

Davidson, Julie MAH:EX

From: Spilker, Robyn FIN:EX
Sent: Monday, August 14, 2017 8:00 AM
To: Hurtig, Jane MAH:EX
Subject: FW: Final Presentation for August 14 Meeting
Attachments: real_estate_option_PPT_FINAL 13 Aug 2017.pptx; Briefing Note for British Columbia Minister of Finance and Minister of Housing.docx

Importance: High

Hi Jane,

Attached is a briefing note and powerpoint to go with the 9am meeting. I will print copies.

Thanks,
Robyn

Robyn Spilker
Ministerial Assistant
Minister of Finance and Deputy Premier
250-952-7627

From: Finch, Paul [<mailto:Paul.Finch@bcgeu.ca>]
Sent: Sunday, August 13, 2017 10:33 PM
To: Spilker, Robyn PREM:EX; Marquis, Yvette FIN:EX
Cc: Rudek, Amber; JaredM s.22 ; Harpinder Sandhu s.22
Subject: Final Presentation for August 14 Meeting
Importance: High

Robyn / Yvette,

Please find attached the presentation that will be used for tomorrow's meeting. We will bring laptops and USB keys, but it would be optimal if you have a laptop that properly connects to your display system at the Leg.

Regards,

Paul Finch
Treasurer
B.C. Government and Service Employees' Union
4911 Canada Way
Burnaby, BC CANADA V5G 3W3
Phone: 1-800-663-1674
Email: Paul.Finch@bcgeu.ca
Website: www.bcgeu.ca

REAL ESTATE OPTIONS IN BC

AUG 14, 2017

PRESENTERS:

JARED MELVIN, HARP SANDHU, PAUL FINCH



AGENDA



About Us	5 minutes
Situation	5 minutes
Opportunities	5 minutes
Solutions	30 minutes
Crown Advantages	5 minutes
Implementation	10 minutes

ABOUT JARED



Jared has been with BC Assessment for over 12 years as an Information Analyst and now Business Consultant. He is also the Vice President for CUPE 1767 (five years) and has been integral in developing innovative relationships with our employer via joint committees. In many cases, he created and modified policy for BCA executive for more efficient results.

ABOUT HARP



Harp has been with BC Assessment for nine years as an appraiser and with the Union Executive for seven years. He also serves as a Trustee on the Public Service Pension Plan Board. His work as an Appraiser has included a broad range property types within a relatively short period of time (Residential, Multi-Family, Development Land, Strata and Industrial). His experience also includes major high level property appeals.

ABOUT PAUL



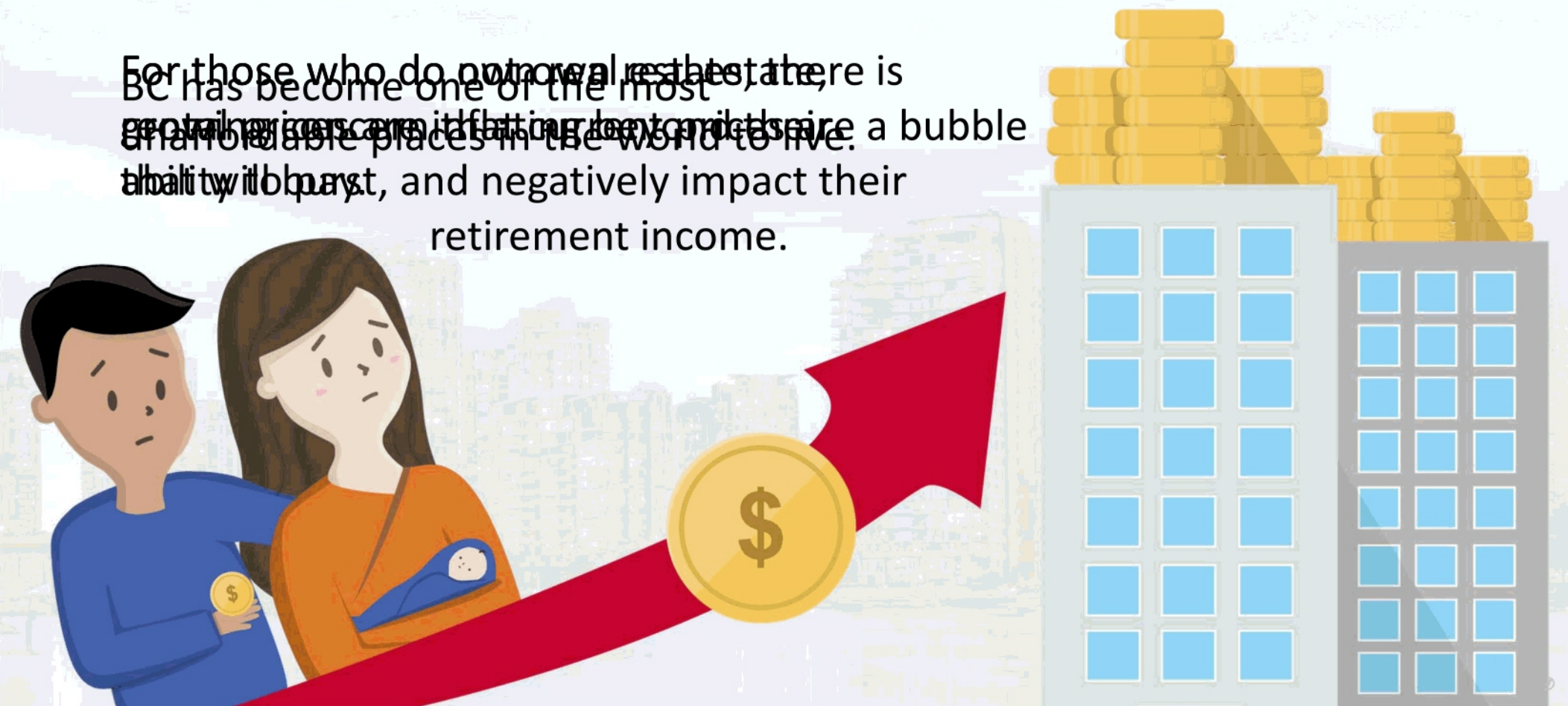
Paul is the Treasurer (Chief Financial and Administrative Officer) of the BC Government and Service Employees' Union. Before being elected Executive Vice President of the BCGEU in 2011, and then Treasurer in 2014, he worked in Real Estate Project Management and IT Project Management at Accommodation and Real Estate Services and Shared Services BC.

He sits on numerous boards, and is the Plan Partner for the Public Service and College Pension Plans, as well as being a trustee for the former. He is a trustee and Chair of the BC Target Benefit Pension Plan board of directors.

SITUATION



For those who do not have a pension plan, there is a bubble in the real estate market. BC has become one of the most affordable places in the world to live. The bubble will burst, and negatively impact their retirement income.



HOW IT WORKS



Foreign money is flooding in to BC's real estate market because it is relatively **untaxed** and **unregulated**.



HOW IT WORKS



Cities and the province tax development and build amenities, which increases the cost of real estate.

Financial institutions lend larger amounts on mortgages, which increases business and residential rents.

By changing the paradigm and taxing land and regulating real estate, we can decrease the cost of development and rents, and generate revenue.

HOW IT WORKS



TAX
(COMPOUND INTEREST)



RENT



The end consumer pays the “tax” of interest on the loan, the owner hopes to make money off the appreciation of the real estate, while the Financial institution collects the productive value of the real estate (residential or commercial)

HOW IT WORKS



OPPORTUNITIES



1. Speculators are distorting the market
2. Tax avoidance – Fraud
3. To date limited effort from government to make change
4. Missed opportunity to generate large amounts of revenue
5. Lack of a long term provincial plan (utilize Recommendation #7 BCA Crown Review)

SOLUTIONS



The solution to these problems is for the government to regulate and tax real estate, preventing a “boom and bust” scenario for existing home owners, securing affordable overhead for increasingly squeezed businesses, while stabilizing rental rates and building new “below market” housing.



SOLUTIONS



What can be done immediately

- Share Transfers avoid PPTX (R)
- PPTX – increasing progressively (R)
- Eliminate Opaque Ownership - Holding companies, trusts, nominees
- Review Exemptions – Community interest review
- Home Owner Grant - review levels, rewards wealthy landowners
- Property Tax Deferral Program - rate is too low
- SAPs, AirBnB and Vacation Rentals, Hotels – Levelling the field (R)
- Expand foreign ownership beyond metro-Vancouver (R)
- Real Estate Industry Independent Review (June 2016) - Implement Recommendations (FICOM was unable to execute due to lack of staffing)

(R) - Revenue

SOLUTIONS



Excess Land = Sustainable Model

- Old schools are built with excess land. We can use this land to build affordable housing, child care and family care centres at low cost.
- Maximizes the use of land, creates a sustainable model moving forward.
- Additionally schools could provide access to amenities to seniors or those in social housing outside of school hours - better utilization of buildings
- Ensures that communities with aging schools will stay open as the community and children can access services.
- This use of public funds provides a high return on investment.

SOLUTIONS



Leveling the Playing field

- Short-term Rental Tax: Hotels are in competition with AirBnB, Short term Overnight Properties, and vacation rentals
- Revenue generator: most if not all AirBnB and SAPs are not taxed.
- Lower the current Hotel tax and apply the same rate for all.(option)
- Implement McGill study recommendations
- Encourage business development by providing a lower overhead environment that recognizes the existence and engages with the sharing economy.

SOLUTIONS



Bare Land

- Ensure quick redevelopment of Vacant parcels of land
- Keep land in class 06 until the development is at least 50% complete
- Deals with the concern of land hoarding or deferring of development
- Ban Farm Class in Downtown Cores. Developers planting trees on site for lowest tax rate
- Exempt Rental/Social Housing from such changes
- Class 06-Business and other rate usually 4 times the rate of Class 01-Residential
- Major Point: Local & Foreign investors are purchasing property for holding values - speculation of land increases rather than immediate redevelopment

SOLUTIONS



Share Transfers - Opaque Ownership

- Hold information on beneficial owners of property: holding companies, trusts, nominees
- AdvantageBC investigation
- Share Transfers avoid PPTX (R)
- Real estate professionals adopt recommendations by Financial oversight committee - clean up real estate profession to assist in fight against money laundering (independently regulated since 2005)
- Shadow flipping still occurring, no major penalties or ways for the public to complain

Housing Research Opportunities – Mid Term

- Land Windfall Tax (5%): All property in BC or limited to Metro Vancouver/Victoria excludes Primary Residence. Offsets by any rental development value (Section 19.8 exemptions)
- Rental registry created and annually inspected by BCA to offset any new taxes
- BC Housing/Non-Profits - Operate Rental units of split-zoned buildings.
- Fast track Social Housing via Incentives (lower borrowing costs, land classification changes, Land Windfall Tax exemptions)
- Earmark NMC Funds – negotiation tool with municipalities

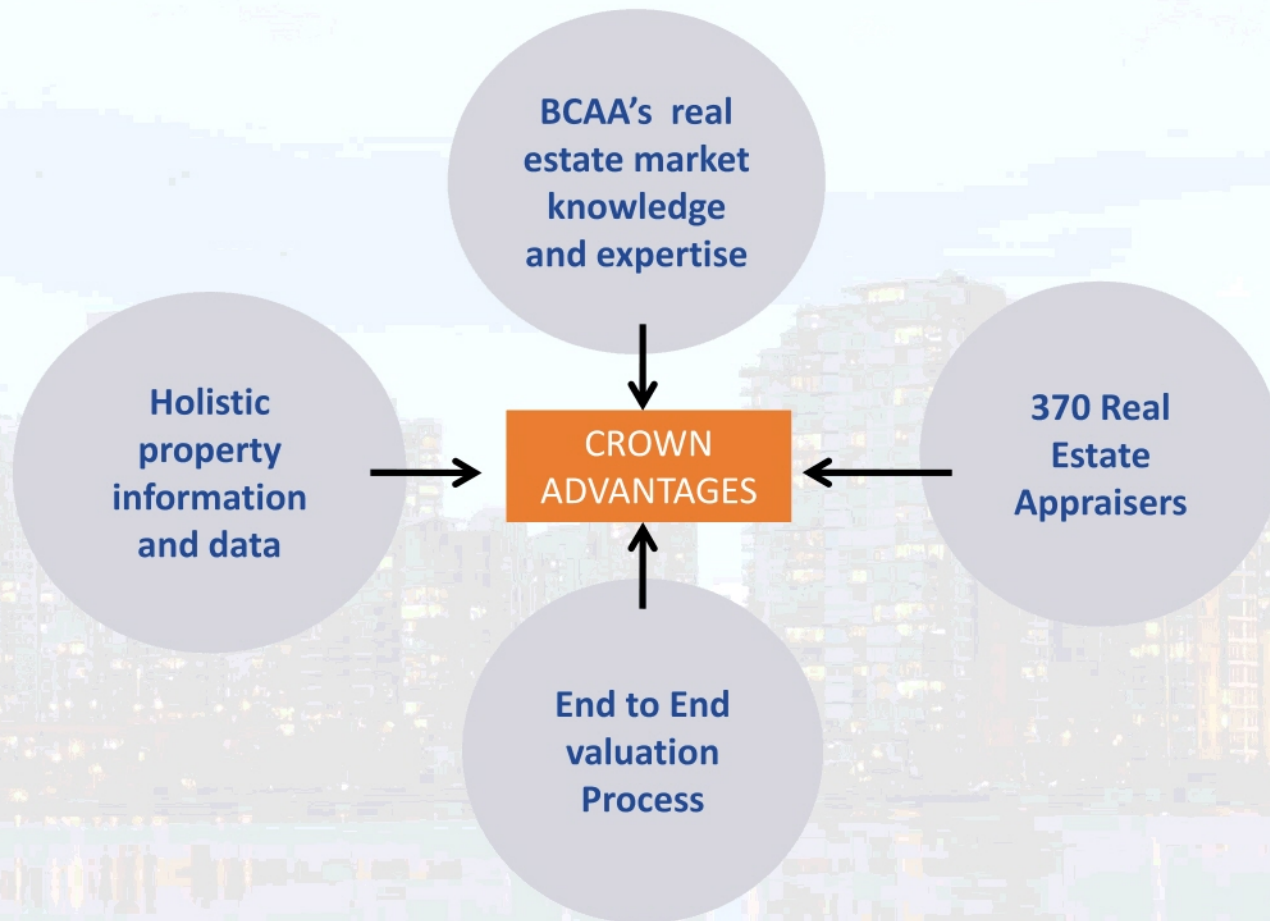
SOLUTIONS



Transit Area Research Opportunities – Mid Term

- Key Point: Government invests in transit infrastructure, increase land value in surrounding area
- Area Benefiting Tax – Tiered tax rate within defined area to support bond issue to pay for infrastructure costs of new transit developments
- Area Benefiting Zoning - Impose minimum zoning requirement Rental/Social Housing, with all new residential construction surrounding new and existing mass transit lines

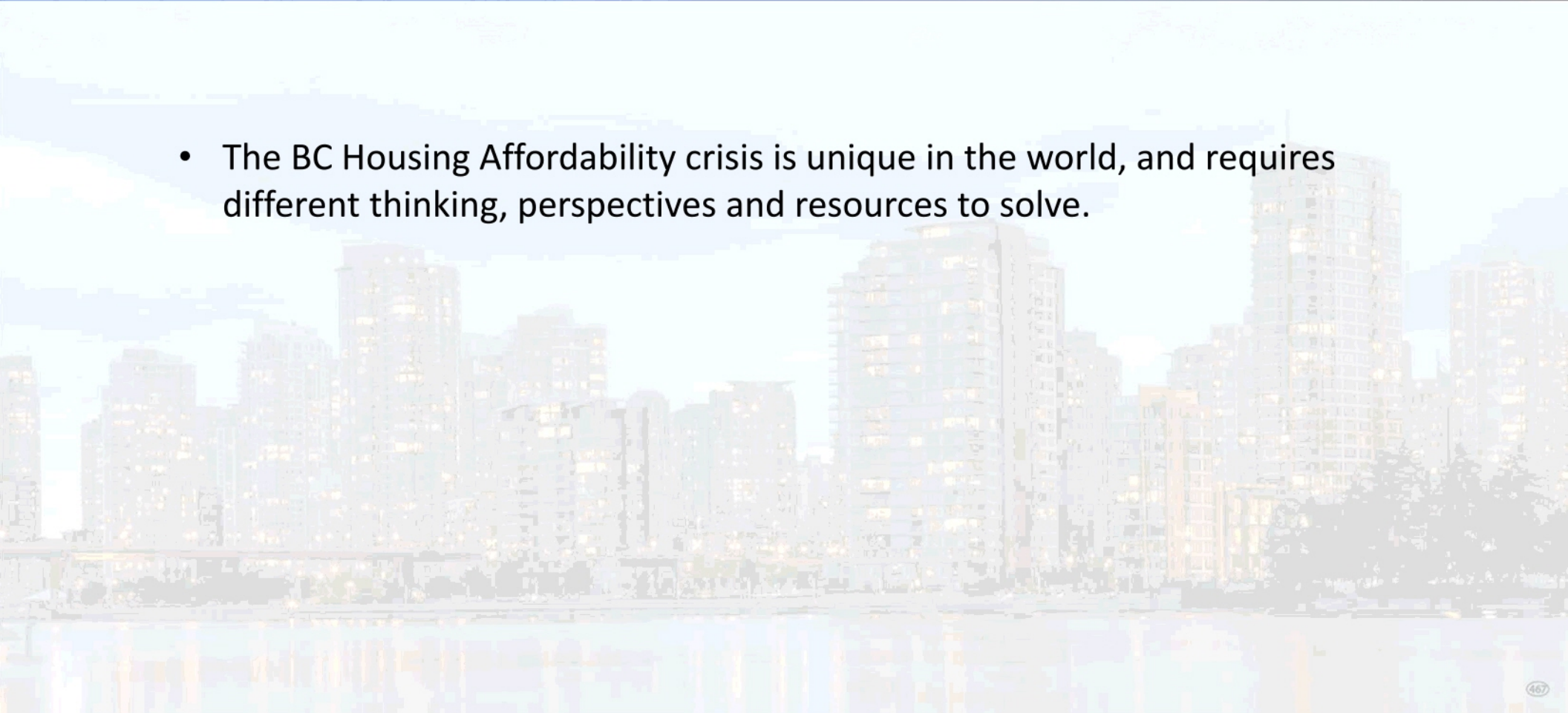
CROWN ADVANTAGE



IMPLEMENTATION



- The BC Housing Affordability crisis is unique in the world, and requires different thinking, perspectives and resources to solve.



IMPLEMENTATION



- Implement short term solutions in the coming budget to increase revenue and show the government is taking action on the affordable housing crisis
- Use the Environment and Land Use committee to hire/second staff to draft and model regulations and legislative changes
- Better utilize BC Assessment to maximize real estate knowledge and expertise (from Crown Review)
- Lift the three year freeze on the BC Assessment levy, and earmark increased funds for front line staffing to address current and potential workloads

Briefing Note for British Columbia Minister of Finance and Minister of Housing

British Columbia's Affordability Crisis: Solutions to restoring the imbalance

Purpose:

The purpose of this briefing note is to present options to remedy the current housing affordability crisis in BC, generate revenue, the efficient delivery of social housing and make specific recommendations towards executing a feasible plan.

Background:

Over the past 14 years the real estate market in BC has continued its relentless increase in value beyond the ability of most British Columbians wages. The problem is not limited to BC but is particularly unique in Greater Vancouver and more recently in Greater Victoria where it has become one of the most unaffordable places to live in the world.

The reasons for this are found in vast amounts of foreign capital entering the real estate market, relatively cheap money through low lending rates and speculation. Banks are lending increasing amounts of money to investors which coupled with lax regulation of real estate professionals and taxation loopholes have made the situation worse.

Remedies to deal with the unique situation in Vancouver require new and unique approaches from a broader field of practice. The market should be stabilized and regulated without incurring a major drop in housing prices which could trigger widespread defaults from homeowners.

Current Situation:

Currently, there are limited regulations to prevent investors speculating in the Real Estate Market thus inflating the value beyond any local measure of affordability. The value of land increases based on two major factors: demand and zoning. Demand is being artificially fuelled by foreign capital, local speculation, low interest rates. Zoning density is continually being increased by municipalities.

BC assessment's Crown review recommendation #7 found that the BC Government should utilize the knowledge and expertise of this organization. The employees largely made up of CUPE 1767 members, are very proficient in all aspects of property valuation, market analysis and understand the impacts of real estate legislation on property owners and municipalities.

Options:

The options to solve this problem are broken down into three categories:

Quick Wins - Actions that can be taken relatively quickly via legislation, enacting recommendations from independent reports, and eliminating loopholes.

Execute on 4 specific plans - Excess Land on Public Schools, Short-term Rental Policy, Redevelopment of Bare Land, and Removal of Opaque Ownership. Discussion is required on Property Purchase Transfer Tax amendments.

Land Windfall Tax (LWT) - A form of taxation that only targets land appreciation of non-primary residences and incentivizes redevelopment. The focus should be on Greater Vancouver and Victoria but may include the entire province. The BC Assessment land value at time of purchase versus the land value at time of sale would determine the approximate windfall upon which a flat tax would apply. An additional form of LWT could apply to property along transit corridors that benefit from government investment in rapid transit lines.

Recommendations:

Review the "Quick Wins" recommendations and take swift action to deliver early results for the public.

Second professionals with unique perspectives from outside core government to help develop and model solutions, potentially through the Environment and Land Use committee, and use this expertise to implement legislation in a careful and measured fashion that will not collapse the market.

Contact:

Harpinder Sandhu – Phone: s.22	Email: s.22
Jared Melvin – Phone: s.22	Email: s.22
Paul Finch – Phone: s.22	Email: paul.finch@bcgeu.ca

Davidson, Julie MAH:EX

From: Grant, Lisa MAH:EX
Sent: Tuesday, November 21, 2017 3:20 PM
To: Gardea, Daniela MAH:EX
Subject: FW: Letter to Hon. Selina Robinson -- BCGEU request to meet
Attachments: Hon. S. Robinson.pdf

Lisa Grant

Administrative Assistant to the
Honourable Selina Robinson
Minister of Municipal Affairs and Housing
Room 310, Parliament Buildings
Office: 250-387-2283

From: Grant, Lisa MAH:EX On Behalf Of Minister, MAH MAH:EX
Sent: Tuesday, September 19, 2017 1:48 PM
To: White, Christine MAH:EX
Subject: FW: Letter to Hon. Selina Robinson -- BCGEU request to meet

Lisa Grant

Administrative Assistant to the
Honourable Selina Robinson
Minister of Municipal Affairs and Housing
Room 310, Parliament Buildings
Office: 250-387-2283

From: Robinson.MLA, Selina [<mailto:Selina.Robinson.MLA@leg.bc.ca>]
Sent: Tuesday, September 19, 2017 1:06 PM
To: Minister, MAH MAH:EX
Cc: Djonlic, Matt LASS:EX
Subject: FW: Letter to Hon. Selina Robinson -- BCGEU request to meet

From: Gardiner, Brian [<mailto:Brian.Gardiner@bcgeu.ca>]
Sent: September 19, 2017 8:51 AM
To: Robinson.MLA, Selina <Selina.Robinson.MLA@leg.bc.ca>
Cc: Gardiner, Brian <Brian.Gardiner@bcgeu.ca>
Subject: Letter to Hon. Selina Robinson -- BCGEU request to meet

Hello:

Please see the letter we sent regarding the possibility of a meeting with Minister Robinson.
I wonder if this might be possible.
In addition to the issues listed in the letter, ^{s.13}
that might be of interest to the minister.

Please don't hesitate to contact me.
Thanks,

Brian Gardiner
Assistant to the President

From: President
Sent: July 28, 2017 11:01 AM
To: selina.robinson.mla@leg.bc.ca
Cc: Gardiner, Brian
Subject: Letter to Hon. Selina Robinson

Please find attached a letter from Stephanie Smith, B.C. Government and Service Employees' Union President.

Debbie Campbell
Administrative Assistant to the President
B.C. Government and Service Employees' Union
Direct Line: 604-343-1223



July 27, 2017

VIA EMAIL: selina.robinson.MLA@leg.bc.ca

The Honourable Selina Robinson, MLA
Minister of Municipal Affairs and Housing
Parliament Buildings
Victoria, BC V8V 1X4

Dear Minister, *Selina,*

Re: Your recent appointment and request for meeting

On behalf of the 73,000 members of the BCGEU, I would like to congratulate you on both your re-election as MLA for Coquitlam-Maillardville and your appointment as Minister of Municipal Affairs and Housing. Our province needs a dramatic improvement in the availability of secure and affordable housing, and the BCGEU hopes to work with you to resolve our province's housing crisis.

Members of the BCGEU both provide and benefit from your ministry's services, which is why I am writing today to request a meeting with you. I would like to discuss two issues:

- Our members work with vulnerable women and children in care; we hope your ministry will give special priority and attention to ensuring there is adequate regular and transitional safe housing for women and children, and for youth aging out care.
- Many of our members are renters and know that there is a need for additional staff at the Residential Tenancy Branch to help reduce significant backlogs in dispute resolution applications as well as the wait times for hearings, arbitrations and settlements.

I am confident that you are already working hard on many issues, including the ones I have mentioned above, and I look forward to discussing how the BCGEU can assist you in improving services for all. To this end, I hope that you will contact my assistant, Brian Gardiner, at brian.gardiner@bcgeu.ca or 604-291-9611 to arrange a meeting in the near future.



Once again, congratulations on your new position. I look forward to meeting with you and working with you over the next four years.

Sincerely *can't wait to work together for BC!*

Stephanie Smith

Stephanie Smith
President

cc Andrea Duncan, Vice-President, BCGEU Community Social Services (Component 3)
Judy Fox-McGuire, Vice-President, BCGEU Social, Information and Health (Component 6)

SS/KR/sg
MoveUP

Davidson, Julie MAH:EX

From: Robinson, Selina MAH:EX
Sent: Monday, July 31, 2017 11:33 AM
To: Hurtig, Jane MAH:EX
Subject: Re: proposal for meeting on affordability crisis

Yes. I would need to fly over that morning.

Let's book other Victoria meetings for that day.

Selina

Sent from my iPad

On Jul 31, 2017, at 11:31 AM, Hurtig, Jane PREM:EX <Jane.Hurtig@gov.bc.ca> wrote:

Are you able to make this work on Monday? We could also do some other meetings here:
Mayor of Victoria
Cowichan Valley
Adam Olson has an issue
CRD MLAs
Meet and Greet at Ministry offices
List goes on.
Jane Hurtig
Ministerial Assistant to Minister of Municipal Affairs and Housing and responsible for Translink Cell ^{s.17}

From: White, Christine CSCD:EX
Sent: Monday, July 31, 2017 9:20 AM
To: Hurtig, Jane PREM:EX
Subject: FW: proposal for meeting on affordability crisis
Please have a look below and advise. I can set something up. I think the Cabinet meeting is Wednesday that week, I could set up for that day as well?
Thanks,
Christine White, Acting Administrative Coordinator
Office of the Honourable Selina Robinson
Minister of Municipal Affairs and Housing
Ph: 250-387-6478

From: Marquis, Yvette FIN:EX
Sent: Friday, July 28, 2017 3:16 PM
To: White, Christine CSCD:EX
Subject: FW: proposal for meeting on affordability crisis
Hi Christine,
I have been asked to set up a joint meeting with Minister Robinson, Minister James and Paul Finch from BCGEU to discuss housing affordability.
Would Monday August 14th at 9AM work for your Minister? The meeting would take place here in ^{s.15}

Will wait to hear. Thank you.

Yvette Marquis
Administrative Coordinator
to the Honourable Carole James
Minister of Finance and Deputy Premier
Province of British Columbia
Office: (250) 387-3751
Fax : (250)387-5794

From: Finch, Paul [<mailto:Paul.Finch@bcgeu.ca>]

Sent: July-23-17 9:22 AM

To: Dean, Jeff <Jeff.Dean@leg.bc.ca>

Cc: Harpinder Sandhu <[s.22](#)> ; JaredM <[s.22](#)> ; Rudek,
Amber <Amber.Rudek@bcgeu.ca>

Subject: proposal for meeting on affordability crisis

Jeff,

Here is our pitch for the proposed meeting with the Ministers of Finance and Housing:

This meeting is to follow up on a [s.13](#)

[s.13](#)

Paul Finch

Treasurer

B.C. Government and Service Employees' Union

4911 Canada Way

Burnaby, BC CANADA V5G 3W3

Phone: [1-800-663-1674](tel:1-800-663-1674)

Email: Paul.Finch@bcgeu.ca

Website: www.bcgeu.ca

Davidson, Julie MAH:EX

From: White, Christine MAH:EX
Sent: Tuesday, August 8, 2017 8:44 AM
To: Hurtig, Jane MAH:EX
Subject: RE: proposal for meeting on affordability crisis

Just FYI, this is all booked for Monday Aug 14 @9am-945 ☺

Christine White, Administrative Coordinator
Office of the Honourable Selina Robinson
Minister of Municipal Affairs and Housing
Office: 250-387-6478 Mobile: s.17

From: Hurtig, Jane PREM:EX
Sent: Monday, August 7, 2017 12:34 PM
To: White, Christine CSCD:EX
Subject: RE: proposal for meeting on affordability crisis

Hihi – sorry for delay answering this.
Please go ahead and book at time that works – Wed. should work. If not, the next week.
Thanks!
jh

Jane Hurtig
Ministerial Assistant to Minister of Municipal Affairs and Housing and responsible for Translink
Cell s.17

From: White, Christine CSCD:EX
Sent: Monday, July 31, 2017 9:20 AM
To: Hurtig, Jane PREM:EX
Subject: FW: proposal for meeting on affordability crisis

Please have a look below and advise. I can set something up. I think the Cabinet meeting is Wednesday that week, I could set up for that day as well?

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Christine White, Acting Administrative Coordinator
Office of the Honourable Selina Robinson
Minister of Municipal Affairs and Housing
Ph: 250-387-6478

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Sent: Friday, July 28, 2017 3:16 PM
To: White, Christine CSCD:EX
Subject: FW: proposal for meeting on affordability crisis

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Will wait to hear. Thank you.



*Yvette Marquis
Administrative Coordinator
to the Honourable Carole James
Minister of Finance and Deputy Premier
Province of British Columbia
Office: (250) 387-3751
Fax: (250) 387-5794*

From: Finch, Paul [<mailto:Paul.Finch@bcgeu.ca>]

Sent: July-23-17 9:22 AM

To: Dean, Jeff <Jeff.Dean@leg.bc.ca>

Cc: Harpinder Sandhu ^{s.22}

JaredM ^{s.22}

Rudek, Amber

<Amber.Rudek@bcgeu.ca>

Subject: proposal for meeting on affordability crisis

Jeff,

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^{s.13}

Paul Finch

Treasurer

B.C. Government and Service Employees' Union

4911 Canada Way

Burnaby, BC CANADA V5G 3W3

Phone: [1-800-663-1674](tel:1-800-663-1674)

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