's enabling. It allows a variety of

different looks to communities, and it allows local decision-making, those councillors and mayors that are elected by the people to make the decisions on what their community should look like. I don't think that as a provincial government, unless we want to start running municipalities, we want to get into that kind of micromanaging. We may be able to improve the flexibility in the legislation, but I certainly wouldn't support putting in any more mandatory pieces that basically start to put a responsibility on the development industry. That's, frankly, not their responsibility.

**The Chair:** Okay. I've started a second list. Were you on, Dave?

**Mr. Rodney:** No, sir. Just Dave and Denis. Just helping you out, sir.

**The Chair:** Okay. Thank you. I can use all the help I can get. Ray Prins, and then Denis Herard.

**Mr. Prins:** Thank you, Mr. Chair. You know, George just about took the words out of my mouth.

What I believe is that affordable housing is not necessarily the responsibility of the last developer so that when some developer is now initiating a new development, it's not his responsibility to provide affordable housing. That responsibility belongs to the broader community, the entire municipality. If there are going to be any linkage fees or off-site levies or whatever you might want to call them, they should be on every residence, every house in the town.

I think if the MGA enables municipalities to do that, that would put the responsibility back on the entire community and not just on the last developer. Forcing a developer to build a percentage of low-cost or affordable housing actually just increases the cost on the balance of his development and increases the cost of housing for the 90 per cent that are not affordable, thereby pushing some of those residents possibly over the brink into a situation where they are now into affordable housing. I think that by mandating these types of things, you're not necessarily solving a problem; you're just creating other problems. I believe that the MGA is probably enabling enough at this point to give municipalities the right to dictate what kind of housing they want in communities, and I would like to leave it the way it is.

Thanks.

**The Chair:** Okay. Denis Herard, and then we'd be on to the second list with Bruce Miller.

**Mr. Herard:** Thank you, Mr. Chairman. I've been listening very intently to everybody's comments. It started out with a premise that we're in a crisis, and when you're in a crisis, then it's, you know, more compelling to act. But I'm not sure we are in a crisis. When I see municipalities – for example, the city of Calgary – sitting down with the apartment owners' association and coming up with a thousand suites for affordable housing under existing infrastructure, then I would say that that goes a long way from changing the definition of a crisis to something that is now manageable. Therefore, I'm not sure that making changes to the MGA that may be difficult for the industry to live with is the answer.

I'm a bit confused, as well, because the city of Edmonton seems to have taken the initiative, and they seem to according to their own legal beagles think that they're on solid ground, that if a development is initially defined prior to going out, you know, to tender and so on as a requirement of that particular requirement, then the industry goes in with their eyes wide open. It sounds to me like they

already have what they need to make this happen. All it really means is that they need to be able to define early enough specific projects that they want to have an inclusion of affordable housing, and the developers will either bid or not bid.

To me I'm not sure we have a problem we need to change, so I guess those would be my comments.

**The Chair:** Bruce.

**Dr. B. Miller:** Thank you, Mr. Chairman. I thought the same way about Edmonton. But they are sticking by their submission to us about the need for more certainty, to have an MGA that really does help them with inclusionary zoning. I mean, the question has been raised about whether the MGA is enabling or not, but in terms of affordable housing you can't say it's enabling, because there's nothing in it about affordable housing at all. Really, I think that's the issue that Edmonton has raised, that they think there should be some referencing to affordable housing at different points just so that they feel that they can move ahead.

They actually recommended that the city of Edmonton work with the city of Calgary and work with the provincial government's administration to draft specific amendments to the MGA, so it's not a question of imposing anything from the provincial level on the municipal level. I don't see it that way. I think we need their co-operation and their involvement. I mean, I can see this committee taking that suggestion and saying: "Okay. We should move with that." What we want is something that really makes a difference but certainly doesn't, you know, tie the hands of municipalities or something draconian that is applied to them because they're the ones that have to work with the developers and get that affordable housing built.

I agree with the sentiment that we shouldn't impose anything. But I don't hear that that's what – they're not really worried about that. They want just to work with the provincial government to come up with something that improves the MGA and really makes it enabling in regard to affordable housing.

**The Chair:** Before I call the next participant, I have a question of Shannon. Regarding enabling in legislation it has always been my view that the difference between the British so-called system and the American system is that in the British system if it wasn't specifically prohibited, then there was a residual right that you could carry forward, whereas in the Napoleonic code or the American system you had to be given the specific right. Our members here are discussing whether or not the MGA as an enabling document would specifically have to state affordable housing. If it had to state affordable housing, wouldn't that be the American situation? Would not the fact that it's not stated give the municipality the right to use the enabling spirit of the MGA?

8:30

**Ms Dean:** I think the broad powers that are spelled out in the MGA right now would allow for affordable housing in terms of what's going on in Edmonton and Calgary. As I understand it, the concern is simply that the city of Edmonton, for example, is facing some challenge from developers. They're taking issue with the fact that there's no explicit reference in the MGA to affordable housing, so they're questioning whether or not the city has the authority.

**The Chair:** The courts will decide that eventually.

**Ms Dean:** Yeah. But I don't share that view. As most of the members here know, the MGA is a very broad document, and it

downloads a lot of responsibility with respect to development and zoning, et cetera, to the municipalities. It's a matter of whether or not you want to go forward and recommend a specific reference to affordable housing in the MGA. In my view, it's not required.

**The Chair:** Okay. Thank you.

**Mr. Martin:** Well, it doesn't matter whether it's our view or not because the cities and the AUMA perceive that it is a problem. They've obviously run into it. It seems to me that rather than micromanaging – I think that's precisely what we're doing here. We have local governments that are asking for this to be included so that they can move ahead. It seems to me that they see this as a problem. We're micromanaging and saying: it's not a problem; do what you can. I think it would be better in their view – it becomes a political decision on their part, whether they want to do it or not, you know, to put 5 per cent or 10 per cent or whatever, as some of the other cities have. I think that it should be best dealt with at that level.

You know, whether it's a crisis or not, I would suggest that it is from the calls that I'm getting in my office. With condo conversions we're actually losing more rental units than we can build in the next three or four or five years. One of the reasons we have this committee called the Policy Field Committee on Managing Growth Pressures is because, obviously, I think, regardless of one's political stripe we see some problems. We decided in this committee that housing was one of them even after we'd had the task force. We're trying to say: are there some specific things that don't have to deal necessarily with ideology, you know, like rent guidelines or whatever, that we can do? These are specific things that we were asked to take a look at.

They, obviously, don't think that enabling legislation allows them to do it, for whatever reason. The fact is that if we include it in the MGA, it gives them the right to do it, and they can negotiate with the developers. You know, they're elected, the same as we are, to make those decisions. I would suggest that rather than us making that decision here, it would be much better to do it at the local level.

**The Chair:** Okay. Thank you.

**Mr. Taylor:** I support the arguments that Mr. Martin just made. You know, on the one hand, I'm all for giving more autonomy and more authority to urban areas. That's where well over 80 per cent of our people live now. I think decisions are best made closest to the people that they affect. So, yes, I would like it if the cities would go ahead and simply deal with the problem.

On the other hand, if we allow the cities or encourage the cities or wash our hands of the affordable housing crisis and say to the cities, "Here. You've got all the authority you want. It's not specifically written down, and under British parliamentary tradition we believe it doesn't specifically need to be written down in order for you to do it. You just go ahead, and don't worry about the confusion. Oh, and by the way, if the developer decides to sue you, you deal with that in court over the next three or four or five years or however long it takes to work its way through the court process," then I think we're doing the people who are struggling to find adequate, affordable, available housing in the province of Alberta a real disservice.

We do not want to do anything, I believe, at this level, in this committee, that merely results in long, involved court action because that doesn't get housing built. That doesn't get people digging basements and swinging hammers. It doesn't get people into homes, and everybody needs a home.

Now, what we're talking about here, it seems to me, is an amendment to the Municipal Government Act that specifically

references affordable housing, that specifically empowers municipalities to use the tool of inclusionary zoning, setting their own percentage targets and their own timelines – 20 years, life of the building, whatever it is – that says that the provincial government is supporting and backstopping the municipalities in their own efforts, which we, after all, are encouraging, to solve their own local affordable housing crisis. It just makes sense to me. I don't know why we wouldn't do it.

The notion was referenced earlier that we, you know, somehow have to put the monkey back on the backs of the municipalities, and the implication there was that we have to get the municipalities to do their job. How do we get the municipalities to do what we see as their job if we refuse to define what that job is? You can't have it both ways at the same time. I think that what we can do without infringing upon the rights and the responsibilities of municipalities is make this legislative change or recommend that this legislative change be made to support municipalities in the efforts that they're already undertaking to solve the housing crisis that they have in their own backyards.

**The Chair:** Okay. That is the list that I have. I want to make sure everybody gets heard from. Dave Rodney.

**Mr. Rodney:** No. If I had different comments, I certainly would bring them forward, but I believe that they've been taken care of. In the interest of carrying on, I'd prefer that you get on with the agenda.

**The Chair:** Victor, then Bruce.

**Mr. Doerksen:** Bruce can go first. He was up first.

**Dr. B. Miller:** Okay. I just wanted to respond, Mr. Chairman, to your point about including a list of things in the act.

**The Chair:** Well, I didn't make a point. I was just getting some clarification on behalf of the committee.

**Dr. B. Miller:** Well, looking at the MGA and just the section on municipal development plans, there are all kinds of things already listed there. There are two sections: a municipal development plan "must address" a number of items and then "may address" other items. I mean, if you don't like the imposition, they might put the affordable housing under "may address" rather than "must address." But that's the kind of micromanaging that I think we don't want to get into here. I would prefer just to recommend that further work be done by the provincial government administration in conjunction with the cities of Calgary and Edmonton to come up with something. I think that affordable housing could easily be included in the list.

**Mr. Doerksen:** I just want to make a comment. If we go back – it's a short history, but it's been six months. We had a task force report, right? They made a number of recommendations. Some were accepted; some weren't. But there was a lot of money, in particular, that went to municipalities from the last budget and going forward in terms of promises: up to \$1.4 billion to municipalities to help them with some of their issues and also some affordable housing money. I'd be hard-pressed to say that we've actually seen the full effect of what that is going to accomplish, and I think the market has changed already in those six months.

I think we have given municipalities a lot of tools with respect to funding, in particular. There are some initiatives across this province already where municipalities don't phone and don't talk to

the provincial government and say: should we do this, or can we do this? They just do it, and that's what we frankly expect them to do.

So I think that they have the tools currently to do the job, and my challenge to them is: go do the job you were elected to do.

**The Chair:** All right. Well, what we could do now as a committee to deal with this, I might suggest, is that we could call the question on the inclusionary zoning, which by definition would be the mandatory. If that passes, then, of course, we have the recommendation. If it is defeated, we could call a second vote on your "may" versus "must." If that passes, then we have the recommendation. If it's not passed, then I guess we have the situation where there'll be no recommendation on that. Does that sound like a way . . . Okay. I've got a hand up here from staff.

8:40

**Ms Roth von Szepesbéla:** Thank you. If I could offer some assistance in the discussion between mandatory and voluntary. Yes, this committee can make recommendations with respect to amending the MGA and, as this gentleman put it, either empower or enable municipalities more specifically or mandate that municipalities deal with affordable housing. But there's a second level of mandatory versus inclusionary zoning at the municipal level, which deals with: to what extent can municipalities deal with inclusionary zoning? Can they enter into voluntary agreements as the act currently reads? Or can they require that developers provide affordable housing or require funds in lieu of affordable housing?

**The Chair:** Thank you for clearing that up and making it more difficult to deal with.

I see Ray's hand.

**Mr. Prins:** I just have a quick question. We're talking about amending the MGA, or changing the MGA. A lot of these issues that lack clarity, can they be dealt with by regulations rather than amending the MGA? Like, do we have to open up the act to accomplish this little bit of tweaking that we want to do on some of the wording, or can we actually do that by amending some of the regulations? Who might know?

**Ms Dean:** I can't say that we've looked at that specific question, but my understanding of the MGA is that it would be appropriate to fit it in those sections flagged in the city of Edmonton section submission.

If I can just link to what you were saying, Mr. Chairman, with respect to the stages of decisions that you're putting before the committee, the first question would be whether the committee recommends an amendment that would require municipalities to impose inclusionary zoning. Then depending on how that falls out, the second question would be whether the committee would recommend that the MGA just expressly reference affordable housing as something that a municipality may require as opposed to must.

**The Chair:** That's my understanding of how the discussion rolled over, but with the clarification that we've had, I'm not sure that both those questions handle the issue. Are you suggesting a different process?

**Ms Roth von Szepesbéla:** I'm just suggesting for the committee to decide whether the current municipality act is sufficiently enabling for municipalities to deal with affordable housing in a manner that is voluntary in terms of entering into agreements with the developers

rather than forcing them. Some submissions, as I understand them, are a request of this committee to make recommendation to enable municipalities to require developers to either provide affordable housing or perhaps payment in lieu of affordable housing.

My understanding of the ministry's submission is that the MGA as it currently reads does not enable municipalities to require developers to either provide funding for municipal housing or municipal housing. What the act does is enable municipalities to enter into agreements with developers. Even though it's not specifically listed – it being affordable housing – in the Municipal Government Act, for example, the town of Canmore is already implementing some of those agreements, and from what I understand from the discussion this morning, so are Calgary and Edmonton.

**The Chair:** Okay. If we had three questions and the first question to the committee was, "Are we recommending that municipalities make it mandatory?" that would handle the first one. If that is defeated, then we would go to whether or not we provide them the opportunity to make it mandatory, the municipalities themselves instead of the province. If that doesn't pass, then we'd go to the third one. That would be the Miller compromise, instead of "must" use "may."

**Mr. Martin:** I don't think we've ever said to make it mandatory from our perspective.

**The Chair:** I know, but she's raised an excellent point here, that if we're going to tread into this territory, do we not need to be comprehensive when we do that?

**Mr. Taylor:** Mr. Chairman, if I understood it correctly, I think what she's saying is that we have a situation that exists now, and the town of Canmore example is demonstrative of this. This is what the MGA currently allows.

You've suggested two questions. A question on requiring every municipality to bring in mandatory inclusionary zoning: that's question 1. Question 2, if that one doesn't pass, empowers municipalities to bring in mandatory inclusionary zoning if they wish. If that one were to be defeated, we'd be back to the situation that we're dealing with now, which is that you could pursue the Canmore model; you could pursue voluntary agreements. We wouldn't be in a different place, if the first two motions were defeated, than we are right now. I suppose we could then say that we had specifically recommended the status quo. So the third option, if we defeat the first two questions that you've suggested, would be the status quo.

**The Chair:** We would be back to the existing MGA, and then it would be a residual right question. What Mr. Miller has suggested is that even though we recognize the residual right, we put it in the MGA so that it's there along with a list of others. That way I think we've accommodated every position that I've heard this morning from every member. That's all I'm looking for, that for each member that has a position, we have a vote on that, assuming there aren't 11 positions. But those are three that seemed to come out of the discussion.

Is that a way to proceed?

**Mr. Taylor:** I don't see any disagreement from counsel.

**The Chair:** Okay.

All right. Then the first question, where the province imposes the mandatory situation. Those in favour? Opposed? Okay. Defeated. The second position. Who has got the . . .

**Mr. Rogers:** That the province would expressly allow the municipalities to require.

**The Chair:** Right. That's the issue. Okay.

**Ms Dean:** May I offer this suggestion?

**The Chair:** Sure.

**Ms Dean:** Perhaps the motion can be something to the effect that the committee recommend that  
the MGA be amended with respect to municipal development plans  
to expressly allow for municipalities to impose inclusionary zoning.

**The Chair:** Okay. I didn't call for a motion for that first position. Maybe we'd better call for a motion. [interjections] All right. We understand what the position is.

**Mr. Doerksen:** One second. I want clarification on this amendment if I might. If you were to put that into the MGA, would that now mean that you would have to specify every single thing a municipality could do? By being more specific, suddenly instead of actually making it broader, you make it tighter.

**Ms Dean:** I'm just looking at the MGA right now, the section governing municipal development plans. Under the discretionary provision, which is what we're dealing with here, the subject matters that are dealt with there include such things as environmental matters, financial resources, economic development. There's a basket clause: "any other matter relating to the physical, social or economic development of the municipality." What I perceive to be what you're entertaining as a motion is putting express reference to affordable housing or inclusionary zoning in this particular provision.

8:50

**Mr. Doerksen:** That helps. But right now – and I'm very familiar with it because I'm on their board – the Red Deer Hospice Society went ahead and got land in a residential area and built a hospice. It didn't have to come to the province and ask for permission to do it. It doesn't say in the MGA that you can build a hospice. They just built a hospice.

**Ms Dean:** I would say that's what the basket clause does in that particular provision, and I would also say that the basket clause is probably the authority right now under which you can proceed in this area.

**Mr. Doerksen:** Well, that's my view. Okay.

**Mr. Prins:** My question is: if this next motion fails, what is the third motion?

**The Chair:** The third motion is just that we add affordable housing to a list of mays that a municipality can do.

**Mr. Prins:** Which also means that you're asking for an amendment to the MGA.

**Ms Dean:** Mr. Chairman, I'm sorry. Again, I'm not quite clear on the third motion.

**The Chair:** Well, I'm trying to get Bruce Miller's . . .

**Mr. Prins:** I think the next motion, then, the one that we want to vote on now, would include Bruce's suggestion.

**The Chair:** Would it? Okay.

**Mr. Prins:** The third motion would be that there's no change at all, the status quo.

**Mr. Martin:** We don't need a motion for that.

**Mr. Prins:** Yeah, we don't need a motion for that.

**The Chair:** All right. Then there is only one more vote to be called.

**Ms Dean:** We've got to move this one.

**The Chair:** Oh, we need to move this one. All right. Okay; moved by Bruce Miller. Any further discussion on the motion? Hearing none, I'll call the question. Those in favour of the motion? Those opposed? Defeated.

**Mr. Herard:** Just as a point of order, a very small point. When you started the meeting and you accepted the agenda and the minutes, you did not have any motions on the floor by anyone, so I think you should probably redo that so that the minutes will reflect proper motions for adopting the agenda and the minutes. Your question was, "Does everybody agree with the minutes?" but you didn't have someone move it.

**The Chair:** Oh, really? On approval of the minutes?

**Mr. Herard:** And the agenda. You just forgot to do it.

**The Chair:** Did I do that again? Why are you guys letting me get away with this?

**Mr. Herard:** We're not.

**The Chair:** Obviously, you're not.

**Mr. Martin:** And then some of us didn't care.

**The Chair:** Yeah.

Well, let's revert quickly. I need a mover for approval of the agenda.

**Mr. Rogers:** So moved, Mr. Chairman.

**The Chair:** All in favour? Opposed? Carried.

Approval of the minutes. I need a motion. Ray Prins. All in favour? Opposed? Carried.

**Mr. Rogers:** Mr. Chairman, if I may, while we're clearing up the technicalities, I don't believe the first question that we called was moved by anyone. Unless the staff can correct me, it wasn't moved by anyone. Again, if someone for the record might want to move that first motion.

**Mr. Martin:** That's defeated.

**Mr. Rogers:** Oh, well. But for the record it was dealt with, so again if we're trying to tidy things up, Mr. Chairman. Just offering to help.

**The Chair:** Okay. Ray Martin moved the defeated motion.

**Mr. Martin:** I'm used to that in the Legislature.

I have to leave. Just to get some idea, we're going till 9:30, and where are we going? Right into secondary suites?

**The Chair:** Yeah. We'll move through them individually. Did you want to leave a proxy with the chair?

**Mr. Martin:** Sure. Can I trust you?

**The Chair:** Yes, you can.

**Mr. Martin:** Well, with secondary suites I think it's not a problem. I think people know what I feel about density bonuses because I think it ties into inclusionary zoning. I really want to talk about condo conversions, though.

**The Chair:** Okay. That's 1.6. In the interests of the membership why don't we move to 1.6? Do you want to be first speaker?

**Mr. Martin:** I think I know the answer to it.

**The Chair:** Well, let's get you on record.

**Mr. Martin:** To come back to whether we're in a crisis or not, I know the figures in the city of Edmonton. We'll get updated figures. We actually lost roughly 4,100 to the end of May to condo conversions. These are the city of Edmonton's figures. In the meantime we're building, with the announcement from the provincial government, 3,800 suites, but that's over three years. So we can't keep up. We're losing.

With the condo conversions there are so many loopholes that they continue sort of unabated. In an ideal world we wouldn't need to worry about this, but we do. We just can't keep up with the pace of development. Again, I think we have to do something about condo conversions. One day it's an apartment, you know, maybe not that great an apartment, and the next day it's a condo. There are so many ways to get around it. Bill 34, trust me, does not solve the problems. They're going on all the time, and we hear about them all the time. I again think that we should have, as the last debate, a legislative amendment that would allow the municipalities to at least put a moratorium on or do something about it.

I know it's going on in Calgary. There have been a number of studies. I don't have the figures, the same as I do in Edmonton. Even if we're doing some good things with affordable housing and we're trying to bring it on, that takes time, two or three years. In the meantime we're losing thousands of rental spaces, and that's adding to the homeless problem. Since we had our report, the task force – now Capital housing has 500 more people there.

In both cities and Fort McMurray and all the rest of it homelessness is growing immensely. It's not going down for the spring. Contrary to whether it's a crisis or not – at that level it is – we need something in a temporary way to deal with condo conversions or at least have the municipalities deal with it. It's the same sort of argument that we used with inclusionary zoning. Well, you deal with that now. That's my thought about it, that this is a crisis as far as I'm concerned, and if we're dealing with growth pressures, surely in this committee we have to say that the status quo is not working, especially in these areas. It's just not working.

I apologize, but I mentioned before that I had to be at a meeting at 9.

**The Chair:** Yeah.

**Mr. Taylor:** I think that on the issue of condominium conversions the sensible way to go is to tie it to rental vacancy rates, and if the vacancy rate in a municipality falls below, say, 2 per cent – at least that would be my suggested starting point for determining what the vacancy rate should be – then a moratorium on condo conversions takes effect until the rental vacancy rate goes back up above whatever that target level turns out to be.

**The Chair:** Okay. Denis Herard.

**Mr. Herard:** Thank you. I think part of the problem with this particular subject is that we're dealing with anecdotal information. We have, you know, a member who just recently suggested that we're losing the race with respect to new apartments versus condo conversions. Anecdotally I can say that I was driving to Edmonton not that long ago, and I heard a news item that said that there were 1,200 new apartments approved, you know, buildings that were in fact going into the ground that particular day. Anecdotally I don't know where we're at with it, and I don't think that the role of this committee is to direct changes when we don't have both sides of the coin to look at. So I'm really at a loss to want to do anything in this particular area because we're not the experts. I guess that's my point.

9:00

**Dr. B. Miller:** This is a very complex issue. I'm just skimming through the submission that the staff have provided. I really compliment the staff for their work. This is the November 5 document, Affordable Housing: Regulatory Tools Available to Municipalities. There are a couple of pages that review the Condominium Property Act, and there are various ways in which there really isn't very much that's in the act that imposes anything as far as condominium conversion, if I'm understanding this correctly. It would be nice if somebody could sort of run through this. I kind of agree with Denis that, you know, rather than look at it from an anecdotal point of view, we need to pay special attention to the actual Condominium Property Act, which I haven't really been able to review. I was focusing on the MGA, so this is kind of new for me.

**The Chair:** Philip, do you have any comments you'd like to make?

**Dr. Massolin:** Well, just briefly, and then I'll turn it over to Katrin, who did the work on the Condominium Property Act. It certainly appears that municipalities currently do not have jurisdiction to impose restrictions or qualifications in terms of the use of condominium units, but Katrin will supplement that.

**Ms Roth von Szepesbela:** Yeah, that is correct. Currently the Condominium Property Act is quasi silent on municipal powers when it comes to affordable housing. There's no mention in it. I answered that question because it was raised by one of the members here. The question is: is this something that needs to be addressed in the Condominium Property Act, or is it something that needs to be addressed in the MGA or the Residential Tenancies Act?

The one part in the Condominium Property Act where there's reference to municipalities is that they issue or direct the issue of a certificate if there's a condominium unit development or conversion. However, one of the loopholes, as I understand them, is that if the building at any time has received the initial development permit at the time that the building was built or put to purpose and there was a certificate issued at the time that permitted condo conversions, the municipalities currently do not have the power to refuse the issue of

that certificate, but the act as it presently reads states that the municipalities shall direct the issue of a certificate. So there's no power for the municipality to say: "Whoa. We don't want to issue that certificate at this time because you're converting rental property into condominiums, and we can't do that at this time."

**Mr. Rogers:** Mr. Chairman, maybe just to follow up on that point, what tends to happen is that buildings are developed initially and the approval that they receive is for a condominium, but they're never used as condominiums. They are treated as rental property for many years, and then when the market conditions are attractive or what have you, they are sold off as individual units. What we've just heard is that while a particular building may be perceived to be going through a condo conversion, the reality is that it was always, from day one, a condo; it was just never treated as such. Hence, what is considered by, certainly, anyone looking at it as a loss of rental accommodation is that that building is undergoing a conversion when, in fact, it's just being put to the use that it was originally approved for because there's nothing that says you can't rent a condominium.

A number of members around this table own condominium units in this city. There's nothing other than the bylaws of that condo project that would prohibit you renting those suites. So potentially all of the suites in a given condominium project could be rented, particularly if the control of the board is large enough that that would be allowable. That's the distinction there.

**The Chair:** All right. Any further speakers on this?

Now, what is the wish of the committee? We really directed ourselves to kind of look at, I guess, legislation that might be impediments, but we tended to focus on the MGA. Is this something we want to bring into our report? I'm seeking direction here as to how we might deal with this.

**Dr. B. Miller:** Well, Mr. Chairman, I don't know. Maybe George could clarify this. The issue, it seems to me from the documentation that has been provided, is that the Condominium Property Act does not allow municipalities to impose any conditions on a condominium development plan, so it can't prevent or delay condo conversion. This is the conclusion of the staff. I'm not sure. I have difficulties with that.

**The Chair:** What I heard was that it was meant to be a condo right from the get-go in the original development, and all that happened was that now the future has unfolded the way the future was to unfold.

**Dr. B. Miller:** Okay. That doesn't apply to Monarch Place, does it? That's a different kind of situation altogether. I'm more concerned about that kind of thing. You know, there's a commitment to have a certain kind of affordable housing, and then it was changed.

**The Chair:** Okay. We have Dave and then Victor. Do you have a comment?

**Mr. Taylor:** Let Victor go first.

**Mr. Doerksen:** Yes. I'd just like to clarify on Monarch Place. It's a little different scenario, the issues there, than strictly taking an apartment and converting it to a condo. The issue with Monarch Place, of course, was that it was designated as affordable housing and that there was money put in by the government of Alberta to allow that to happen. Even though there was a clause in place that

said, "If you are to convert this to a market-base rent, you have to repay that money," which in fact they're going to do, the issue that we had in our city with that was that the original intent of that was for it to be an affordable housing unit and to stay an affordable housing unit. Then they were able to find a way around it. That was what really caused the angst in our community, and rightly so. It should have.

It's a slightly different problem I think than the one we're talking about today. I would think that for any units that we now have, their legal parameters in the agreement when they're signing these affordable housing grants have been changed to make sure that doesn't happen again. At least, I trust that's the case.

**Mr. Taylor:** On the issue of converting rental units to condominiums, though, Mr. Rogers may very well be right about some buildings that were originally built as condominiums, and over the years or perhaps even decades most, in some cases maybe even all, of the units in that building have been rented out by the condo unit owners to tenants. I don't think that he meant to imply – at least, I hope he didn't – that every single rental unit in the city of Calgary over the last year that has been converted to a condominium actually was a condominium to start out with. Certainly, some of them were built before anybody had contemplated the concept of a condominium.

There's a legitimate point there in terms of buildings that were always intended to be condominiums, but let's not confuse that with old rental stock. There's tremendous profit potential right now in buying them up for, you know, a fairly comparatively low price, in some cases doing not much more than a lipstick job worth of renovations on, and then turning around and selling them as, again comparatively to the general market, lower end priced condominiums. It doesn't change the fact that we are losing rental housing stock at a time when it's in short supply to begin with, and we need to build more. That's the rationale behind a temporary moratorium – well, I guess any moratorium is temporary – on condominium conversions. We do need to deal with the issue that people are having a heck of a time keeping a roof over their head in many, many locations in the province of Alberta and not just shuffle it off as saying that this is somebody else's responsibility.

9:10

**The Chair:** I hear what you're saying, but we're clearly operating in a bit of a vacuum here because we have not had representations made on this. In trying to accommodate a member that had to leave early, we've really opened up a can of worms here.

**Mr. Taylor:** Mr. Chairman, if I may, then. Can we postpone discussion of this until our next meeting, on the 20th?

**The Chair:** Yes, I think we're going to have to and in the interim decide whether or not we want to deal with this or, you know, in the report itself say, "Look, this is an issue that came up during the discussions, and we choose to continue to look at it," or something like that. But we'll give ourselves between now and the next meeting to decide that. Is that fair enough with everybody?

**Mr. Taylor:** Agreed.

**Mr. Doerksen:** If I could ask our research group, because they're so accommodating and wonderful, to actually examine the change to the legislation we made in the spring to find out what the loopholes, if there are any, might be that people are getting around.

**The Chair:** Yeah, let's start there, I think. Would that be fair with everybody?

All right. Now, we've got about 18 minutes here. Let's go back to secondary suites. Any discussion by any member on this? It doesn't appear that there's any legislative change required.

**Mr. Taylor:** I just want to add a comment into the record, and I don't know whether this leads to any kind of recommendation on the part of the committee or not. I must say that I was shocked and appalled, when the Deputy Minister of Municipal Affairs and Housing was here before us at the last meeting, to learn that despite the changes that have been made and the amendments to the building code, the fire code, attempts to allegedly provide flexibility, we seem to have created a situation which just makes it easier to not do something on this secondary suite front. I believe she said – I don't have *Hansard* in front of me right now – that in the last three months only 75 new secondary suites had been approved for construction, for development across the province of Alberta. Surely, we can do better than that. Whether this committee has a recommendation that can encourage, enable, coerce, cajole the doing better, the better performance than that or not, I don't know, but it has to be said that 75 new secondary suites in three months is not even going to come close to solving the affordable housing crisis in the province of Alberta.

**The Chair:** Okay. Any other member wish to speak?

**Mr. Prins:** I heard her say that too, that there were 75, but I didn't think that that was all that was being built. I think maybe that was on new housing where there was secondary. There could be all kinds of conversions or upgrading to existing houses in addition to that. I wasn't shocked and appalled. I was maybe surprised by that number, but I didn't assume that that was the total amount.

**The Chair:** Okay. Bruce Miller and then Denis Herard.

**Dr. B. Miller:** Yeah. I think I agree with the inclusion in terms of there are no legislative changes required. I did do some reading about B.C. North Vancouver has really gone a long ways to encourage secondary suites and the legalization of secondary suites and publicity. There's a lot of NIMBYism around secondary suites. They've passed bylaws which look really good in terms of legalizing secondary suites, but I can't find any evidence that the B.C. province had to change any legislation to allow that to happen. It appears that the municipalities are quite free to develop their own bylaws in respect to secondary suites. If I'm wrong on that, I would like to be corrected, but that seems to be the case.

**The Chair:** Well, it's stated as the case. We've all been invited to AUMA, and instead of sitting there listening to all of their things about what government should do, maybe we can get up and go to the mike and say what we think they should be doing.

Denis Herard.

**Mr. Herard:** Yeah. I'm not all that surprised by that low number because part of the problem, as I see it, is that very few people understand initially, when they go into this, that if you create a situation where your property generates an income, then at some time in the future when you go to dispose of that property, even though it may be your primary residence, there will be reckoning with the tax man about that. I think that once people understand that, they prefer to go the sort of underground route because then there's no record of income against which they would have to take capital gains and so on when they dispose of it. So I'm not all that surprised that people, once they look into it, find that there are a lot

of negatives with respect to taxation and income. I think that that's really a federal issue and one that we probably can't do much about.

**The Chair:** Okay. Dave Rodney.

**Mr. Rodney:** Thanks, Chair. I've been listening intently. Boy, oh boy, when we hear ourselves say that we're operating in a vacuum and that it's anecdotal, that sort of thing, phrases to that effect, I do understand that, but I do think it has to do more with definitions and jurisdictions and responsibilities and philosophy. We're all different, so it's going to be difficult for us to agree on an action plan.

I mentioned definitions. What is a crisis? If a person can't find a home, that's a crisis for them. Is that a crisis for the three different levels of government? Some would say yes, and some would say no. Is it the responsibility or the jurisdiction of the municipal government or the provincial government or the federal government to solve that problem? Where does a person's individual responsibility and ability to make a choice come in? Given that there is an addiction, that's a whole other story.

I guess I'm just of the philosophy that I often hear from Albertans, which is a qualified: the market will take care of itself. Part of the problem is that there's often this lag time, but I just find – and I hear this regularly – that Albertans don't want their various governments running their lives. They prefer the freedom to adjust as they best see fit. So I think our job as a government and perhaps as a committee is just to make recommendations as to how that can be best enhanced. How do we create that environment? I hear people talking about making it forced. I mean, just listen to the tone of that word. That's not going to work well with anyone. I don't know how we're going to agree, to be honest with you, Chair, on making recommendations that would have a municipality forced into something because that would be forced onto the developers and that's forced onto other people.

As much as I'd like it to be a perfect world where we can encourage people, I do believe that at the local level they're closest to what their needs are. I don't want to pass a buck if it's unnecessary, but I do not believe that it's our jurisdiction to be forcing.

**The Chair:** Okay. Any other speakers on this point?

There's no legislative change that appears in front of us right now, but there is an item for discussion: should incentives be given to property owners to bring secondary suites up to code? Let me just add: is there anybody on this committee prepared to make a motion to deal with that? I'm just trying to ask whether or not we've finished this topic and can move to the next one.

**Mr. Prins:** Maybe just a simple comment or an observation. The incentive I believe would be that if you could bring your secondary suite up to code to rent it out, you'll put it on the market. The market will drive those incentives. I'm not sure that municipalities or governments need to create those. The rental income should be incentive enough to get people to move on this.

**Mr. Rodney:** Right.

9:20

**Dr. B. Miller:** From a policy point of view it really would be helpful to people who are thinking of converting a portion of their house into a secondary suite that there be some money that they could draw on because it's quite costly to renovate. I mean, \$10,000 or whatever would be a really good incentive for people to do that. Then, of course, they can rent it out. But are they even going to begin because of the up-front costs? I don't know if that's within the

mandate of our committee to suggest something like that or not, but I think that's a good policy for a government bring in.

**Mr. Prins:** Can I respond to that?

**The Chair:** Yes.

**Mr. Prins:** You know, I think it would be wonderful if you could give somebody \$10,000 to upgrade or to bring their secondary suite up to code, but then there would have to be conditions attached that you're not just going to do a reno on your house and get \$10,000 for that. There are all kinds of other implications that come along with that.

I think there could be a tax break or something like that, but I still think that the market itself would be the best way to regulate these things.

**The Chair:** Well, it is outside of where we thought we were going to go unless there's some compelling need for you to make a motion to do it.

**Dr. B. Miller:** No, I'm not going to make a motion. It was something that the Affordable Housing Task Force was concerned about. We proposed a homeowner benefit program, that the government refused to accept, and that was sort of along the same lines, you know, of helping people, young families, get into the market. That's what I'm suggesting.

**The Chair:** So the task force has then dealt with it.

**Dr. B. Miller:** Well, we didn't actually recommend anything on secondary suites in this respect, but it is part of our own Liberal caucus policy.

**Mr. Herard:** Mr. Chairman, I think that for the record, though, we ought to dispose of these items. While we're talking about that, there probably ought to be a motion with respect to delaying the discussion on the one that Mr. Martin raised before he left.

**The Chair:** Just on that point, if I can. Clearly, we're not going to get through all of these by the end of this meeting, so I think it'll be a natural situation that at the next meeting one of the early items on the agenda is going to be to finish off the focus issues.

Okay. We need a motion so that we can deal with this.

**Mr. Herard:** That in the opinion of the committee there's no further action required on this particular item.

**The Chair:** That's your motion? Okay. Any discussion on the motion?

**Mr. Taylor:** Which particular item?

**The Chair:** We're on: should incentives be given to property owners to bring secondary suites up to code?

**Mr. Taylor:** So we've broken that off separately from the other part of secondary suites? Okay.

**Mr. Herard:** I thought I was making a motion on the entire proposal.

**Mr. Doerksen:** Mr. Chair, I don't think we need a motion on this

one. It's a question that was posed to us. Rather, I would say that if we were going to take some action, we would make a motion. I don't think we need to have a motion not to do something.

**The Chair:** Okay.

All right. On to 1.3, Density Bonuses. We have five minutes, and I'm looking for speakers. George Rogers.

**Mr. Rogers:** Thank you, Mr. Chairman. Again, it references in the material here that the "authority appears to exist in the existing legislation." I would suggest that it does. The process when a developer proposes some new development in a community tends to be fairly extensive. The proponent sits down with the planning department of the community and goes through all of the rationale for what they want to do, what they think the community should look like. The municipality has either some specific requirements or a range of requirements. The process is subject to negotiation, which would include density bonuses. A lot of times it's trade-offs. The developer is allowed to increase a density, but then he may have to widen a road or contribute to the widening of that road or contribute to other services that might be required to service a higher density, and so on. Again, I think that this certainly is a wise course of action, but it's a course of action that currently exists and is used quite extensively in the process of developments throughout the province.

**Mr. Taylor:** I have to concur with George on this one. Had we made what I feel, of course, would have been the right decision, which is to move ahead specifically with inclusionary zoning, then I think it would be necessary that we include density bonusing in the legislation as well because I think the two have to go hand in hand. I hear lots of concerns from municipal levels of government about the need for inclusionary zoning and a belief that they don't have the proper authority to enter into voluntary agreements that will hold up in court. I don't hear very many complaints at all or concerns about the way density bonusing is working right now. So I think that if we've decided that we're not going to recommend inclusionary zoning as something compulsory in one way or another, we don't need to do it on density bonusing either.

**The Chair:** Any other comments?

Hearing none, 1.4, property taxes. Three minutes.

**Mr. Doerksen:** Well, Mr. Chair, if I might again ask our researchers to do a little more work on this, it would be helpful to me. Specifically, I'll reference again Monarch Place, and then get to my point. The issue for the owners of that facility, their point, is that the city had promised that they would not have to pay property tax on that suite, and then it turned out that they had to. So that was their argument as to why they had to do the conversion. I'm not clear whether, in fact, the municipality had the authority to waive taxes or not on affordable housing. I had heard that, in fact, they did have the ability to do that, but again it's not clear from the research paper that is there whether that authority exists.

The same thing would also pertain, probably, to the student housing that has a similar kind of issue. Where does the municipality have the right to waive taxes and where don't they, and what are the grants in lieu of taxes supposed to accomplish?

**Ms Dean:** If I may just offer a preliminary comment. It is my understanding that the MGA would allow for municipalities to defer those taxes, but we'll undertake to do some research and provide that to you in advance of the next meeting.

**Mr. Doerksen:** Okay.

**The Chair:** Okay. That's a handy way. Thank you. That deals with 1.4.

One minute for 1.5.

**Mr. Herard:** I think we're well aware that the municipalities and the department are in fact doing a lot of work on that particular issue as we speak. I don't think that we need to do anything further to that until such time as we hear what the outcome of that work is.

**The Chair:** Okay.

**Mr. Taylor:** Do we have or can we get an estimated date on when that work might be completed? Did that come up?

**The Chair:** I don't recall that there was a date. Did anybody hear? Maybe we can get a response from the department for the next meeting. All right?

**Mr. Taylor:** Okay.

**The Chair:** Okay. To summarize, we've dealt with 1.1, 1.2, and 1.3, but we need to get more information by the next meeting on 1.4, 1.5, and 1.6. So the direction to staff in preparation for the next meeting, which is item 5 on our agenda, of course, is that we'll need that answered. I think, though, that we're probably far enough in where a skeleton of a potential report could be stitched together. Is that a good word? There'll be huge blanks, of course, that we'll fill in, and with all of the laptop computers that are around here, maybe we can finish the draft as we hold the next meeting.

What else do we need for the next meeting? Is that about it? We need a date. Currently what is the date that has been set up?

9:30

**Mr. Taylor:** Two weeks from today, the 20th, at 8 o'clock.

**The Chair:** The 20th, at 8 o'clock.

Now, the Alberta School Boards Association has invited every MLA to their breakfast. Do we have an alternative?

**Mr. Taylor:** The 27th?

**The Chair:** That's a week later.

**Mr. Taylor:** Yeah, that's a Tuesday.

**The Chair:** If we were preparing the report . . .  
Shannon, go ahead.

**Ms Dean:** I sense that perhaps you're hoping that that might be the last meeting of the committee.

**The Chair:** Yes.

**Ms Dean:** What's been done with the other committees is simply that a motion has been passed to authorize the chair to work with staff to develop the final report, and then the report is circulated to the committee members prior to tabling it in the House.

**The Chair:** Oh, I see.

**Ms Dean:** Is that an approach you may want to consider?

**The Chair:** Well, certainly, I don't have any problem with it. It's now time for evaluation of the chair by each member. Is this something you had agreed to do?

**Mr. Taylor:** Now we get to mark the chair.

**The Chair:** Does anybody have a problem with doing it that way? So we'd have the next meeting, and we would then have all of the ingredients for the final report. I would work with staff to get the final report. That would then be circulated for agreement or disagreement by each of the members, and assuming there was agreement, we would then table it.

**Mr. Taylor:** When do we need to table it by?

**The Chair:** Well, the last day is the 6th.

**Mr. Taylor:** So as long as we get it in by then.

**The Chair:** Yeah.

**Mr. Rodney:** Are we moving, then, from the 20th to the 27th?

**The Chair:** Well, just a minute. Maybe I'm assuming that we should move it. How many members . . .

**Mr. Rogers:** The same time? That works for me, Mr. Chairman.

**The Chair:** Does it work? What we established: go ahead with the original schedule?

**Some Hon. Members:** Yeah.

**Mr. Rodney:** That would allow people to go the teachers' breakfast.

**The Chair:** Well, now, just a minute. I'm hearing two things. I'm hearing, one, that we proceed at 8 o'clock with our meeting.

**Mr. Taylor:** On the 27th.

**The Chair:** Oh, on the 27th.

**Mr. Taylor:** Move it to the 27th, but keep it to the same time.

**Mr. Rodney:** Chair, it sounds as though people are open to moving it from the 20th to the 27th.

**The Chair:** All right. I'm only partially confused. Is there a problem with staff? No? Okay.

Now I want to see approval, then, of November 27th as the next meeting. All in favour?

**Hon. Members:** Agreed.

**The Chair:** Okay. Motion for adjournment? Dave Taylor.  
Thank you.

[The committee adjourned at 9:33 a.m.]