

Ministry of Agriculture
BRIEFING NOTE FOR MINISTER FOR DECISION

Ref: 192665

Date: July 31, 2020

Title: Policy options for secondary residences in the Agricultural Land Reserve (ALR)

Issue: Potential regulatory changes to increase options for additional residences on the ALR in response to Bill 52 amendments to *Agricultural Land Commission Act (ALCA)*

Background: On January 27, 2020, the ministry published the *Ministry of Agriculture Policy Intentions Paper: Residential Flexibility in the ALR*. This paper outlines policy considerations to increase residential flexibility and contemplates an Agricultural Land Commission (ALC) registry system for these additional residential options. The paper establishes that consideration could be given to the following options:

- a. Manufactured home;
- b. Garden suite, guest house or carriage suite;
- c. Accommodation above an existing building on a farm; and,
- d. A residence up to 500m² if a manufactured home is the principal residence (i.e., the first residence).

Public comments on the paper were received until April 17, 2020. The ministry also invited all local and First Nations governments to engage on the concept of residential flexibility. Following the outbreak of COVID-19, engagement was extended to May 17, 2020 to accommodate local and First Nation governments' and the ministry's focus on pandemic responses. This delayed the ALR Technical Review Committee's (ALR TRC) analysis of the policy options and completion of its discussion paper. Ministry staff also engaged with the ALC Executive Committee and the full commission of the ALC on these options and received feedback from the ALR Steering Committee (ALR SC).

First Nations Considerations: Treaty First Nations governments that own ALR lands in fee simple are obliged to comply with the ALCA and its regulations. Where a treaty First Nation creates land use laws, the residential flexibility options become relevant as any regulatory changes could mean changes to those laws. To date, Tsawwassen First Nation seems to have the most interest in ALR rule changes as they have fee simple ALR land in Delta.

Discussion: The ministry worked through the ALR SC, the ALR TRC and a sub-working group to finalize the discussion paper that examines the policy and discuss technical details of the options put forward in the policy intentions paper. The final discussion paper is attached in Appendix A, along with a compendium that contains additional information regarding property valuations. The policy options presented below are what is contained in the discussion paper.

The manufactured home provision date of December 31, 2020 is being moved to July 31, 2021 by way of a 'corridor order' this August 2020. Doing so in advance signals that government is progressing towards actioning the policy work and provides transition time for local governments and ALR landowners, if the regulatory amendments for residential flexibility can be finalized and made public no later than January 2021 with an effective date of July 31, 2021.

A communications plan and 'what we heard' summary (Appendix B) have been developed to update ALR landowners and stakeholders. GCPE has reviewed the content of both the plan and report. The intent is to publish an information bulletin in mid-late August advising of the results of the 'corridor

order' along with the 'what we heard' report. The 'what we heard' report will be put on an updated ministry webpage, along with directed emails and coordination with UBCM to distribute information.

The Ministry is seeking approval of an option, and approval to commence regulatory drafting related to that option. Ongoing updates on the additional work identified (residential accessory structures; defining increased land value and understanding how improvements add value to ALR parcels; total floor area; areas without zoning; replacement of structures; and home-plate concept) will be provided through senior executive, an overall project tracking document is attached as Appendix C.

Options: For each option below, the ministry can ensure farming is the principle activity by applying the proposed regulatory amendments to parcels that either have no principle residence or a principle residence. For any parcel that has a principle residence and additional residences (not including the suite), the criteria of additional residential flexibility would already be satisfied. This helps prevent all parcel owners from adding more residences and limits the application of the policy option to parcels that have very limited residential use. It also prevents new owners from adding residences. For example, if a farmer was approved to place three additional residences on their parcel and then sold that parcel to a non-farmer, that new owner/non-farmer would not be able to add a manufactured home or small cottage under the proposed amendments beyond what was previously approved.

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Option 4: Principal Residence and a Secondary Suite and a Manufactured Home or an Accessory Dwelling Unit

An ALR parcel that has only one residence (known as the principal residence) may also have the following:

- One secondary suite within the principal residence; AND
- One manufactured home; OR
- One accessory dwelling unit

Example:

- An ALR parcel with a principal residence:
 - Can include a secondary suite within the principal residence; and,
 - Can chose to add either one manufactured home OR one accessory dwelling unit.

This option provides up to three dwelling units per parcel and provides additional flexibility by allowing the landowner to choose the type of detached additional residence.

Pros

- Provides local government the flexibility to choose the type of additional residences to permit within their bylaws.
- Allows landowners to choose an additional residence type allowed in the regulation or by local government bylaw that is most appropriate for their circumstances (e.g. land size, floodplain issues, desired living arrangements).
- Allows more variety of additional residence types than what is currently or has previously been permitted without having to apply to the ALC.
- Greatest flexibility and alignment with stakeholder feedback when considering combined number and type of additional residences for landowner to use as they desire (e.g. farm workers, family members, caretakers, rental units)

Cons

- An accessory dwelling unit would be a new permitted use that permanently uses space on ALR parcels.
- Increases the ability for landowners to use ALR for residential uses without an agricultural purpose or any farming.
- If many people build permitted residences over time, some parcels may no longer have enough land available for agriculture.
- Landowners' expectations may cause pressure on local governments to align their bylaws with the ALR regulation to permit more additional residences.
- Accessory dwelling units may increase the property value more than a secondary suite or a manufactured home and therefore may make ALR parcel less affordable for new farmers.

Recommendation: Option #4

Approved / Not Approved



Lana Popham, Minister

August 11, 2020

Date Signed

Anna North, A/Director Policy, 778-698-7941

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Ministry of Agriculture, Food and Fisheries
BRIEFING NOTE FOR MINISTER FOR DECISION

Ref: 193199

Date: March 14, 2021

Title: Residential Flexibility on the Agricultural Land Reserve

Issue: Decision sought on residential flexibility on the Agriculture Land Reserve (ALR), which considers new understanding of the impact of manufactured homes (MHs)

Background: Ministry staff have analyzed several proposals for achieving increased residential flexibility on ALR, while preserving agricultural land. These proposals include: 1) allowing an additional residence, of either a MH or accessory dwelling, if no other residence is present; 2) conditions on residential flexibility related to size (TFA) of principal residence; and, 3) conditions on residential flexibility related to size (ha) of parcel.

The proposal to support ALR residential flexibility by allowing additional residences in regulation was originally brought forward and approved in July 2020. (A copy of the DN (Ref: 192665) is attached). However, new information revealed during regulatory drafting challenged longstanding beliefs that MH were easily removable from the land, had minimal impact to the land, and only made a negligible increase to land value. (See Appendix A for more details). Given that the historical understanding of MHs supported the policy rationale for including them as an option for residential flexibility, additional proposals related to the size of principal residence and the size of parcel was requested and is now being considered.

The analysis provided below relied upon Agricultural Land Use Inventory (ALUI) and other data. The data are based on estimated information gathered over multiple years. It has multiple limitations and should only be relied upon for general geographic interpretation. For more information about the limitations of this data, please see Appendix C.

Clarification around parameters related to total floor area and residential accessory structures will be further investigated in a future project rather than in relation to additional residences on the ALR.

Discussion:

Previous Direction – Additional Residence in Regulation

This previously approved option would allow ALR landowners an additional residence if no additional residence was already present. This additional residence would provide greater residential flexibility than the one secondary suite within a principal residence that is otherwise permitted (see Appendix A). The additional residence allowed could be either a MH or an accessory dwelling unit up to 90 m² (approximately 1000 ft²). Once in place, these additional residence options would replace the current option of a MH for immediate family, which will expire on July 31, 2021. A copy of the DN (Ref: 192665) is attached.

Policy Analysis on Proposal 1

The residential flexibility intentions paper contemplated that residential flexibility would be considered within the context of potentially establishing a maximum number and size of residences in the ALR, including restricting the combined TFA for principal and additional residences to not more than 500 m².

The following data on estate homes have multiple limitations and should only be relied upon for general geographic interpretation. In the province, 59 percent of ALR parcels have residences on them. ALUI data suggest that there are approximately 1,300 parcels in the ALR with houses that may exceed 500 m² (estate homes), and approximately 348 of those parcels already have additional residences.

The percentage of ALR parcels with estate homes in ALC administrative regions are as follows: Interior 0.3 percent; Island 0.9 percent; Kootenay 0.4 percent; North 0.1 percent; Okanagan 1.7 percent; South Coast 3.7 percent. Estate homes account for approximately two percent of the dwellings in the ALR. For general information on location of estate homes in municipalities and rural areas in B.C., see Appendix F.

Local governments have the ability to create bylaws related to residential structures in the ALR. This proposal, if adopted, would result in the preservation of approximately nine hectares of farmland. It would also require all local governments considering approving an additional residence to measure the TFA of the principal residence on the parcel. The local government would need to establish that the principal residence does not exceed 500 m² prior to approving the additional residence. This could be viewed as burdensome by local governments and landowners. The extent of such sentiments cannot be determined as this concept was not discussed during local government engagement.

Policy Analysis on Proposal 2

Prior to Bill 52, the ALR was divided into two zones, with different rules for residences in each zone. Bill 52 reunified the ALR as a single zone, ensuring uniform rules for all ALR land. Proposal 2 would establish different rules for different parcel sizes. This could be viewed as a return to a zones policy because certain regions of the province have a prevalence of certain parcel sizes.

Land Title Survey Authority (LTSA) data indicate that the median parcel size in the North ALC Administrative Region is 45.2 ha. In the Interior ALC Administrative Region, the median parcel size is 15 ha, and, in all other ALC administrative regions, the median is less than three hectares. Setting limitations on residential dwellings in relation to parcel size will impact regions differently.

Approximately 70 percent of all ALR parcels are less than 16 ha. If the parcel size threshold was set at 16 ha before a larger additional residence was allowed, approximately 30 percent of ALR parcels would be eligible for the larger additional residence. The South Coast and Okanagan ALC Administrative Regions have the greatest number of parcels under 16 ha. Allowing larger additional residences on parcels larger than 16 ha would disqualify most parcels in the South Coast ALC Administrative Region from benefiting from Proposal 2. See Appendix D.

LTSA data show a significant increase in the number of parcels 64 ha or greater in the North and Interior ALC Administrative Regions. Establishing a parcel size threshold at 40 ha or greater as a condition for a larger additional residence may appear to favor the North and Interior ALC Administrative Regions. See Appendix D.

It is a trend on the ALR that the larger the parcel, the more likely it will be farmed. This is especially true for parcels 40 ha or larger. See Appendix E.

LTSA data also show that approximately 3.5 percent of parcels with estate homes are on parcels 40 ha or greater in size. Approximately 88 percent of parcels with estate homes are on parcels under 16 ha, of which 25 percent already have additional residences. See Appendix G for more information on sizes and locations of parcels with estate homes in the ALR.

During local government consultations, some local governments advised that they had bylaws that required parcels to be a certain size prior to allowing additional residences; however, specific parcel size information was not collected. Local government recommendations for minimum parcel size threshold for additional residences ranged from 1-100 ha.

Options

A table of permissions associated with each option is available in Appendix H.

For any of the options below, the grandfathering of the permission for a MH for immediate family should be extended from July 31, 2021 to December 31, 2021. This extension will provide local governments the six months they need to amend their land use bylaws, in anticipation of residential flexibility regulatory changes being made public at the end of June 2021.

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Option 3 (considers house size and parcel size):

An ALR parcel that is under 40 ha and has a principal residence that is less than or equal to 500 m² TFA may also have the following:

- One secondary suite within the principle residence, AND
- One accessory dwelling up to 90 m² TFA (with no limitations on construction, could be more than one story and have a basement).

An ALR parcel that is under 40 ha and has a principal residence that exceeds 500 m² TFA may also have the following:

- One secondary suite within the principle residence.

An ALR parcel that is greater than 40 ha and has a principal residence of any size may also have the following:

- One secondary suite within the principle residence; AND
- One accessory dwelling unit up to 186 m² TFA.

Implications:

- May preserve approximately nine hectares of farmland, compared to Option 2.
- Requires all local governments to measure the TFA of the principal residence.
- There is no provincial definition of TFA, which may lead to inconsistencies across the province.
- Requires local governments and landowners to know parcel size.
- Option is complex which may create confusion and difficulty for ALC, local governments, farmers, and landowners to implement.
- May be perceived as inequitable by some ALR landowners.
- Increases residential use of ALR.
- Gives more flexibility than the current permission for a manufactured home for family members.
- Approximately 96.5 percent of ALR parcels with estate homes will not be permitted by regulation to have an additional home.

Approved Option: (Please circle approved option)

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Option 3: Consider principal residence size and parcel size; and extend grandfathering of MHs for immediate family to December 31, 2021.



Minister

March 19, 2021

Date Signed

Contact: Arlene Anderson, Director, Policy and Legislation, 778-698-5170

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Appendix A – Details on Manufactured Homes

During regulatory drafting, ministry staff undertook consultation with the Office of Housing and Construction Standards (OHCS), the Manufactured Housing Association of British Columbia and the B.C. Assessment Authority (BCAA) in order to define the sort of MH that could be placed on the ALR without ALC approval. This engagement revealed that the concept of MH has evolved, and these structures are not as portable, prefabricated, or inexpensive as previously understood.

OHCS staff advise that there are minimal differences between MHs (factory-built homes) and traditional ‘stick-built’ homes once they are placed on the land. In relation to market value, preliminary analysis shows that all additional residences add value to a property and the type of additional residence placed is not a significant factor.

To reflect the current ALC policy, MHs in the regulation were to be restricted to those manufactured in accordance with the CSA Z240 and CSA A277 standards. Analysis of these standards show they relate to building safety and not to form or size of the structures. Both the CSA Z240 and the CSA A277 standards allow for the construction of many different types of structures including those with multiple stories, multiple configurations, and multiple materials.

OHCS staff indicate that regardless of CSA A277 or CSA Z240 certification, all factory-built homes require some degree of construction to take place on the land (e.g., plumbing, electrical, foundation, etc.) and thereby impact the land.

In the past, it was believed that a MH would add less value to the ALR land than a stick-built additional residence. BCAA indicated that, from an assessment perspective, both an additional MH and an additional stick-built home add value to ALR parcels

Appendix B – ALRUR Permits Secondary Suite

The Agricultural Land Reserve Use Regulation permits a secondary suite in the principal residence.

“Secondary suites

31 The use of agricultural land for a secondary suite is permitted if there is one suite only, located in the principal residence.”

Appendix C – Data Limitations

Defining ALR Parcels

ALR parcel counts presented in this DN are specific to parcels that are located in the ALR and likely to receive a residence.

Inclusion criteria:

- Parcels with private ownership, defined as Private, First Nations, Mixed Ownership as per Parcel Map BC (LTSA). This includes treaty lands (primarily Tsawwassen); and
- Parcels with greater than 50% by area in the ALR or greater than 10 Ha in the ALR.

Exclusion criteria:

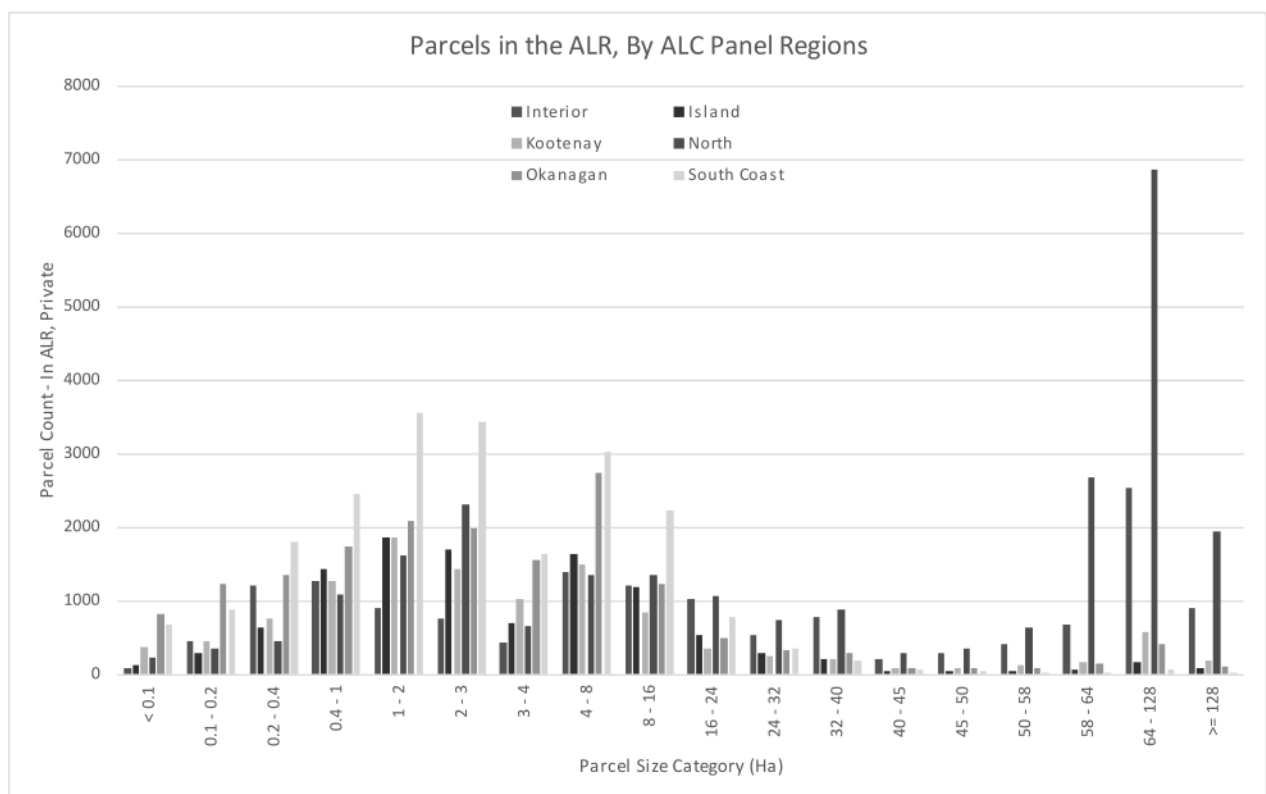
- Parcels greater than 75% by area within provincial, regional, or local park; or
- Parcels on which a public school is located; or
- Roads and Rights of Way as per LTSA or long narrow parcels; or
- Parcels less than 100sqm in total size.
- Note: There were 21,626 parcels with private ownership (as defined above under Inclusion criteria) with some ALR that were not included in the analysis as they did not meet either the minimum percentage (50%) or area (10 Ha) in the ALR. These parcels are detailed in the table below.

Excluded from analysis		
Count	In ALR	ALR_Ha
425	45-50%	1425
779	35-45%	2333
854	25-35%	2322
1027	15-25%	2333
1545	5-15%	2875
16996	<5%	691
Total: 21,626		Total: 11,979

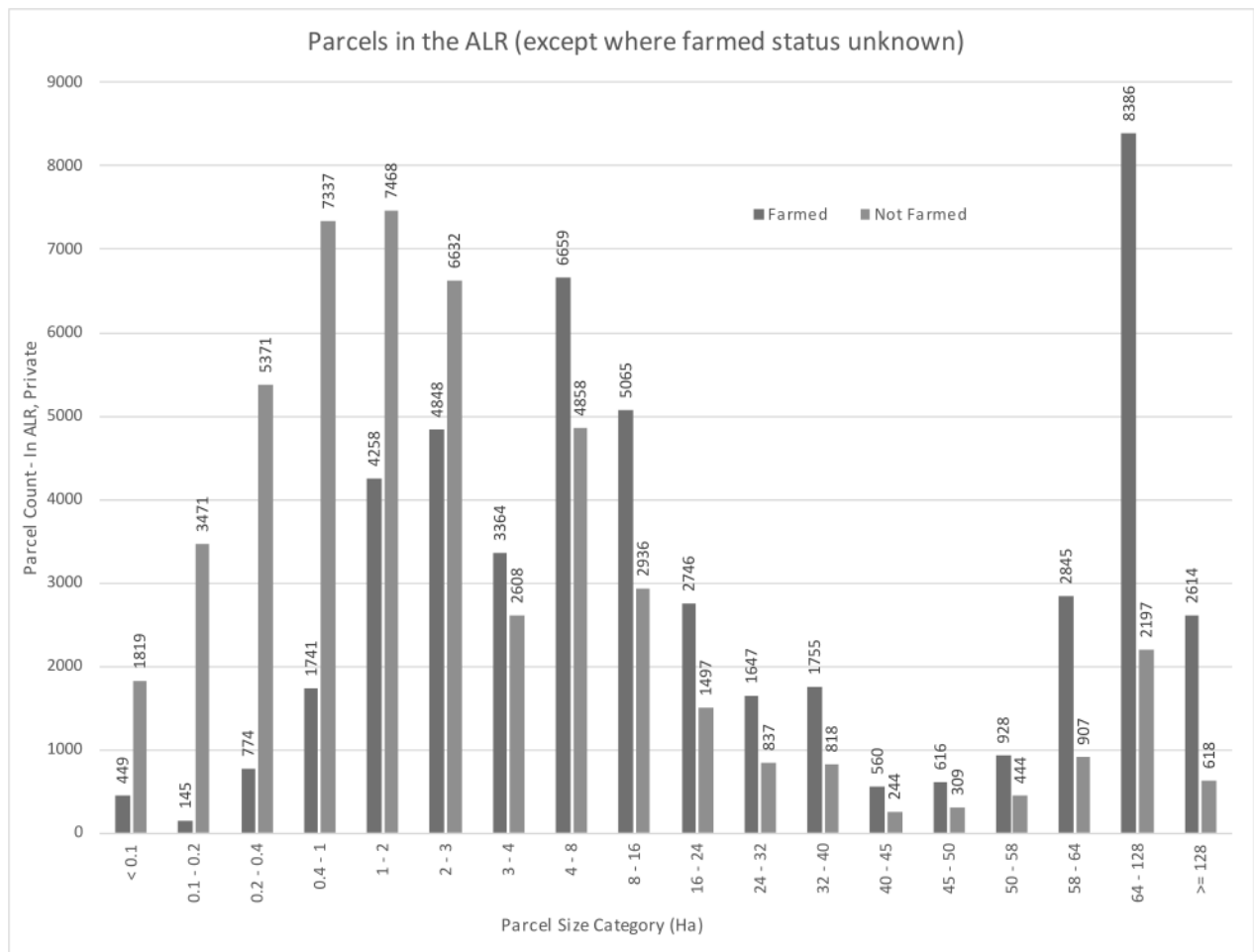
Farm and Residential Use on ALR Parcels

- Data on farmed and residential uses is from ALUI data from various years, except as noted below; and
 - Kitimat Stikine, Bulkley Nechako, most of Fraser Fort George, Cariboo, Central Coast, Northern Rockies was interpreted from BC Assessment data (2020).
 - Residential sizes for these areas are unknown
 - Farmed definition for these areas was calculated similarly to other areas
- Data on residential use in the Peace did not include dwelling size; and
- Residential sizes are captured in the ALUI using visual estimations from aerial photography or from the roadside. It is very difficult to accurately estimate floor area using these methods.

Appendix D – ALR Parcel Size Distribution



Appendix E – Parcel Size and Incidence of Farming















Appendix F – Estate Homes in the ALR

REGIONAL_DISTRICT	MUNICIPALITY (or Rural if outside)	% of Parcels in ALR with estate homes
Fraser Valley Regional District	Abbotsford, City of	19.89%
Fraser Valley Regional District	Chilliwack, City of	17.08%
Regional District of Central Okanagan	Kelowna, City of	9.52%
Metro Vancouver Regional District	Richmond, City of	7.33%
Metro Vancouver Regional District	Langley, The Corporation of the Township of	4.52%
Metro Vancouver Regional District	Surrey, City of	3.67%
Regional District of East Kootenay	Rural	2.65%
Regional District of Okanagan-Similkameen	Rural	2.42%
Metro Vancouver Regional District	Delta, The City of	2.26%
Metro Vancouver Regional District	Vancouver, City of	2.26%
Regional District of Nanaimo	Rural	2.11%
Metro Vancouver Regional District	Pitt Meadows, City of	2.03%
Regional District of North Okanagan	Spallumcheen, The Corporation of the Township of	2.03%
Thompson-Nicola Regional District	Rural	1.79%
Regional District of North Okanagan	Rural	1.72%
Regional District of Bulkley-Nechako	Rural	1.56%
Regional District of Okanagan-Similkameen	Penticton, The Corporation of the City of	1.48%
Cowichan Valley Regional District	Rural	1.40%
Regional District of Central Okanagan	Rural	1.33%
Capital Regional District	Rural	1.17%
Cariboo Regional District	Rural	1.01%
Metro Vancouver Regional District	Maple Ridge, City of	1.01%
Regional District of Central Okanagan	Lake Country, District of	1.01%
Cowichan Valley Regional District	North Cowichan, The Corporation of the District of	0.86%
Regional District of Alberni-Clayoquot	Rural	0.86%
Regional District of Okanagan-Similkameen	Summerland, The Corporation of the District of	0.78%
Regional District of North Okanagan	Coldstream, The Corporation of the District of	0.70%
Regional District of Central Kootenay	Rural	0.62%
Fraser Valley Regional District	Rural	0.55%
Strathcona Regional District	Rural	0.55%
Fraser Valley Regional District	Kent, The Corporation of the District of	0.47%
Regional District of Central Okanagan	West Kelowna, City of	0.39%
Regional District of Okanagan-Similkameen	Osoyoos, Town of	0.39%
Comox Valley Regional District	Rural	0.31%
Thompson-Nicola Regional District	Kamloops, City of	0.31%
Fraser Valley Regional District	Mission, District of	0.23%
Regional District of Nanaimo	Lantzville, District of	0.23%
Regional District of Okanagan-Similkameen	Oliver, Town of	0.23%
Metro Vancouver Regional District	Coquitlam, City of	0.16%
Regional District of Central Okanagan	Peachland, The Corporation of the District of	0.16%
Regional District of North Okanagan	Vernon, The Corporation of the City of	0.16%
Strathcona Regional District	Campbell River, City of	0.16%
Fraser Valley Regional District	Hope, District of	0.08%
Regional District of Kitimat-Stikine	Rural	0.08%
Regional District of Kootenay Boundary	Rural	0.08%
Regional District of Nanaimo	Qualicum Beach, Town of	0.08%
Regional District of North Okanagan	Armstrong, City of	0.08%
Squamish-Lillooet Regional District	Rural	0.08%
Squamish-Lillooet Regional District	Squamish, District of	0.08%
Thompson-Nicola Regional District	Clearwater, District of	0.08%

Appendix G – Estate homes in the ALR by parcel size

Please see the attached Excel file with information about sizes and locations of parcels with estate homes, subject to the data limitations outlined in Appendix C.

Appendix H – Visual break down

ALR Landowner Scenarios		Additional Housing Options Permitted by Regulation Under:			
Parcel size	House size	Current policy	Option 1: Original direction	Option 2: Considers parcel size	Option 3: Considers house size and parcel size
		-SS and -MH	-SS, and -MH or 90 m2 TFA	-SS, and -90 m2 TFA	-SS, and -90 m2 TFA
		-SS, and -MH	-SS, and -MH or 90 m2 TFA	-SS, and -90 m2 TFA	-SS
		-SS, and -MH	-SS, and -MH or 90 m2 TFA	-SS, and -186 m2 TFA	-SS, and -186 m2 TFA
		-SS, and -MH	-SS, and -MH or 90 m2 TFA	-SS, and -186 m2 TFA	-SS, and -186 m2 TFA
Legend: (SS)Secondary suite (MH)Manufactured Home		 Parcel less than 40 ha	 Parcel greater than or equal to 40 ha	 Principal residence less than or equal to 500 m2	 Principal residence greater than 500 m2

Ministry of Agriculture, Food and Fisheries
BRIEFING NOTE FOR MINISTER FOR INFORMATION

Ref: 193994

Date: March 15, 2021

Title: Meeting with BC Agriculture in the Classroom Foundation.

Issue: Update on BC Agriculture in the Classroom Foundation programs including the BC School Fruit and Vegetable Nutritional Program.

Background:

- The BC Agriculture in the Classroom Foundation (BCAIRC) is a non-profit, charitable organization that works with educators to bring local agriculture to B.C.'s students. BCAIRC was founded in 1982 by a group of farmers and teachers. Currently, BCAIRC offers eight programs and a variety of resources for teachers (for a summary of BCAIRC programs, see [BCAIRC – Our Story](#)).
- The largest BCAIRC program is the BC School Fruit & Vegetable Nutritional Program (BCSFVNP). In operation since 2004, the BCSFVNP provided fresh fruits and vegetables 12 times to 586,277 students during the 2019/2020 school year. The BCSFVNP is funded by the Ministry of Health through end-of-year funds, and the cost of the program is typically more than \$4.5 million per year, of which \$3.7 million is used to purchase fruit, vegetables, and milk from B.C. farmers.

First Nations Considerations:

- 85 B.C. First Nations schools are enrolled in the BCSFVNP, and the First Nations Health Authority provides additional funding to the BCSFVNP so that Indigenous students receive an extra serving of B.C. produce with each delivery.

Discussion:

- The Ministry of Health has asked BCAIRC to provide cost options for the BCSFVNP during the 2021/2022 school year to reflect pandemic-related changes and a possible shift away from a universal program to one focused only on schools most vulnerable to food insecurity. Such a shift would reduce the amount of product purchased from B.C. farmers, and it is anticipated that BCAIRC will be seeking support from the Ministry of Agriculture, Food and Fisheries (AFF) to maintain BCSFVNP as a universal program.
- BCAIRC recently completed a new strategic plan and has expressed interest in opportunities to partner more closely with AFF on initiatives related to agriculture literacy for youth, agriculture career promotion, and the AFF mandate commitment to support the Minister of Education to create more local school meal programs.
- AFF currently supports BCAIRC by providing office space in the Abbotsford Agriculture Centre, and periodically provides funding for specific projects. Project funding in recent years has included:
 - FY2020/2021 – \$12,500 through the Indigenous Funding Envelope for the new Uncovering Common Ground Program.
 - FY2019/2020 – \$90,000 through the Canadian Agricultural Partnership and the Investment Agriculture Foundation for development of the Grow BC interactive map, Fresh Stories curriculum resources, and Take a Bite of BC spotlight series.
- BCAIRC has requested AFF support for the proclamation of Canadian Agriculture Literacy Month (CALM) in B.C. from March 1 to 31, 2021. The request does not appear to have been submitted 8-10 weeks in advance, as required – see <https://www2.gov.bc.ca/gov/content/governments/celebrating-british-columbia/proclamations/request> for more information. BCAIRC can use this site for any applications in the future. Buy BC will be promoting CALM on social media during March 2021.

Suggested Response:

- We value the BCSFVNP and the benefits it brings to both B.C. farmers and students.
- We are interested to learn more about the initiatives you will deliver through your new strategic plan and will continue to consider BCAIRC for future partnership opportunities.
- We intend to promote CALM in B.C. through our Buy BC social media this year.

Contact: Sarah van Heeswijk, Youth Development Team Lead, 778-666-0545

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Attachments: *Appendix A – Minister of Health Funding Request*
Appendix B – BCAITC Strategic Plan 2020-2023

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Ministry of Agriculture, Food and Fisheries
BRIEFING NOTE FOR DEPUTY MINISTER FOR INFORMATION

Ref: 194245

Date: March 18, 2021

Title: Joint meeting between Deputy Minister of Agriculture, Food and Fisheries and the Deputy Minister of Finance to discuss Speculation and Vacancy Tax (SVT) on Agricultural Land Reserve (ALR).

Issue: As of January 1, 2020, ALR landowners with vacant parcels, who were previously exempt, may now be subject to the SVT.

Background:

SVT

- The *SVT Act* came into force in 2018, with the goal to address B.C.'s affordable housing crisis by:
 1. Turning empty homes into housing for B.C. residents;
 2. Supporting affordable housing initiatives; and
 3. Ensuring foreign owners and those with primary foreign income contribute fairly to B.C.'s tax system.
- Four regulations sit under the *SVT Act*. Two regulations are of particular importance: The Speculation and Vacancy Tax Regulation (SVTR) and the Exemption From Tax Regulation (EFTR). The *SVT Act*, the SVTR and the EFTR provide the framework as to who is subject to and exempt from the SVT.
- For the 2018 tax year, land parcels with no residences were granted temporary exemption from the SVT. This exemption was extended for the 2019 tax year.
- As of January 1, 2020, some vacant land parcels that were previously exempt may now be subject to the SVT.
- Letters of complaint from landowners who are now subject to the SVT have been received by both the Ministry of Agriculture, Food and Fisheries (AFF) and the Ministry of Finance (FIN).

ALR

- In 2017, a key mandate commitment for the Minister of AFF was to revitalize the ALR and the Agricultural Land Commission (ALC) to ensure that agriculture in B.C. can be successful over the long term.
- From 2018 to 2019, the independent Minister's Advisory Committee for revitalizing the ALR and the ALC (MAC) engaged with British Columbians and developed recommendations which were outlined in the final report. The final MAC report proposed an agriculture-first agenda for the ALR.
- In February 2019, the Province brought Bill 52 into force to better protect ALR land for farming purposes.
- After Bill 52 came into force and Bill 15 was passed by the legislature, AFF undertook additional public engagement from September 1, 2019 to November 15, 2019. Through the engagement process, the ministry heard that more flexibility is needed for residences in the ALR.
- Since November 2019, AFF staff have been conducting policy work on residential flexibility in the ALR. Proposed regulatory changes to permit a small second residence on certain ALR parcels are proposed for consideration by Cabinet in late spring 2021.

First Nations Considerations:

Treaty First Nations are not subject to SVT.

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Discussion:

The purpose of the SVT is to address the affordable housing crisis in B.C. by de-incentivizing vacant housing. The SVT only applies to Class 1 (Residential) land in specified areas (generally urban, See Appendix A). Therefore, any land that is not in the specified areas, or has another classification including Class 9 (Farm) land, would not be subject to SVT. In the ALR, the parcel classification default is Class 1 (Residential). Farm class status is only granted when conditions outlined in the Classification of Land as Farm Regulation (CLFR) are met. (See Appendix B).

Ideally, SVT, when applied to ALR parcels, would incentivize owners of vacant ALR to put their land into production, thereby achieving Farm class status and subsequently not paying SVT. However, the current tax regime (SVT, Farm class status, school tax) provides substantial benefits to ALR landowners to construct a residence on the land with no intent to farm the land. In addition, the assessment scheme to achieve Farm class status is complex.

Exemption from SVT for a residential build can be achieved if the property owner is taking reasonable steps to build a residence. For example, an application to the municipality for a building permit may suffice to receive an exemption. In addition, placing a residence on a parcel of land exempts the entire parcel from SVT, not just the land under which the residence sits.

For a property owner to qualify for Farm class status, the criteria are more complex. Land in the ALR may receive Farm class status if a portion of the land is farmed and meets the requirements as set out in s. 4 and 5 of the CLFR. Further, Farm class status may be granted for farms in development, but only if criteria in s. 8 of the CLFR are met. For example, farm buildings must already be constructed, animals must be onsite, soil must be tilled, and plants/seeds must be planted. For these reasons, from a landowner's perspective, it may be easier to place a small residence on a parcel rather than farming the land or attempting to qualify for Farm class status. For parcels under 0.8 ha in size, this may be particularly true as achieving Farm class status on parcels less than 0.8 ha requires farm gate sales that exceed \$10,000. Property owners can achieve Farm class status by leasing the land to a farmer as outlined in s. 7 of CLFR. For some property owners, this may be a viable option.

There are 22,727 private ALR parcels and 2,398 non-private ALR parcels located in the specified areas (indicated in the *SVT Act*), the vast majority of which are 100 percent in the ALR. In the specified areas, there are approximately 6,202 ALR parcels that are 0.8 ha or less, 5,291 of which are privately owned ALR. The median parcel size for all but one specified area is under four ha. The average parcel size for most specified areas is under 10 ha. There were 834 properties in the ALR that claimed the "land without a residence" exemption in 2019 (10,445 properties province-wide claimed the exemption). These are most likely to be ALR properties with no residence and no apparent use.

Land in the ALR benefits from a 50-percent exemption on the land value for school tax purposes. The exemption extends to other property taxes except for the municipal tax and the provincial rural area tax. The exemption applies to every property class, not just ALR land that has Farm class status. A 50-percent exemption for residences in the ALR on parcels where no farming is taking place may act to incentivize residential development in the ALR. As part of the government's 30-Point Housing Plan, the Ministry of Finance (FIN) is proposing changes to the *School Act*, that if enacted would remove the exemption from Residential class land in the ALR. (See *School Act* tax exemptions in the ALR Information Note Ref. 193795). The proposed amendment would decrease incentives for residential development in the ALR.

Although the ALR Use Regulation permits a residence, residential use on ALR land is not the preferred use. Although the current tax regime may be increasing the number of residential structures in urban areas to help address B.C.'s housing crisis, it may not serve to fulfill the mandate of the primary use of ALR for farming

and preservation of land for future farming. This becomes even more of a concern as proposals to increase residential flexibility in the ALR are currently under consideration by the Minister of AFF.

For the last decade, AFF has undertaken extensive policy work related to classification of farmland. Anecdotally, the classification system has many loopholes and does not adequately incentivize preservation or use of farmland for farming. In some cases, land that would not be considered “in production” may receive Farm class status whereas in other cases the regime de-incentivizes preservation of farmland by not valuing inherent contributions of agricultural land (e.g., microclimates, carbon sinks, water filtration, etc.). Revising Farm class status could help to achieve current government’s goals related to regenerative agriculture, climate change initiatives and agri-tech by modernizing the tool to effectively support more sustainable models of agriculture.

To de-incentivize residential construction in the ALR and incentivize use of ALR for farming, consideration should be given to the following:

- Advocate for amendment of both the *School Act* as well as the CLFR to better incentivize use of farmland for farming;
- Develop joint messaging between AFF and FIN to promote the use of ALR for farming by encouraging enrollment in the ministry’s land matching program (Appendix C);
- Advocate for FIN to consider an exemption to SVT for activities that qualify as farm use on the ALR but do not qualify land for Farm class status (e.g., construction phase of a farm building);
- Recommend consultation with AFF staff when drafting exemption; and
- Conduct joint policy work between FIN and AFF to consider expansion of SVT to agricultural land in central and northern B.C. to de-incentivize speculation of agricultural land in those regions.

Suggested Response:

- AFF recognizes the current housing crisis in B.C. and has undertaken policy work over the last two years to increase residential flexibility on the ALR.
- The primary purpose of the ALR is to preserve farmland for farming.
- It is important that messaging is developed, and that it promotes farming activities on the ALR. Ministry staff at AFF and FIN should work jointly to develop appropriate messaging.
- The SVT may inadvertently encourage the development of residential structures on ALR land in urban areas where agriculture is already limited. Wherever possible, we would like to see this risk minimized.
- It is our understanding that FIN is proposing changes to the *School Act* which may help to de-incentivize residential construction on ALR land which is not being used for farming,
- AFF would like to see FIN undertake a review of Farm class status to ensure taxation benefits, encourage agricultural use, and support current government’s mandates related to agriculture.
- AFF would be interested in working jointly with FIN to conduct policy work with the goal to de-incentivize speculation of agricultural land in central and northern B.C.

Contact: Jacqueline Cushing, Senior Policy Analyst, 778-974-2976

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Appendix A-Specified area where SVT applies

"specified area" means any of the following:

- (a) a municipality within the Capital Regional District;
- (b) a municipality, other than the Village of Lions Bay, within the Metro Vancouver Regional District;
- (c) the City of Abbotsford;
- (d) the City of Chilliwack;
- (e) the City of Kelowna;
- (f) the City of Nanaimo;
- (g) the City of West Kelowna;
- (h) the District of Lantzville;
- (i) the District of Mission;
- (j) that part of Electoral Area A within the Metro Vancouver Regional District that comprises the University of British Columbia and University Endowment Land as defined in section 1 of the *University Endowment Land Act*;
- (k) a prescribed area,

but does not include any of the following:

- (l) an island, if any, within an area referred to in paragraphs (a) to (j), if the island is usually accessible only by air or water throughout a calendar year;
- (m) a prescribed area that is all or part of an area referred to in paragraphs (a) to (j);
- (n) subject to the regulations, any of the following:
 - (i) a reserve as defined in section 2 (1) of the *Indian Act* (Canada);
 - (ii) Nisga'a Lands;
 - (iii) Nisga'a Fee Simple Lands as defined in the Definitions Chapter of the Nisga'a Final Agreement;
 - (iv) Sechelt lands as defined in section 2 (1) of the *Sechelt Indian Band Self-Government Act* (Canada);
 - (v) treaty lands of a treaty first nation;
 - (vi) Other Maa-nulth First Nation Lands as defined in the Definitions Chapter of the Maa-nulth First Nations Final Agreement;
 - (vii) Other Tla'amin Lands as defined in the Definitions Chapter of the Tla'amin Final Agreement;
 - (viii) Other Tsawwassen Lands as defined in the Definitions Chapter of the Tsawwassen First Nation Final Agreement;

Appendix B- Classification of Land as Farm Regulation

Section 4 and Section 5 of the Regulation outline the conditions under which land may be classified as a farm:

4(1) Unless this Part provides otherwise, the assessor must classify as farm all or part of a parcel of land used for

- (a) a qualifying agricultural use,
- (b) a farmer's dwelling, or
- (c) the training and boarding of horses when operated in conjunction with horse rearing.

4(2) Land will only be classified as a farm where part of a parcel or parcels of land are

- (a) necessary to the farm, and

Subsection 2.1 provides a list of qualifying agricultural uses:

- (a) drainage;
- (b) irrigation;
- (c) a riparian area;
- (d) a buffer;
- (e) a headland;
- (f) a windbreak;
- (g) seasonal feeding or calving grounds;
- (h) shelter for livestock;
- (i) farm outbuildings;
- (j) access to farm outbuildings or other land that is part of the farm operation.

Section 5 Subsection 4 outlines the gross annual value requirements to qualify for farm class status:

5(4) To be classified as a farm for a taxation year, the gross annual value in respect of the farm operation for at least one of the person's reporting periods for the taxation year must be at least

- (a) \$2 500, if the total area of the farm operation is between 0.8 ha and 4 ha,
- (b) \$2 500 plus 5% of the actual value of the farm operation for farm purposes in excess of 4 ha, if the total area of the farm operation is greater than 4 ha,
- (c) \$10 000, if the total area of the farm operation is less than 0.8 ha, and
- (d) despite paragraph (c), \$2 500, if the total area of the farm operation has been reduced to less than 0.8 ha as a result of expropriation, but only if the farm operation remains in the same ownership.

Appendix C-Land Matching Program

- BC Land Matching Program (BCLMP) provides land matching and business support services to new farmers looking for land as well as landowners interested in finding someone to farm their land.
- The Program is delivered by Young Agrarians with an investment of \$300,000 in 2018/2019 and \$375,000 in 2019/2020, \$390,000 in 2020/2021. Provincial funding was supplemented by additional funding from the Bullitt Foundation, Real Estate Foundation of BC, Columbia Basin Trust, Cowichan Valley Regional District, and the Regional District of North Okanagan.
- Since the pilot launch in 2016, the program has helped make 109 land matches with 5000 acres brought into or maintained in agricultural production.
- 90% of the matches arranged through the program are in regions with high real estate prices including Metro Vancouver, the Fraser Valley, Vancouver Island and the Okanagan.
- Number of land matches finalized by region: Metro Vancouver/Fraser Valley (33), Vancouver Island (33), Okanagan (26), Columbia Basin (7), Central and Northern BC (10).
- Between April 2019 and January 2021, the BC Land Matching Program (BCLMP) achieved the following:
 - Completed matches: 46 matches representing 5167.62 acres with matches ranging from 0.1 to 3737.5 acres.
 - Range and average of length of lease for completed matches: Range - 0.5 to 22 years; Average – 4.73 years.
 - 11 in-person Land Access events, total 282 attendees; Online Land Forum with 3 land leasing themed sessions, total 213 attendees: Land Leasing 101 & Regional Networking, Participant Panel, Legal Literacy 101 (plus 5 non-family transition sessions).
- The BCLMP continues to work towards supporting new entrant business readiness, increasing acres in production and the length of land matched leases.

Ministry of Agriculture, Food and Fisheries
BRIEFING NOTE FOR MINISTER FOR INFORMATION

Ref: 194231

Date: March 16, 2021

Title: Overview of British Columbia's (B.C.) Cannabis Sector

Issue: The Minister's office has requested a comprehensive overview of the cannabis sector in B.C., as well as current programs and supports that the Ministry of Agriculture, Food and Fisheries (AFF) offers to the industry.

Background:

- The Ministry of Jobs, Economic Recovery, and Innovation (JERI), and the Cannabis Legalization Secretariat (the Secretariat) of the Ministry of Public Safety and Solicitor General (PSSG) are currently the lead-ministries for cannabis economic development in the province, and receive support from AFF.
- Prior to legalization, AFF played a minor role in assisting the medical cannabis sector by addressing complaints about medical cannabis operations, assisting with minor use pesticide registrations, and addressing Agricultural Land Reserve (ALR) regulatory concerns in anticipation of legalization.
- Prior to legalization, the Federal government advised provinces and territories that cannabis would not be eligible for bilaterally funded programs due to its classification as a narcotic. However, upon execution of the *Cannabis Act*, cannabis was removed from the narcotics list and this provided some flexibility for economic development in the sector.
- Under the Canadian Agricultural Partnership (CAP) initiated in 2018, cannabis became eligible for some programs and services. In May 2018, Ministers Eby, Farnworth, and Donaldson concluded that some, but not all, of AFF's existing programs would be available to the cannabis industry.
- Based on this direction, AFF staff have worked through the eligibility of cannabis under CAP and have identified a list of programs that are currently eligible for cannabis (Appendix C).

First Nations Considerations:

A First Nations Leadership Council (FNLC) Working-Group on cannabis was established as part of the B.C. Assembly of First Nations. FNLC works closely with the Secretariat in regard to addressing Indigenous regulatory developments in relation to legal cannabis (Appendix A).

Discussion:

- As more high-level, regulatory developments and programs in support of legal market cannabis have been initiated in the province, JERI and PSSG are beginning to shift towards developing supports that are more related to the day-to-day operations of producing, processing, and marketing legal cannabis.
- More involvement from AFF staff has been required to support and guide these initiatives towards successful implementation.
- There are still gaps and opportunities for AFF to take a lead role in developing specific areas of cannabis licensing, production, processing, and marketing, where other ministries have not previously held jurisdiction regarding developing an agricultural sector.

Next Steps:

- It is recommended that AFF continue to take a supportive role to assist the Secretariat, and JERI in the development and delivery of both policy and programming regarding enhancing the legal-cannabis sector in B.C.
 - AFF ADM Arif Lalani met with PSSG ADM Mary Shaw on March 18, 2021 to discuss how the two Ministries may partner to deliver such programming and resources, to where staff will take next steps in collaborating on the development of upcoming initiatives.

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- AFF staff have both familiarity and experience in the orchestration of such programming and developments, from having conducted similar initiatives in more conventional agricultural sectors.
- It is important that AFF consider the cross-ministry, and Federal regulatory impacts prior to reassessing the eligibility of cannabis producers and processors to existing programming, such as BuyBC, as there is a high-risk of conflicting with both the Federal *Cannabis Act* (Appendix A), views of some local governments and AFF stakeholders that still oppose the sector, as well as the public optics related to promoting cannabis consumption.
- Where AFF may strive to take a lead role in the short-term, is in the development of enhanced licensing, educational resources, and programming related to production practices, to support the transition and success of illicit-cannabis producers into the legal framework, as these initiatives may better align themselves with extension-related services that AFF commonly offers to other sectors.
 - Such initiatives have an added degree of complexity, as subject matter must align with Health Canada guidelines and licensing requirements and must seek their verification and collaboration prior to release.
 - AFF has initiated several projects to begin supporting legal-market transition in this manner (Appendix B).

Appendix A: Comprehensive Overview of B.C.'s cannabis sector

Appendix B: AFF programming and supports related to illicit-producer market transition

Appendix C: Current Cannabis Eligibility for AFF Programs and Services

Contact: Rajiv Dasanjh, Emerging Markets Specialist, Rajiv.Dasanjh@gov.bc.ca

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Ministry of Finance
BRIEFING DOCUMENT

To: Honourable Selina Robinson
Minister of Finance
Honourable Mike Farnworth
Solicitor General
Honourable Lana Popham
Minister of Agriculture, Food and Fisheries

Date Requested: March 29, 2021
Date Required: April 16, 2021

Initiated by: Jeff Groot, Executive Lead
Crown Agencies Secretariat (CAS)

Date Prepared: March 24, 2021

Ministry Contact: Vince Cournoyer,
Policy Manager, CAS

Phone Number: 778 974 2983
Email: vince.cournoyer@gov.bc.ca

Cliff #: 276751

TITLE: Liquor Policy Priorities

PURPOSE:
DECISION REQUIRED

Confirm government's liquor policy priorities for the next 18 months as recommended in Option 1.

COMMENTS:

- The Business Technical Advisory Panel (BTAP) has submitted an updated priority list of the top-five liquor policy items the panel would like government to address.
 - The Liquor Distribution Branch (LDB), the Liquor and Cannabis Regulation Branch (LCRB) and the Ministry of Agriculture, Food and Fisheries (MAFF) have reviewed BTAP's priorities and developed a proposed provincial priority list that includes the BTAP items.
 - Government confirmation of priorities is required to enable efficient and strategic allocation of resources, coordination between ministries, clear communication with BTAP and a consistent approach to ongoing industry requests.
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DATE PREPARED: March 24, 2021

TITLE: Liquor Policy Priorities

ISSUE: Confirm government's liquor policy priorities for the next 18 months.

BACKGROUND:

- BTAP's original 24 recommendations were submitted to government in 2018 and LCRB and LDB have been working on those recommendations since that time.
- To date nine recommendations are complete, four are in the implementation phase, nine require additional analysis/decision and five are not moving forward (the total is greater than 24 as some recommendations were segmented).
- In response to the pandemic, in March 2020, government requested BTAP members to advise on the most effective measures to assist industry during the COVID 19 public health emergency.
- BTAP provided government with a number of additional recommendations. Regulation and policy changes have been made in response to those recommendations.
- The extensive COVID-19 related work required in 2020 meant some of the outstanding BTAP recommendations from the report have not yet been actioned.
- In February 2021, BTAP provided government with an updated prioritization list with the stated goal of "ensuring there is focus on delivering on these items", which includes making permanent pandemic response items as well as items from the original BTAP recommendations.

DISCUSSION:

- The following is BTAP's proposed priority list:
 - 1) Make temporary COVID permissions permanent (wholesale hospitality pricing, packaged liquor sales with take-out/deliver of meals, extension of licensed service areas)¹
 - 2) Allow delivery from secondary off-site storage locations
 - 3) Improve distribution by implementing recommendations #1² and #3³ from the BTAP original report (especially re: non-stocked wholesale product)
 - 4) Permit licensee-to-licensee sales (for all licensees)
 - 5) Permit cocktails-to-go from hospitality licensees with a meal.

¹ Priority #1 includes three policy items, priority #3 includes two items for a total of 9 priority items.

² "An alternative distribution system should be established to specifically address the delays in distributing Non-Stocked Products. The new system should allow Non-Stocked Products to be delivered directly from the third party warehouse to the retail level licensee (i.e. retail and hospitality customers) without passing through the LDB distribution warehouses."

³ "Following the completion of the move to the new warehouse, the operations of the LDB's current distribution centres should be made the subject of an external third-party review in order to identify operational issues and to suggest improvements."

6) Review minimum alcohol pricing policies

- At the time of submitting its priorities, BTAP suggested that government aim to deliver on these priorities at a pace of at least one item per quarter. They also indicated that as these priorities are addressed, they would provide additional priorities that could be added to the list.

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Current status of BTAP priority items:

- Of the nine BTAP priority items above, three are complete with two of those requiring future reviews, one is in the implementation phase and work is already in progress on the other five.
 - While the effort involved in moving toward completion of the five that are in progress varies from minimal to extensive, s.17
- s.17
- for status and timeline).
- The current status means that government can respond favourably to BTAP that work is underway on their nine priority items.

Government Priorities:

- Government's liquor policy priorities were included in the Solicitor General's mandate letter dated November 26, 2020 (make permanent the authorization to expand service areas, permanently authorize restaurants and pubs to purchase alcohol at wholesale cost and permanently authorize the sale of packaged liquor with a takeout meal). These items are all included in BTAP's current priority list.
- Maintaining a positive relationship with BTAP remains a priority because the BTAP forum has focussed the interaction between government and the various sectors of the liquor industry. Considering BTAP's recommendations is central to the success of this forum.

- However, it is important for BTAP to recognize LDB and LCRB must also prioritize policy and operational items and create realistic timelines given available resources.
- The policy items that involve the LDB require significant work across their organization – involving policy, finance, IT, and the wholesale division. With the exception of policy, these are the same staff involved in managing the day-to-day business of liquor and cannabis distribution that generates revenue to government.
- Likewise, policy items that involve the LCRB can often require intensive work by the licensing division which is responsible for the issuance of licences and the processing of applications for changes to a licence.
- In addition to BTAP's current list of consensus priorities, members of BTAP continue to make numerous individual requests of government through several different channels.
- BTAP was established to provide government with a consensus on sector priorities and has provided industry with an effective vehicle to have direct, ongoing dialogue with decision-makers. s.13
s.13
- Further, continued response to these ad-hoc requests jeopardizes the ability of LDB and LCRB to successfully meet core responsibilities and to respond in a timely matter to consensus BTAP priorities.
- Additionally, it is imperative to look at these requests holistically to ensure that the necessary analysis is completed to inform decision making and avoid unintended consequences.
- Government has been extremely responsive to the negative impact the pandemic has had, particularly in the hospitality sector. This has meant that government resources have been directed toward implementing urgent policy and regulatory changes to assist the industry.
- Anticipating that public health restrictions will be eased as the year progresses and the sector can return to a more normal state of business, there is an opportunity that government staff resources are also able to be allocated to other liquor priorities. Specifically, s.13
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s.13
- As MAFF also has policy overlap specifically related to BC liquor manufacturers (wineries, craft breweries and distilleries, etc.) and a mandate to expand the Buy BC and Grow BC programs to encourage business growth, it is critical its liquor-related priorities also be aligned.
- MAFF sees value in bringing B.C. alcoholic beverage manufacturers together to discuss solutions to common processing issues. These may contribute to increase profitability and competitiveness.
- MAFF is committed to supporting the growth and success of food and beverage processors. MAFF has a role in participating in the analysis and consideration of policy issues that may affect this sector.
- Many of government's identified internal priorities align with other BTAP recommendations and/or will benefit BTAP/the industry through improved processes and increased clarity of licensee requirements.

- Government-identified priorities include⁴ (Appendix B includes an explanation and timeline for those items not on BTAP's priority list):

LCRB:

- 1) Making service area extension permanent (part of BTAP priority item 1).
- 2) Comprehensive, phased overhaul of licensing processes to improve approval timelines and streamline requirements (phase 1 – internal processes; phase 2 structural alterations).
- 3) Minimum price tied to alcohol content (BTAP priority item 5).
- 4) Sale of cocktails for offsite consumption (part of BTAP priority item 1).
- 5) Products sold in onsite stores & minimum brewery requirements (original BTAP recommendation #18 A and B).
- 6) A complete review of the terms and conditions for all licensees.

LDB:

- 1) Implement a new product information management system (pre-requisite for BTAP's priority item 3).
- 2) Deloitte refresh of operational assessment (BTAP priority item 3).
- 3) Assess authorizing BC craft distillers to produce refreshment beverage (original BTAP recommendation #20A).
- 4) Licensee-to-licensee sales (BTAP priority item 4).
- 5) Comprehensive review of policies/programs supporting local products (original BTAP recommendation #16).

MAFF:

- 1) Development of a MAFF alcoholic beverage framework to enhance programming and ministry support with a focus on increasing the production per FTE.
 - 2) Comprehensive review of policies/programs supporting local products (original BTAP recommendation #16) – shared LDB priority.
 - 3) Assess authorizing BC craft distillers to produce refreshment beverage (original BTAP recommendation #20A) – shared LDB priority.
- In addition to responding to BTAP's priorities, sharing LCRB, LDB and MAFF priorities with BTAP will present a united, whole-of-government position on liquor policy for the next 18 months. Staff efforts will be fully subscribed completing the work on these priorities.
 - Appendix C sets out a proposed draft letter to communicate this information, for signature by all responsible ministers.
 - This clear confirmation of government priorities and allocation of resources will enable ministries and ministers to transparently and consistently respond to any ongoing or future requests from industry about other priorities that are not on the list.

⁴ The items on the priority lists are not to be seen as sequential. The work on these items will be taking place concurrently and items will likely be completed out of their priority order. For example, LCRB's item 4 will be completed before item 2 because the latter will be a branch-wide project taking a number of months whereas item 4 will involve only policy resources.

OPTIONS:

Option 1: s.13
s.13

s.12; s.13

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APPROVED / NOT APPROVED



Selina Robinson
Minister of Finance

April 13, 2021

Date

APPROVED NOT APPROVED



Mike Farnworth
Minister of Public Safety and Solicitor General

April 15, 2021

Date

APPROVED / NOT APPROVED



Lana Popham
Minister of Agriculture, Food and Fisheries

April 15, 2021

Date

Attachments:

- Appendix A – status of BTAP priority items
- Appendix B – government priority items not on BTAP list
- Appendix C – draft multi-minister letter to BTAP

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Appendix C –Multi-minister letter to BTAP⁵

Dear Panel members:

First, we want to thank you for your continued collaboration, particularly during the last year. We are mindful of how important our good working relationship has been in being able to introduce a number of effective measures to assist your sectors very quickly, mitigate even more job losses and help industry as it starts to focus on the road to recovery.

We are encouraged by the number and significance of the changes we have been able to implement together with the Business Technical Advisory Panel (BTAP), including changes related to permanent wholesale pricing for hospitality, enabling production of sanitizer, permitting the sale of packaged liquor with the sale of a meal, extensions of service areas, delivery of liquor from offsite storage facilities, extending retail liquor store hours and, most recently, again allowing packaging of growlers with meals during these latest health restrictions. It really is a testament to what can be accomplished through partnership and collaboration.

BTAP was established to provide government with a consensus on sector priorities to allow for the focus of limited government resources on those priorities and provides industry with an effective vehicle to have direct, ongoing dialogue with decision-makers.

This letter is intended to confirm government's agreement with prioritizing the nine BTAP liquor policy items you had proposed and the process moving forward that was discussed at the April 9, 2021 BTAP meeting with staff.

With the Province's vaccine rollout well underway and looking forward to a time in the not too distant future when some of the pandemic-related restrictions that have had a severe impact on some sectors in the liquor industry can be lifted, it is a good time to visit priorities.

We have reviewed the priority list (included below) that you recently shared with staff and we can confirm that we are in alignment and government has already begun taking action on all nine of these items BTAP has put forward. In some cases, this means the start of analysis that will support a government decision on how to respond to the recommendation, while in others, as you will be aware, we have already been able to announce the actions taken to respond to these priorities. This is good news and we look forward to furthering this work through the productive working relationship government and BTAP have established.

It is also a good time for government to communicate to you the priorities we have established for the Liquor Distribution Branch (LDB), the Liquor and Cannabis Regulation Branch (LCRB)

and the Ministry of Agriculture, Food and Fisheries (MAFF), related to liquor policy. In addition to the priorities you have identified, there are a number of original BTAP recommendations that have been identified as priorities by LCRB, LDB and MAFF and work will continue on those. Equally important are priority policy matters that require the attention of staff that are not directly BTAP-related. We expect these key initiatives will have a positive impact organizationally which will also serve to benefit licensees and the industry at large. These policy priorities can be found below.

We can commit that work will continue on your priority items at a pace that allows for good decision-making and good implementation. We anticipate the work on your priorities and the additional priorities below will consume government's liquor policy resources for the next 18 months.

BTAP Priorities:

- 1) Make temporary COVID permissions permanent:
 - a. wholesale hospitality pricing
 - b. packaged liquor sales with take-out/deliver of meals
 - c. extension of licensed service areas)
- 2) Allow delivery from secondary off-site storage locations
- 3) Improve distribution by implementing recommendations #1 and #3 from our original report (especially re: non-stocked wholesale product)
- 4) Permit licensee-to-licensee sales (for all licensees)
- 5) Permit cocktails-to-go from hospitality licensees with a meal
- 6) Review minimum alcohol pricing policies

Government Priorities in Addition to BTAP's Priority List:**LCRB**

- Comprehensive, phased overhaul of licensing processes to improve approval timelines and streamline requirements.
- Onsite stores and minimum requirements for breweries (BTAP #18).
- Terms and Conditions handbook and policy manual review.

LDB

- Product Information Management System (PIM).
- Authorization for craft distillers to produce refreshment beverage (BTAP #20a).
- Comprehensive review of policies/programs that support local products to harmonize benefits (BTAP #16).

MAFF

- Development of a MAFF alcoholic beverage framework.
- Comprehensive review of policies/programs that support local products to harmonize benefits (BTAP #16).
- Authorization for craft distillers to produce refreshment beverage (BTAP #20a).

Addressing the nine priorities you recently submitted, and the priorities identified by LCRB, LDB and MAFF, is a tall order that will require some focus and patience on the part of BTAP members. We request your support and focus in committing to using the BTAP forum to advance your requests rather than pursuing items individually or separately through various ministries or other avenues of government. We also request your patience in recognizing that while some items may be relatively straightforward and decisions can be arrived at relatively soon, others are complex and broad in scope and will take significant time to arrive at a decision and/or implementation.

As the ministers most directly involved in and responsible for the issues related to the liquor industry, we value the collaboration that BTAP affords and look forward to making significant progress on the priority items that will have a positive impact on your sectors that contribute substantial employment and economic benefits to the province.

If you have any questions, please do not hesitate to reach out to Kim Horn, Principal, Crown Agencies Secretariat at Kim.Horn@gov.bc.ca as the lead contact for government on BTAP.

Sincerely,



Mike Farnworth
Minister of Public Safety
and Solicitor General



Selina Robinson
Minister of Finance



Lana Popham
Minister of Agriculture,
Food and Fisheries

pc: Tom Either, Deputy Minister, Ministry of Agriculture, Food and Fisheries
Doug Scott, Deputy Minister, Crown Agencies Secretariat, Ministry of Finance
Mark Sieben, Deputy Solicitor General, Ministry of Public Safety and Solicitor General
Arif Lalani, Assistant Deputy Minister, Business Development Division, Ministry of Agriculture, Food and Fisheries
Mary Sue Maloughney, Assistant Deputy Minister, Liquor and Cannabis Regulation Branch
Blain Lawson, General Manager, Liquor Distribution Branch
Kim Horn, Principal, Crown Agencies Secretariat, Ministry of Finance

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