



August 10, 2017
Our File: 01-0400-01/000/2017-1
Doc #: 2689600.v1

Honourable Selina Robinson
Minister of Municipal Affairs and Housing
Room 310 Parliament Buildings
Victoria, BC V8V 1X4

Dear Minister Robinson:

RE: Congratulations

On behalf of City Council, I want to congratulate you on your appointment to Cabinet in the new government of Premier John Horgan.

I believe your background in a wide range of the issues facing our community will serve you and the Province well as you move into your new role as Minister of Municipal Affairs and Housing. Your time on Coquitlam City Council showed you many of the challenges facing local governments. As well, your time with SHARE Family and Community Services, with City Council, in our community, and as MLA for Coquitlam-Maillardville, give you a solid background in some of the significant housing-related issues facing every community, particularly in this unprecedented housing market.

We look forward to working with you and your colleagues on addressing many of these pressing issues, as I know your government's platform made significant commitments to finding solutions. Council has expressed a keen interest in meeting with you as soon as that can be arranged.

On behalf of my fellow members of City Council, and the staff team here at City of Coquitlam, I congratulate you and thank you for your service to our community.

Wishing you much success,

Richard Stewart
Mayor



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CORRESPONDENCE SERVICES
Received: AUG 16 2017
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September 22, 2017

Ref: 206711

His Worship Mayor Richard Stewart
City of Coquitlam
3000 Guildford Way
Coquitlam BC V3B 7N2

Dear Mayor Stewart:

Thank you for your letter expressing your congratulations on my appointment as Minister of Municipal Affairs and Housing. I apologize for the delay in responding.

I appreciate your taking the time to write and for your thoughtful words. It is an exciting time as there are many opportunities to work with partners to address the issues that are top-of-mind for British Columbians.

Thank you again for writing and for welcoming me to my new position. I look forward to working with you and your Council.

Sincerely,



Selina Robinson
Minister



November 28, 2017
Our File: 13-6800-20/RV/1
Doc #: 2782888.v1

Honourable Selina Robinson
Minister of Municipal Affairs and Housing
Room 310 Parliament Buildings
Victoria, BC V8V 1X4

Dear Minister Robinson:

RE: Status of the Riverview Lands Master Plan

I appreciate your continued efforts to work with the City of Coquitlam on the future of the Riverview lands. As you are aware, the City of Coquitlam has a long history of advocating for the Riverview lands and working with stakeholders and residents who share an interest in those lands.

In June 2014 Council endorsed the "Into the Future: the Coquitlam Health Campus" report by Dr. John Higenbottam which envisions a comprehensive health campus on the Riverview lands as a place of caring and healing for people with mental illness, in a manner that preserves the site's heritage and natural value. This vision builds upon the previous 2005 work of the Riverview Task Force and their report "For the Future of Riverview."

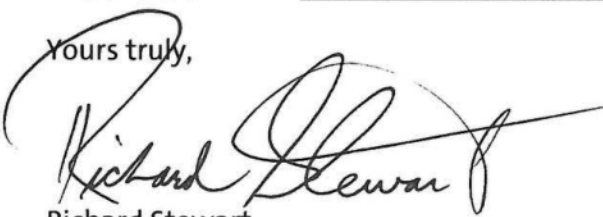
In December 2016 staff sent a letter to BC Housing outlining a number of concerns and questions regarding BC Housing's proposed Riverview Master Plan process. As a response was never received, Council is inquiring regarding the status of the Riverview Lands Master Plan and whether the Ministry plans to revisit the "Renewing Riverview" vision. ←

Should the Province intend to restart the Master Plan process, we would encourage BC Housing to explore ways to work with the Ministry of Health and Ministry of Mental Health and Addictions to focus on "upstream" solutions to address mental health, addictions and homelessness issues and repurpose the Riverview property to include supportive healing-based facilities as part of these solutions. The City maintains our long-held vision for Riverview as a place for healing and mental health care including integrated clinical care, long-term residential and rehabilitation programs and services, education and training facilities.

A key support for the City of Coquitlam is the Riverview Lands Advisory Committee (RLAC), made up of a variety of groups and individuals who are passionate and committed to supporting the wide range of values that this precious property offers. RLAC continues to meet regularly and is active in monitoring activities that could affect Riverview and continues to advocate for safeguarding its future. Staff has been advised that BC Housing staff are now able to attend RLAC meetings to provide an update on current activities on site which is appreciated. The RLAC committee will continue to meet through 2018 and would be interested in receiving further updates related to any future Provincial intentions. City Council, staff and the numerous invested stakeholders and residents are looking forward to ongoing collaboration, open communication and meaningful engagement with BC Housing on the Riverview lands.

Should you, or your staff, have any questions or require any further information with respect to this matter, please contact Jim McIntyre, General Manager, Planning and Development at 604-927-3401 or at jmcintyre@coquitlam.ca.

Yours truly,

A handwritten signature in black ink, appearing to read "Richard Stewart", with a large, sweeping flourish extending from the end of the signature.

Richard Stewart
Mayor

c- Council
General Manager, Planning and Development

Attachment: December 21, 2016 letter to Michael Flanigan RE: BC Housing's Proposed Riverview Master Plan Process



December 21, 2016
Our file: 13-6800-20/RV/1
Doc #: 2462401

Michael Flanigan
Vice President & Asset Strategies
BC Housing
1701-4555 Kingsway
Burnaby BC V5H 4V8

Dear Mr. Flanigan:

RE: BC Housing's Proposed Riverview Master Plan Process

On behalf of the City of Coquitlam, I wish to thank BC Housing for appearing as a delegation at the October 17, 2016 Council-in-Committee meeting to provide an overview of your proposed master plan process. I appreciate your continued efforts to work with the City of Coquitlam on the future of the Riverview lands.

The City of Coquitlam has a long history of advocating for the Riverview lands and working with stakeholders and residents who share an interest in those lands. The 2014 "Into the Future: the Coquitlam Health Campus" report by Dr. John Higenbottam envisions a comprehensive health campus on the Riverview lands as a place of caring and healing for people with mental illness, in a manner that preserves the site's heritage and natural value.

In June 2014 Coquitlam Council endorsed the "Into the Future" report as Coquitlam's vision for the Riverview lands, and this vision builds upon the previous 2005 work of the Riverview Task Force and their report "For the Future of Riverview."

As you are aware in March 2016 Coquitlam Council issued a letter to BC Housing expressing concern regarding BC Housing's 2015 "Renewing Riverview" vision. This letter specifically advised BC Housing of Council's:

"disappointment with the final vision's overview of the City's official feedback and other input throughout the Provincial visioning process. The City is looking for a more fulsome and reflective representation in the vision documents that better captures the vision and feedback provided by the City to BC Housing."

Given this background, and appreciating that many key decisions and information will be a product of your proposed planning exercise, it is clear from the October 17 2016 Council-in-Committee discussion that Coquitlam Council has a number of remaining concerns and questions related to your process and vision. These specific concerns and questions are contained in the minutes from this Council-in-Committee discussion, which are attached for your reference.

City of Coquitlam
3000 Guildford Way, Coquitlam, BC V3B 7M2
Office: 604.927.3000
coquitlam.ca

Based on the above summarized chronology, I respectfully note that it would be prudent for BC Housing to address these concerns and questions prior to the initiation of the BC Housing master plan process. This will provide Council improved clarity and a better understanding of the proposed process, and provide the necessary, additional information that stakeholders and residents will require to provide an informed evaluation of BC Housing's aspirations for Riverview. This in turn will also best enable meaningful public engagement and participation in BC Housing's proposed master plan process.

The following paragraphs categorize the key areas Council is concerned and/or has questions about, and highlight the key points that Council is seeking clarification and information on:

1. **The need for a more robust definition of the 'break-even mandate':** As the BC Housing "Renewing Riverview" vision is unclear as to what existing elements (arboretum, green space and heritage buildings) the Province intends to financially support through new market development, you are requested to:
 - a) Clarify "what aspects they are trying to fund through market housing";
 - b) Explain how much market housing BC Housing intends for the site; and
 - c) Define what is meant by "break-even" and the amount of market housing envisioned in the master plan to achieve your "break even" mandate.
2. **Alignment of the elements in BC Housing's vision with the capacity of the site:** The current "Renewing Riverview" vision suggests preservation of the green space, the arboretum, the cemetery along with new ambulance parking, institutional development, and market housing. Additionally there are heritage buildings, totaling 740,000 square feet, and other buildings, totaling 200,000 square feet, currently on site. Within this context BC Housing is proposing an undetermined amount of market housing, and consequently the City requires a greater understanding of:
 - a) How BC Housing will establish criteria that are proposed to set the direction of the master plan; and
 - b) How BC Housing will evaluate the necessary "trade off" elements that will provide the basis for the proposed master plan, given that all of the vision objectives will not likely fit on the site.
3. **Confirmation of site disturbance:** Council discussion included references to how much of the Riverview site is anticipated to be disturbed through redevelopment. Based on this BC Housing needs to:
 - a) Confirm exactly what is the size of the current "site disturbance" footprint; and
 - b) Formally confirm the new plan will not exceed the already disturbed footprint of the site.
4. **Confirmation that BC Housing will cover City staff costs.** The redevelopment of the Riverview site is currently not a priority for the City of Coquitlam. Coquitlam Council is concerned that other Coquitlam neighbourhoods would have to wait for additional planning and servicing exercises due to BC Housing's desired timeline regarding the Riverview lands. Based on this:

- a) BC Housing needs to commit to cover the costs of anticipated City staff resourcing needs prior to the City committing any additional staff time to manage the project and review any materials within the Province's preferred timeline. An approach to address this resourcing need can be discussed should BC Housing be prepared to provide support in this manner.
5. **Ownership of the Riverview Lands as they develop.** The City of Coquitlam Council was clear in wanting to understand the long term ownership intentions of the Province related to Riverview. Prior to detailed site review and design activities, determining "who will own the Riverview lands," is a foundational decision necessary to inform a master plan. Based on this BC Housing needs to:
- a) Detail their working premise for management of the property and ownership of the land under market rental and market housing; and
 - b) Define the pros and cons for each of those options.
6. **Ongoing preservation of the greenspace, heritage buildings and arboretum:** As expressed by several Council members at the October 17, 2016 Council-in-Committee meeting, we require information on:
- a) the Province's intent related to who will carry the on-going operations and maintenance costs for the site, and facilities on the site; and
 - b) When a complete heritage assessment of all buildings on the site will be completed and when will it be shared with the public.
7. **Confirmation that the green space is a fixed constraint on the site.** Coquitlam residents, others around the region and Council have been vocal about the importance of preserving the tree inventory at Riverview. The preservation of green space is now (in the BC Housing vision) referred to as "an equivalent amount of green space". Based on this, BC Housing should confirm:
- a) When it will have a completed tree inventory that will be publically available;
 - b) Under what conditions existing trees will be removed; and
 - c) The tree replacement protocols BC Housing intends to have in place for the site.
8. **Opportunities for meaningful consultation:** As expressed by several Council members on October 17th, Coquitlam was disappointed with BC Housing's "Renewing Riverview" vision and there is concern that resident wishes were not incorporated into that process. Following this:
- a) BC Housing should explain, in addition to informing residents of their master plan process, how residents' consultation input will be incorporated in a meaningful way into the design, with specific emphasis on how BC Housing's "trade-offs" will be shared with and vetted by the public.

We look forward to BC Housing's response, which will be forwarded to Coquitlam Council. We also hope that BC Housing will return to Coquitlam Council in the new year to present and discuss their response. City staff are available to meet with BC Housing to discuss the items set out in this letter.

City Council, staff and the numerous invested stakeholders and residents are looking forward to ongoing collaboration, open communication and meaningful engagement with BC Housing on the Riverview lands. We also thank BC Housing for their efforts to connect with the City, residents and stakeholders throughout the "Renewing Riverview" process, and we hope this will continue moving forward.

If you have any questions or would like to discuss this further, please call me at 604-927-3401.

Yours truly



J.L. McIntyre, MCIP, RPP
General Manager Planning and Development

Attach.

DELEGATIONS

3. BC Housing – Michael Flanigan, Joyce Drohan and Gary Pooni – Riverview Lands Planning Process

Mr. Michael Flanigan, Ms. Joyce Drohan and Mr. Gary Pooni, BC Housing representatives, appeared before the Committee to present BC Housing's proposed Riverview Planning Process and noted that the document aims to guide BC Housing's project team through the master planning process. They utilized an on-screen presentation entitled "Renewing Riverview" and referred to the slides titled as follows:

- Guiding Principles
- What Informed the Vision? What Informed the Master Plan?
- What We've Accomplished So Far
- Valleyview Demolition Site Oct. 1, 2016
- Map
- Appendix A: Riverview Planning Process Diagram

Discussion ensued relative to the following:

- The public consultation process to-date in relation to the Riverview lands visioning process
- The role and level of involvement of the City relative to the proposed master plan approach
- The desire for a comprehensive community engagement process
- The level of alignment between BC Housing's and the City's vision
- Clarification regarding responsibility to maintain certain aspects of the lands (i.e. roads, pipes, trees)
- That BC Housing is committed to preserving/retaining the existing green space on the lands
- Proposed improvements to Lougheed Highway
- The concerns for, and details of, the proposed "Break Even" mandate
- The desire for the Riverview lands to continue to be used for mental health aspects
- The City's support of Dr. John Higenbottam's report "Into the Future: the Coquitlam Health Campus – A Vision for the Riverview Lands" and the desire for this to be considered relative to BC Housing's vision
- The increasing prevalence of mental health issues and the opportunity to address this need via the Riverview lands
- The proposed development of market rental housing on the site and the concerns in this regard
- The details regarding the future ownership of parcels on the lands
- Whether the Riverview lands are publically owned
- The redevelopment of the Royal Columbian Hospital
- Whether archeological permits have been issued relative to the lands
- The expenditures to date relative to the visioning process

In response to a question from a member of the Committee, Mr. Michael Flanigan introduced other representatives from BC Housing present at the meeting.

Discussion continued relative to the following:

- That BC Housing is committed to not exceeding the current area of disturbed footprint
- The details regarding the proposed Economic Development, High Street, Village Centre and North Health precincts
- The desire for increased clarity for, and identification of, any direct alignments between the City's and BC Housing's vision
- The desire for transitional housing on the lands
- Concerns regarding the maintenance of heritage buildings on the lands.

REPORTS OF STAFF

4. Report of General Manager Planning and Development – Riverview Lands – BC Housing's Proposed Master Plan Process and Public Consultation Approach

The General Manager Planning and Development provided introductory remarks relative to the report.

Discussion ensued relative to the following:

- The proposed City staff project group
- The desire to reduce any potential staffing impacts relative to the proposed master plan approach
- The number of proposed internal staff required for the project and the current capacity in the Planning and Development Department relative to staff workloads
- BC Housing's commitment to compensate for any external staff resources required and the desire for BC Housing to also provide compensation for any internal staff that may be redirected to focus on this project
- The desire for consultation with the Economic Development Advisory Committee and the Tri-Cities Homelessness and Housing Task Force
- The need to identify an appropriate transit plan for the subject area prior to any redevelopment taking place
- Housing affordability
- The details regarding the proposed two-stage planning process and the potential future Neighbourhood Plan process
- Staff's future assessment and review of BC Housing's Master Plan at the completion of stage 1
- The Neighbourhood Plan process and whether there is impact if the subject area privately owned
- The amount of staff resources that have been allocated to the project to date
- The details regarding the applicant-led first phase of the proposed master plan
- Consultation with the Riverview Lands Advisory Committee
- The City's vision for the Riverview lands

The Committee, with the exception of Councillor Reid and Councillor Zarrillo, received the report dated October 4, 2016 of the General Manager Planning and Development, entitled "Riverview Lands – BC Housing's Proposed Master Plan Process and Public Consultation Approach", for information.

JAN 18 2018



Ref: 231938

His Worship Mayor Richard Stewart
City of Coquitlam
3000 Guildford Way
Coquitlam BC V3B 7N2

Dear Mayor Stewart: *Richard,*

Thank you for your letters regarding the redevelopment of the Riverview Lands, specifically plans for the tree collection and the status of the master plan.

The Province of British Columbia values the working relationship with the City of Coquitlam in determining the future of the Riverview Lands. Riverview is a historic property and a valuable resource. The Province's intention is to create an integrated community of care, with critical mental health and addiction supports and services, and affordable, safe and functional housing to help vulnerable people. I appreciate that the City has a special interest in the future of Riverview.

I understand that on December 6, 2017, BC Housing presented to the Riverview Lands Advisory Committee and that this meeting included discussion of the concerns raised in your letters. I am pleased to hear that the meeting went well.

The Province is committed to protecting the unique tree collection at Riverview. I am informed that BC Housing is working under advisement from Dr. Julian Dunster, the lead arborist for the Riverview Lands, to ensure the long term health of the trees and that the work is in accordance with the Riverview Tree & Plant Protection Specification. Trees removed to permit the development of the Provincial Assessment Centre/Maples Adolescent Treatment Centre and the Centre for Mental Addictions projects were reviewed and approved by Dr. Dunster, the projects' arborists, as well as City staff and Council through their acceptance of both projects' respective Development Variance Permits.

Regarding a master plan for the Riverview Lands, the Province is working through BC Housing to ensure that the future use for the property and its buildings balances the needs and aspirations of the Province, the City, the Kwikwetlem First Nation and all British Columbians as we proceed with the master plan for the property. If you wish to follow up with BC Housing directly, I encourage you to contact Shayne Ramsay, Chief Executive Officer, BC Housing, by telephone at: 604 439-4712, or by email at: sramsay@bchousing.org.

.../2

His Worship Mayor Richard Stewart
Page 2

Thank you again for writing.

Sincerely,

A handwritten signature in cursive script, appearing to read "Selina".

Selina Robinson
Minister

MINISTRY OF MUNICIPAL AFFAIRS AND HOUSING		
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November 28, 2017
Our File: 13-6800-20/RV/1
Doc #: 2782984.v1

Honourable Selina Robinson
Minister of Municipal Affairs and Housing
Room 310 Parliament Buildings
Victoria, BC V8V 1X4

Dear Minister Robinson:

RE: Riverview Tree Collection

I appreciate your continued efforts to work with the City of Coquitlam on the future of the Riverview lands. As you are aware, the Riverview Lands are a priority for our community, and City Council and staff look forward to continuing to work closely with BC Housing, residents and other stakeholders who share an interest in the future of Riverview. The City of Coquitlam is proud to host this critical mental health care facility, and shares the community's interest in preserving the tree collection, landscapes, and arboretum.

In January 2008, City Council placed the entire Riverview site, including its trees and landscape features, onto Coquitlam's Community Heritage Register. This was based in part on recognizing the value of the site as a revolutionary therapeutic model that is reflected in the integration of a grand designed landscape of buildings, horticultural features and therapy. In addition, the City had the Riverview lands added to Canada's Register of Historic Places in 2009.

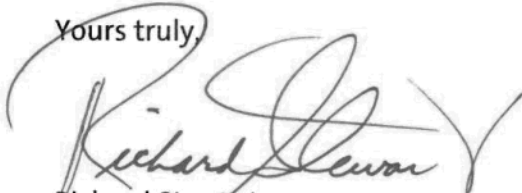
The trees on the Riverview Hospital Lands are unique in Western Canada and the Pacific Northwest and are considered by some to be the best collection of trees in Canada. The value of the individual trees is estimated at more than \$50 million, but the age, variety and condition of the collection as a whole make the collection worth much more. The site also has unlimited potential as a Horticultural Centre and Provincial Botanical Garden. It is also important to preserve and enhance the natural habitat areas and streams to protect wildlife habitat and corridors and restore wetlands.

The City's Riverview Lands Advisory Committee (RLAC) has reviewed the arborist's reports as attached to the recent Development Variance Permits (DVP's) for the Provincial Assessment Centre/Maples Adolescent Treatment Centre and the Centre for Mental Health and Addictions projects. The committee raised concerns with the arborist's assessment of some trees slated for removal, noting that the report states that the health of some of the trees were compromised by the harsh 2016/17 winter and the drought this past summer. The committee also noted the importance of maintaining the trees onsite and the belief that the past harsh winter followed by a very dry summer and lack of tree watering contributed to their deterioration.

Based on this, Council requests that BC Housing be requested to regularly monitor the health of, and provide ongoing care and maintenance of, the trees and overall landscape growing on the Riverview lands following accepted landscaping and horticultural practices. The tree collection at Riverview is part of the Provincially significant cultural landscape of the site and has immense value for the history and tourism potential of these remarkable lands.

Should you, or your staff, have any questions or require any further information with respect to this matter, please contact Jim McIntyre, General Manager, Planning and Development at 604-927-3401 or at jmcintyre@coquitlam.ca.

Yours truly,

A handwritten signature in black ink, appearing to read 'Richard Stewart', with a large, stylized flourish extending from the end of the signature.

Richard Stewart
Mayor

c- Council
General Manager, Planning and Development



December 13, 2017
Our File: 01-0620-01/000/2017-1
Doc #: 2807298.v1

Hon. John Horgan
Premier's Office
Legislative Assembly of British Columbia
Victoria, BC V8V 1X4

Dear Premier Horgan:

RE: Municipal Government Campaign Finance Reform

On behalf of Coquitlam City Council, I write to express concern regarding the changes to municipal campaign finance laws that came into effect on October 31, 2017. Further to my letter dated June 9, 2017, we believe there are significant differences between the Provincial and Municipal context and that these changes will lead to a dearth of candidates seeking local office, increase the power of incumbency and limit the range of voices from across the political spectrum.

As I wrote in my previous correspondence, those who donate to municipal campaigns do not receive a tax credit for any portion of their donation, unlike those made at the Provincial or Federal level. Local candidates rely upon business or other organizational donations to bridge this gap – we fear eliminating this funding mechanism will encourage an increase in slate politics, reducing choice in the democratic process.

Furthermore, we were disappointed that there was little consultation with local officials on how these changes would impact the municipal environment. There are many tweaks to campaign finance rules that could positively impact the strength of our democracy and we feel a fulsome engagement with stakeholders at all levels would have yielded a more comprehensive outcome.

City of Coquitlam
3000 Guildford Way
Coquitlam, BC Canada V3B 7N2
Mayor's Office: 604-927-3001 | Fax: 604-927-3015
    cityofcoquitlam | coquitlam.ca

We therefore respectfully request that you review the impact of these changes and engage municipal stakeholders on how best to strengthen the democratic process at the local level.

Yours truly,

A handwritten signature in black ink, appearing to read "Richard Stewart", with a long, sweeping horizontal stroke extending to the right.

Richard Stewart
Mayor

c - Andrew Weaver, Leader, BC Green Party
Rich Coleman, Interim Leader, BC Liberal Party
Council
Jay Gilbert, City Clerk, City of Coquitlam
Peter Steblin, City Manager, City of Coquitlam
John DuMont, Deputy City Manager, City of Coquitlam



OFFICE OF THE MAYOR
Richard Stewart

December 13, 2017

Our File: 01-0620-01/000/2017-1

Doc #: 2807298.v1

~~Dr. Andrew Weaver
Room 027C
Legislative Assembly of British Columbia
Victoria, BC V8V 1X4~~


Dear Dr. Weaver:

RE: Municipal Government Campaign Finance Reform

On behalf of Coquitlam City Council, I write to express concern regarding the changes to municipal campaign finance laws that came into effect on October 31, 2017. Further to my letter dated June 9, 2017, we believe there are significant differences between the Provincial and Municipal context and that these changes will lead to a dearth of candidates seeking local office, increase the power of incumbency and limit the range of voices from across the political spectrum.

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December 13, 2017

Page 2

We therefore respectfully request that you review the impact of these changes and engage municipal stakeholders on how best to strengthen the democratic process at the local level.

Yours truly,

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Richard Stewart
Mayor

- c - John Horgan, Leader, BC New Democratic Party ✓
- Rich Coleman, Interim Leader, BC Liberal Party
- Council
- Jay Gilbert, City Clerk, City of Coquitlam
- Peter Steblin, City Manager, City of Coquitlam
- John DuMont, Deputy City Manager, City of Coquitlam



OFFICE OF THE MAYOR
Richard Stewart

December 13, 2017

Our File: 01-0620-01/000/2017-1

Doc #: 2807298.v1

~~Rich Coleman
Leader of the Official Opposition
Legislative Assembly of British Columbia
Victoria, BC V8V 1X4~~

Dear Mr. Coleman:

RE: Municipal Government Campaign Finance Reform

On behalf of Coquitlam City Council, I write to express concern regarding the changes to municipal campaign finance laws that came into effect on October 31, 2017. Further to my letter dated June 9, 2017, we believe there are significant differences between the Provincial and Municipal context and that these changes will lead to a dearth of candidates seeking local office, increase the power of incumbency and limit the range of voices from across the political spectrum.

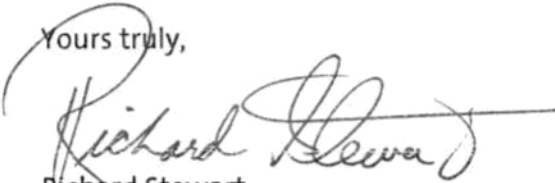
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Furthermore, we were disappointed that there was little consultation with local officials on how these changes would impact the municipal environment. There are many tweaks to campaign finance rules that could positively impact the strength of our democracy and we feel a fulsome engagement with stakeholders at all levels would have yielded a more comprehensive outcome.

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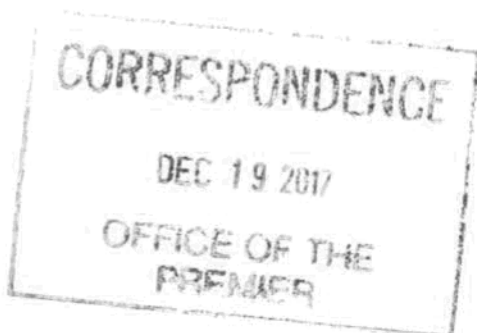
We therefore respectfully request that government and our elected representatives at the provincial level review the impact of these changes and engage municipal stakeholders on how best to strengthen the democratic process at the local level.

Yours truly,



Richard Stewart
Mayor

- c - John Horgan, Leader, BC New Democratic Party ✓
- Andrew Weaver, Leader, BC Green Party
- Council
- Jay Gilbert, City Clerk, City of Coquitlam
- Peter Steblin, City Manager, City of Coquitlam
- John DuMont, Deputy City Manager, City of Coquitlam





March 15, 2018

Ref: 234104

His Worship Mayor Richard Stewart
and Members of Council
City of Coquitlam
3000 Guildford Way
Coquitlam BC V3B 7N2

Dear Mayor Stewart and Councillors:

Thank you for your letter addressed to the Honourable John Horgan, Premier, regarding recent amendments to the local elections campaign financing framework. As Minister responsible for the local government system, I am pleased to respond and I apologize for the delay.

As you are aware, the *Local Elections Campaign Financing Amendment Act, 2017* (Bill 15) made several changes to local elections campaign financing rules to prohibit corporate and union contributions and to implement campaign contribution limits. In developing the new campaign financing rules, the Province of British Columbia consulted with the Union of British Columbia Municipalities (UBCM), the City of Vancouver (which has a robust culture of elector organizations) and Elections BC. Every effort was made to address concerns identified through the consultation process, so that the rules would be clear and that fairness would be maintained between all candidates as much as possible.

As you are aware, unlike provincial and federal elections, local government election rules do not contain public financing measures, such as the ability to issue tax receipts to individuals who make contributions. Implementing any form of public financing in local government elections (e.g. through tax deductions or credits) would be complex and challenging, and would raise tax policy questions requiring significant policy work across multiple ministries. This work would also need to draw upon a variety of perspectives, including that of UBCM, to ensure compatibility of possible approaches within the current framework.

These policy questions would include the appropriate level of government responsible to provide public funding for local campaigns (i.e. whether by the provincial government or local government). The Province would be open to considering this complex issue further if, after the experience of the 2018 general local elections, local governments indicate that exploration of a public funding mechanism remains a priority.

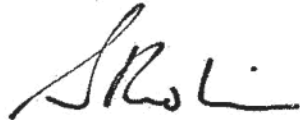
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His Worship Mayor Richard Stewart
Page 2

The 2018 general local elections will be the first time rules restricting the source and amount of campaign contributions, and that rules surrounding expense limits will apply. The Province will be monitoring these election experiences to determine if there are any issues that may need to be further considered. If after the experiences of these elections, local governments collectively identify particular concerns, conversations about how to best address those issues for subsequent elections can take place through UBCM's engagement process.

Thank you again for writing. I appreciate your taking the time to provide your views on the recent changes to the local elections campaign financing framework.

Sincerely,

A handwritten signature in black ink, appearing to read 'SR', followed by a horizontal line.

Selina Robinson
Minister

pc: Honourable John Horgan
Premier

Handwritten: 4522

MINISTRY OF MUNICIPAL AFFAIRS AND HOUSING		
FEB 20 2018		
<input checked="" type="checkbox"/> Min Sig	<input type="checkbox"/> Reply Direct	<input type="checkbox"/> FYI / File
<input type="checkbox"/> DM Advise	<input type="checkbox"/> DM	<input type="checkbox"/> ADM

February 13, 2018

Our File: 10-5040-20/HMLSHR/2018-1

Doc #: 2861335.v1

The Honourable Selina Robinson
Minister of Municipal Affairs and Housing
Room 310 Parliament Buildings
Victoria, BC V8V 1X4

Dear Minister Robinson:

RE: 3030 Gordon Emergency Shelter

We commend your efforts and commitments to help address the homelessness issues around the Province. As you are aware, Coquitlam has partnered successfully with BC Housing on several recent projects to help tackle homelessness challenges in our community, including facilities at 528 Como Lake Avenue and 3030 Gordon Avenue, both of which were constructed on land donated by City of Coquitlam. In addition, the City has recently partnered with Talitha Koum in developing a facility aimed at preventing homelessness, using our Affordable Housing Reserve Fund. As you know, both 528 Como Lake (YWCA's Como Lake Gardens) and the Talitha Koum project are targeted at women/mothers at risk of homelessness.

With regard to the 3030 Gordon Avenue shelter facility, the operator is currently examining ways to expand its operations, to provide more support to the individuals they serve within the operating mandate and resources provided by BC Housing. However, these considerations are being examined without input from, or collaboration with, the City of Coquitlam, and we would ask that such dialogue be opened, considering the Province's prior commitments to our community. As you know, nearby residents and businesses have expressed concerns related to neighbourhood impacts from the facility. As well, we continue to expend a disproportionate level of first-responder resources on this facility.

Based on these concerns the City of Coquitlam has established a 3030 Gordon Emergency Shelter Task Force to work with BC Housing and RainCity to review and make recommendations to improve the operating procedures of 3030 Gordon with the aim of reducing the broader community impacts from the shelter, to ensure they are meeting the intent of the Good Neighbourhood Agreement. We want the shelter to continue to have strong community support, and we want to do what we can to foster and protect that ongoing support in the neighbourhood and community.

As previously discussed by Council, we strongly encourage BC Housing to explore ways to work with the Ministry of Health and Ministry of Mental Health and Addictions to focus on “upstream” solutions to homelessness, mental health and addictions, and to begin fruitful discussion with the City about the possibility of repurposing portions of the Riverview site to include additional supportive mental health and addictions services. With the ongoing and overlapping crises of homelessness, opioids, addictions, and mental health, our community needs additional services to support our vulnerable populations, including those living at 3030 Gordon. Some of those services are currently being successfully provided out of Riverview, on a small scale, and we urge government to contemplate a significant ramping-up of those services in the face of this unprecedented crisis.

The City continues to advance the possibility of restoring Riverview as a place of integrated healing with a focus on persons with mental illness and addictions. As you know full well, too many people experiencing homelessness across the Province are also facing considerable barriers related to addictions and mental illness. We support new housing units on Riverview, in conjunction with the Province’s health facilities, in order to deliver a more comprehensive ‘health focused’ supportive housing approach to those facing these challenges. This immediate solution could provide more transitional housing with the necessary support services at Riverview that would enable individuals in need of these services to be shifted from community-based shelters, freeing up space for those who haven’t been able to access shelter beds.

We understand that the Province hopes to advance additional housing initiatives in the near future. As Council has indicated at our recent meetings, we would be very interested in working together to help deliver tangible solutions for residents who are facing considerable housing and homelessness challenges.

Should you, or your staff, have any questions or require any further information with respect to this matter, please contact me, or contact Jim McIntyre, General Manager, Planning and Development at 604-927-3401 or at jmcintyre@coquitlam.ca.

Yours truly,

A handwritten signature in black ink, appearing to read "Richard Stewart". The signature is fluid and cursive, with a large initial "R" and a long, sweeping underline.

Richard Stewart
Mayor

c- Council
The Honourable Adrian Dix, Minister of Health
The Honourable Judy Darcy, Minister of Mental Health and Addictions
Jim McIntyre, General Manager, Planning and Development
Shayne Ramsay, Chief Executive Officer, BC Housing

Attachment: 3030 Gordon Emergency Shelter Task Force – Terms of Reference

CITY OF COQUITLAM

3030 GORDON EMERGENCY SHELTER TASK FORCE

TERMS OF REFERENCE

Issue Date: February 5, 2018

Revision Date:

MANDATE

The mandate of the 3030 Gordon Emergency Shelter Task Force is:

- ◆ To monitor and review the broader community impacts of 3030 Gordon Street Shelter to ensure they are meeting the intent of the Good Neighbourhood Agreement;
- ◆ To liaise with BC Housing and Rain City Housing and Support Society (Rain City) and develop measures to assist the 3030 Gordon Shelter in meeting the obligations of the Good Neighbourhood Agreement;
- ◆ To incorporate the input of Port Coquitlam City Council with respect to community impacts and potential measures to address those impacts; and
- ◆ To provide recommendations to Coquitlam Council on the Council's maintenance of the relationship with BC Housing and Rain City and the implementation of the measures developed by the Task Force by December 15, 2018.

COMPOSITION

Task Force members will be elected officials with knowledge in the areas of housing and homelessness, public health, and mental health and addictions. All members will be committed to working in a collaborative manner for the improvement of the operations of the 3030 Gordon Emergency Shelter.

The Task Force will be comprised of three (3) voting members of the City of Coquitlam Council. All other members of Coquitlam Council and Port Coquitlam Council are welcome to attend the Task Force meetings as non-voting members.

CHAIR, SECRETARY AND STAFF SUPPORT

Two Members of the City of Coquitlam Council will be appointed to serve as the Chair and Vice Chair of the Task Force.

The City Clerk or their designate will prepare the agenda and notice of meeting and will serve as Secretary.

The General Manager of Planning and Development or their designate will serve as the staff liaison to support the Task Force.

Staff serves in a support role and are not members of the Task Force.

QUORUM AND PROCEDURES

A quorum will be a majority of the voting members and must include at least one (1) of the Chair or Vice Chair.

The meetings are scheduled as necessary to complete the work and may be cancelled or re-scheduled at the call of the Chair.

Any questions before the Task Force will be decided by a majority of the voting members.

Observers may attend open meetings but are not permitted to speak.

Minutes prepared by the Secretary shall go forward to Council with specific items marked for consideration (i.e., recommendations).

Regular Meeting Minutes approved or received by the Task Force or the City of Coquitlam Council are available to the public. Meetings or portions of meetings may be closed to the public if the Task Force is considering an item where, in accordance with applicable legislative requirements and Council procedure, the public interest requires the exclusion of the public. Closed Meeting Minutes, if any, will be distributed to members of the Task Force and City of Coquitlam Council. Task Force members from Port Coquitlam Council may share Closed Meeting Minutes with Port Coquitlam Council in a meeting closed to the public.

DUTY OF MEMBERS

Members are expected to advance developments in the best public interest in keeping with the mandate of the Task Force and are expected to be respectful and work cooperatively to achieve the common goals established in the 3030 Gordon Good Neighbour Agreement. Members are expected to resolve any potential conflicts among their personal interests in order to support the overall well-being of the Task Force.

City policy regarding Conflict of Interest applies to all members and members are not permitted to directly or indirectly benefit from their participation in the 3030 Gordon Emergency Shelter Task Force during their tenure.

Members are expected to attend all meetings and participate fully in order to bring the full range of skills, experiences and diversity to each issue.

COMMUNICATION

All official representation of the Task Force is through the Chair or their designate. The media contact on behalf of the Task Force is the Chair.

Communication with staff is through the staff liaison.

TERM OF APPOINTMENT

The term of appointment will be until December 15, 2018 at which time the Task Force will be reviewed.



March 23, 2018

Ref: 234546

His Worship Mayor Richard Stewart
City of Coquitlam
3000 Guildford Way
Coquitlam BC V3B 7N2

Dear Mayor Stewart:

Thank you for your letter regarding the establishment of a Shelter Task Force and for updating me on how the City of Coquitlam is working with partners to tackle homelessness and ensure that the shelter has strong community support. I apologize for the delay in responding.

As part of Budget 2018, the Province of British Columbia released "Homes for BC: A 30-Point Plan for Housing Affordability in British Columbia". Given the urgent need to address homelessness, Budget 2018 also committed to fund 2,500 new homes with 24/7 support services for people who are experiencing homelessness or at risk of homelessness. This is in addition to the 2000 units of modular housing and support services that we committed to in Budget Update 2017.

I appreciate your ideas and thoughts on Riverview. As you are aware, there are two facilities currently under construction, The Provincial Assessment Centre and Maples Adolescent Treatment Centre. The Province intends to review the current plan for the redevelopment of Riverview including the principles that were established to guide the re-use of these public lands. This will contribute – in support of the work of the Ministry of Mental Health and Addictions – toward addressing the housing needs of people experiencing homelessness as well as severe mental illness and addiction.

The Province, through BC Housing, aspires for a balanced approach to the priorities and objectives of a wide range of stakeholders and parties, and continues to work in the spirit of partnership with the Kwikwetlem First Nation. Government remains committed to collaborating with the Ministry of Health, the Ministry of Mental Health and Addictions, the Ministry of Citizens' Services and Coquitlam.

I value the City of Coquitlam's hard work and commitment to addressing homelessness in your community.

.../2

His Worship Mayor Richard Stewart
Page 2

Thank you again for writing.

Sincerely,

A handwritten signature in black ink, appearing to read 'SR', with a stylized flourish at the end.

Selina Robinson
Minister

pc: Honourable Jinny Sims
Minister of Citizen Services

Honourable Adrian Dix
Minister of Health

Honourable Judy Darcy
Minister of Mental Health and Addictions

Coquitlam

OFFICE OF THE MAYOR
Richard Stewart

February 28, 2018

Our File: 05-1950-01/000/2018-1

Doc #: 2884315.v1

234918

MINISTRY OF MUNICIPAL
AFFAIRS AND HOUSING

MAR 08 2018

☒ Min Sig ☐ Reply Direct ☐ FYI / File
☐ Info Advise ☐ DM ☐ ADM

The Honourable Selina Robinson
Minister of Municipal Affairs and Housing
Room 310 Parliament Buildings
Victoria, BC V8V 1X4

Dear Minister Robinson:

RE: Property Assessment and Taxation Legislation

I am writing to you on behalf of Council with respect to some information that your office passed along to the Austin Heights Business Improvement Association (AHBIA) regarding municipal property tax exemption (please see attached.) While we understand and appreciate that your office was attempting to assist the business property owners in Austin Heights facing large property tax increases this year, there appears to be a misunderstanding of the legislative framework surrounding property taxes, and the challenge facing these businesses. It is unclear to us how the information given to them regarding Section 226 of the Community Charter on Revitalization Tax Exemption would serve to address the impact of rising property values on these business owners and operators.

It seems clear in the legislation (Community Charter, Section 226(2)) that the intent of a revitalization program is to encourage various types of revitalization that achieve a range of environmental, economic or social objectives. Our understanding, as highlighted in Section 226(5)(b)(iv), is that property owners are to carry out some form of activity in order to receive a revitalization tax exemption (i.e. property renovations or land remediation) or else meet a particular condition that the municipality is interested in promoting (i.e. increasing the amount of affordable housing). We are not aware that this legislation is intended for, or has ever been applied to, providing businesses with a tax exemption simply due to rising property values. We would appreciate if your office could advise the Austin Heights BIA that the current provincial legislation does not give our municipality the flexibility that the previous email indicated. Moreover, the legislated deadline for issuing any sort of permissive

tax exemption certificate is October 31st of the preceding year, and therefore there is no solution for the 2018 tax year.

As a result of your office's representations to the AHBA, there are now some local businesses who perceive that the City of Coquitlam has the legislative authority to solve the challenges created by this inequity; as this is obviously in error, we would appreciate your office correcting the misstatements.

Specifically related to the current taxation/assessment rules that produced this inequity, we would like to request that the Minister explore other potential policy tools such as those recently highlighted by the City of Vancouver. We consider these proposals to be more equitable, reasonable and practical, while still upholding the integrity and values of the assessment and taxation system. These include making changes to the Assessment Act which would effectively maintain the values of objectivity, transparency, comparability and fairness in the assessment process, while addressing the assessment and taxation challenges that are impacting many businesses across the Lower Mainland today. Many of these businesses are at serious peril due to rising property values resulting from future development potential, values that are being taxed at the wrong rate.

Given the current housing crisis in BC, the City of Coquitlam is making land use changes to facilitate the development of new high density housing, as encouraged by the Province. Predictably, these land use decisions increase the market value of land in anticipation of this new residential development. Of course, the current Assessment Act requires valuation of a property based on its highest-and-best-use without consideration of either its current use or the timeframe for redevelopment. As a result, many commercial properties are currently facing very high assessments, typically based on the property's residential development potential. However, for commercial properties, cities are required to use this assessment (based on residential potential) and multiply it by the commercial tax rate (based on the current use of the site), resulting in an excessive tax burden on business property owners and – more egregiously – their tenants. The commercial tenant of a one-storey building can end up paying commercial property taxes based on the unbuilt 25-storey residential potential of the site, while having no claim on the appreciation in value that the landowner enjoys. Then, in a few years, once the 500 new residents of the newly-built residential tower move in, the total property taxes for the site may actually drop, even though (of course) the city's costs have risen with the arrival of 500 new residents. If the tenant of that one-storey commercial building is responsible for the property taxes, it can easily drive them out of business, while the property owner sees the windfall profit from the land value increase.

To resolve this egregious inequity, we ask that the Province implement changes to the Assessment Act which would permit a split property assessment on a single property; that would enable municipalities to issue a tax bill with the appropriate tax distribution between commercial and residential rates. It wouldn't completely solve the challenge, but it would allow the values associated with potential residential densities to be taxed at the residential

tax rate, thus removing a great deal of the unfairness associated with the current situation, and would likely save from imminent failure many small businesses in the vicinity of your constituency office. The result would be a clear delineation between the taxes attributed to the associated future development potential (calculated using the residential mill rate) and the current commercial use.

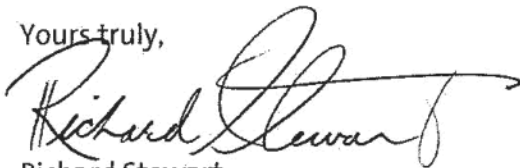
In addition, we ask that the Province investigate a Provincial tax deferment program for businesses, to provide owners with the ability to defer their tax payment until the property is sold or developed. Together, these proposed changes will have more likelihood of sustainable long-term benefits as they would address some of the systemic issues with the property assessment system in our current housing market, rather than the exception-based solution as proposed by your office (even if the legislation allowed it).

We strongly encourage the Province to work with municipalities to seek a solution to the existing property assessment and taxation system, a system that is out of sync with the current real estate market in Metro Vancouver. To expedite this process, we support the formation of a Province-led inter-governmental workgroup, including representatives from the Province, BC Assessment Authority and Metro Vancouver member municipalities, to discuss these or other policy solutions that could be implemented in time for the 2019 tax billing cycle. We are looking for changes that maintain an assessment system that is objective, transparent and fair.

For many small businesses, the situation is enormously serious. The City of Coquitlam wishes it could help them, but the currently legislative framework gives us no viable way of protecting them from this egregious inequity.

Should you, or your staff, have any questions or require any further information with respect to this matter, please contact me, or contact Michelle Hunt, General Manager, Finance and Technology at 604-927-3531 or at mhunt@coquitlam.ca.

Yours truly,



Richard Stewart
Mayor

c- Council
City Manager
General Manager Finance & Technology

Attachment: Email dated February 23, 2018 from Matt Djonlic

RUSH!

CORRESPONDENCE SERVICES	
Received:	MAR 13 2018
Sent:	MAR 13 2018
ASSIGN TO:	LG-LGIF (Lasya)
<input checked="" type="checkbox"/> MINISTER'S RESPONSE	
<input type="checkbox"/> DM RESPONSE	
<input type="checkbox"/> DIRECT REPLY	
<input type="checkbox"/> NECESSARY ACTION	
<input type="checkbox"/> COMMENTS/ADVICE	
<input type="checkbox"/> PREMIER'S RESPONSE	
<input type="checkbox"/> INFO/FILE	



May 30, 2018

Ref: 234918

His Worship Mayor Richard Stewart
City of Coquitlam
3000 Guildford Way
Coquitlam BC V3B 7N2

Dear Mayor Stewart:

Thank you for your letter regarding a message received by Austin Heights Business Improvement Association (AHBIA) on the topic of revitalization tax exemptions.

I wish to clarify some of the statutory parameters regarding revitalization tax exemptions. The broad terms and objectives of a revitalization tax exemption are established under a Revitalization Program. Provincial statute does not prescribe a list of specific eligible terms and objectives for a Revitalization Program. Instead, the terms and objectives of the program are established by the local government, but must reasonably support the core goal of, "encouraging revitalization in the municipality" (as stated in s. 226(2) and (4) of the *Community Charter*).

Thus, the onus is entirely upon the municipal council to define the program objectives and describe how those objectives will support the broader goal of encouraging revitalization in the community. If rising property values and low housing affordability represent a potential threat to the long-term vitality of the community, council could consider that a reasonable objective of a Revitalization Program.

However, in accordance with s. 226(4)(b) and (c) of the Charter, the Revitalization Program must also describe how it will accomplish its objectives, including a description of tangible activities and/or circumstances that are potentially eligible for an exemption. Thus, the goals and objectives of a Revitalization Program must be grounded in concrete action.

For example, it is entirely appropriate to address issues of high property assessment through a revitalization tax exemption on new affordable housing units. This links the broad objective "addressing high property assessment" with the concrete action "encouraging development of new affordable housing". A broader tax exemption on all existing housing may be somewhat less concrete and thus more tenuous. An exemption like that should require a very strong policy rationale with some very concrete actions.

.../2

His Worship Mayor Richard Stewart
Page 2

I must stress, as an autonomous local government, this is a discussion within your community regarding the unique challenges being faced. The final decision for any Revitalization Program rests with mayor and council. A Revitalization Program must be done through a publicly adopted bylaw, which requires full transparency and must link to the long-term financial planning of the community (in accordance with s. 226(6) of the Charter). For more information or details, please contact Sean Grant, Director, Local Government Finance, Ministry of Municipal Affairs and Housing, by email at: Sean.Grant@gov.bc.ca, or by telephone at: 778 698-3241.

Thank you again for writing.

Sincerely,

A handwritten signature in black ink, appearing to read 'Selina Robinson', with a stylized, flowing script.

Selina Robinson
Minister

From: Robinson.MLA, Selina
To: [Minister, MAH MAH:EX](#)
Cc: [White, Christine MAH:EX](#)
Subject: FW: Invitation for Minister Robinson from Coquitlam Mayor Richard Stewart
Date: Tuesday, April 10, 2018 3:45:43 PM
Attachments: [Sch2_clk_go18041015320.pdf](#)
Importance: High

From: Knowles, Kyla [<mailto:KKnowles@coquitlam.ca>]

Sent: Tuesday, April 10, 2018 3:37 PM

To: Robinson.MLA, Selina

Cc: McIntyre, Jim

Subject: Invitation for Minister Robinson from Coquitlam Mayor Richard Stewart

Good afternoon from the City of Coquitlam Mayor's office –

Please find attached a request for Ms. Robinson – I am putting the original in the mail today to follow.

Regards,

Kyla Knowles | Executive Assistant to Mayor and Council

City of Coquitlam | 3000 Guildford Way | Coquitlam, BC V3B 7N2

Tel: 604-927-3008 | kknowles@coquitlam.ca

April 10, 2018

Our File: 10-5040-20/AFFHOU/2018-1

Doc #: 2928443.v1

The Honourable Selina Robinson
Minister of Municipal Affairs and Housing
Room 310 Parliament Buildings
Victoria, BC V8V 1X4

By email: selina.robinson.mla@leg.bc.ca

Dear Minister Robinson:

RE: Housing Affordability Forum Invitation

We commend your efforts and commitments to help address housing affordability issues across British Columbia. As you are aware, Coquitlam has advanced a number of recent housing affordability initiatives, including several successful partnerships to help tackle housing affordability challenges in our community. This has led to a significant increase in both market rental and below-market/non-market housing under development.

To ensure we continue building on these successes, the City of Coquitlam is hosting a local Tri-Cities-focused Housing Affordability Forum to enable housing providers and promote practical partnerships. We would like to invite you to provide the morning keynote address to kick-off the day.

This one-day forum is intended to focus on action and will:

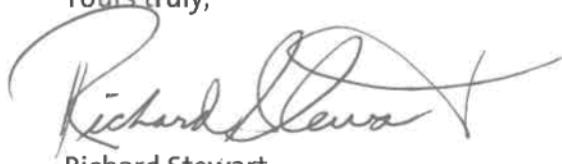
- promote Coquitlam's housing affordability incentives
- provide networking opportunities between developers and non-profit housing providers
- enable new private/public partnerships aimed at delivering affordable housing solutions
- build capacity among local housing providers
- host a learning event with Vancity Community Foundation about social purpose real estate development

We are currently targeting holding the Forum in either late June or late September 2018 depending on your schedule. Please let me know your availability by April 20, 2018.

Should you or your staff have any questions or require any further information with respect to the Housing Affordability Forum, please contact Andrew Merrill, Manager Community Planning, at 604-927-3416 or at amerrill@coquitlam.ca.

Thank you for your consideration.

Yours truly,

A handwritten signature in black ink, appearing to read "Richard Stewart", with a large, stylized flourish extending from the end of the signature.

Richard Stewart
Mayor

c- Jim McIntyre, General Manager Planning and Development

May 29, 2018

Our File: 13-6930-20/HCRS1/1

Doc #: 2964913.v1

The Honourable Selina Robinson
Minister of Municipal Affairs and Housing
Room 310 Parliament Buildings
Victoria, BC V8V 1X4

The Honourable Carole James
Minister of Finance and Deputy Premier
Room 153 Parliament Buildings
Victoria, BC V8V 1X4

Dear Ministers Robinson and James:

RE: Provincial Government Actions in the Housing Sector

We commend your efforts to help address issues related to the housing sector and affordability across the Province. In particular, we would like to highlight the commitments made in your government's 30-point plan for housing affordability in British Columbia, released in February 2018. Coquitlam supports these measures, given they have the potential to positively impact the housing sector and improve affordability.

Coquitlam has recently advanced a number of initiatives to improve the availability of a more diverse range of affordable housing options in our community. These have led to a tenfold increase in the development of rental housing, including below-market / non-market housing. However, we are struggling to tackle the trend of large, speculative one-for-one single-family home replacements being built in established neighbourhoods. Many of these new single-family homes are much larger than the original homes they replace, however, the City does not have the ability under existing legislation to control the form and character of these homes to ensure they fit into existing neighbourhoods, or to charge development cost charges despite the potentially large impact of these one-for-one replacements on existing infrastructure. These new homes can be used as vehicles for speculative investment or 'house flipping', being sold and resold multiple times in a short period of time. We have provided options for infill density and improved affordability in these established neighbourhoods, however, many builders do not take advantage of these options due to the financial incentives to build large, speculative single-family homes. Given the constraints of a defined municipal mandate and narrow tax base, we cannot tackle these issues on our own. We need the support of senior governments, who can have significant influence over the housing market and affordability, given their jurisdictions in the housing sector.

While Coquitlam supports the Province's recent commitments to address issues in the housing market, additional actions could be taken to limit the financial advantages associated with building speculative single-family homes and further improve housing affordability. Many of

these actions have been recommended in the recent housing affordability positions papers by the Union of BC Municipalities and the Federation of Canadian Municipalities, and include the following:

Eliminate Preferential Treatment of Single-Family Dwellings

The *Local Government Act* should be revised to allow local governments more flexibility to regulate the form and character of new homes to ensure they fit in with surrounding neighbourhood, and charge DCCs and other additional fees for very large new homes. Under existing legislation, the replacement of an existing small house with a much larger new house with secondary suite (and in many cases with multiple suites) is currently exempt from DCCs. This provides an unintended incentive to build the less-sustainable option of a massive “single-family” house over more sustainable and affordable options (e.g., duplex/triplex/ quadruplex, garden cottages, laneway housing, townhouses, etc.), all of which would be subject to DCCs.

Leverage Taxation Tools to Address Speculation & House Flipping

Focused tax changes are required to reduce investor-driven speculative demand. In particular, rapid speculative resale of property should be penalized, which could be achieved by the application of a seller’s tax applicable during a set period of time after purchase and so as not to negatively impact long-term residents selling their homes. The provincial government could also revise the property transfer tax to make it more progressive and target speculation. This could be achieved while maintaining current revenue levels from the tax but introducing a sliding scale with higher rates for more expensive transactions and /or shorter-term ‘flips’.

With the rise of Airbnb and related websites, units are being removed from the long-term rental market and rented on a short-term basis. The provincial government should enable local governments to charge commercial property taxes for residential properties being used for commercial purposes (e.g., short-term rentals).

Advocate for Tax Changes to Allow Proper Tax on New House Construction Profits

When a new single-family house is built (often as a replacement for a smaller existing home), it appears that many builders are structuring projects in order to pay no income tax on construction and development profits. The typical scenario is as follows: a family member buys a single-family lot, the builder demolishes the house and constructs a much larger new house, the family member “moves in” for at least one year (though it appears that in many cases the new house remains empty other than for periodic visits), and then the new home is sold with a “No GST” tag on the real estate sign.

Walking through these new homes, it is evident that many of them have never been occupied during the year since construction was complete. It appears that, in many cases, the builder earns no “profit” on the \$2.2 - \$2.7 million house, while the family member uses the principle-residence exemption to avoid any tax on their \$500,000 - \$700,000 profit (by calling it their “home” for a year). Most of these very large homes also have additional space for conversion into multiple illegal suites, creating a safety hazard and enormous enforcement challenges for building officials and bylaw enforcement.

Coquitlam has been trying to encourage these builders to opt for more sustainable and affordable housing options that the City has made available (e.g., multiple smaller homes on the same lot). However, many builders have reported that while those options are potentially more profitable, they would have to pay tax on the profit (whereas the large "single-family" house project can be structured so as to pay no income tax on the profit). This structure also fuels the underground economy, particularly if the family member opts to "be their own contractor" (thus permitting trades to be hired for cash).

We would urge the Province to join us in asking the Federal Government to institute a "deemed value" as of the date of occupancy for these new single family houses, since they clearly cannot be anybody's principle residence during demolition, construction, and prior to the issuance of an occupancy permit.

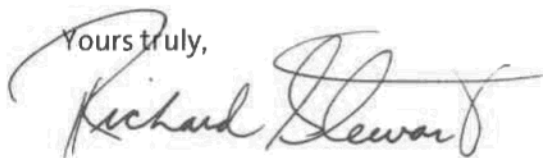
Improve Data Collection & Sharing

The provincial government could further improve the data collection, development and sharing of information. This is very important to support evidence-based policy development by local governments and federal government actions to address tax avoidance in real estate. For example, the database of pre-sale condominium assignments the Province is building (to be shared with federal and provincial tax authorities) could be shared publicly.

Coquitlam is one of the only Metro Vancouver communities that is meeting its regional housing-supply targets, including with thousands of new units of purpose-built rental housing. We are excited to work with you to tackle issues contributing to the housing affordability and diversity challenges facing the residents of Coquitlam and British Columbia. We support the commitments recently made by your government and urge you to consider going even further, by pursuing the additional actions to limit speculative single-family home building and further improve housing affordability outlined in this letter.

Should you, or your staff, have any questions or require any further information with respect to this matter, please contact me, or contact Jim McIntyre, General Manager, Planning and Development at 604-927-3401 or at jmcintyre@coquitlam.ca.

Yours truly,



Richard Stewart
Mayor

c- Council

Jim McIntyre, General Manager, Planning and Development
Joan Isaacs, MLA for Coquitlam-Burke Mountain

Attachment: Report to Coquitlam City Council – Senior Government Advocacy Positions for Housing (Doc# 2955543)

May 22, 2018

Our File: 13-6930-20/HCRS1/1

Doc #: 2955543.v3

To: City Manager

From: General Manager Planning and Development

Subject: **Housing Choices Review – Senior Government Advocacy Positions for Housing**

For: **Council**

Recommendation:

That Council notify the federal and provincial governments of the City's position on issues related to the housing sector and affordability, as outlined in the report from the General Manager Planning and Development dated May 22, 2018 and entitled "Housing Choices Review – Senior Government Advocacy Positions for Housing".

Report Purpose:

This report summarizes recent senior government commitments in the housing sector and outlines further work required to address issues of speculation in the real estate market and improve housing affordability for Coquitlam residents.

Strategic Goal:

This report supports the strategic goals of 'Strengthening Neighbourhoods' and 'Achieving Excellence in City Governance' by advocating to senior levels of government to take additional actions to address the housing affordability crisis.

Background:

The Housing Choices Review (HCR) was initiated in 2017, with primary goals of 'leveling the playing field' between single-family replacements and smaller ground-oriented housing, while improving housing affordability. Over 30% of development in Housing Choices areas between 2011 and 2016 involved replacing existing single-family homes with new single-family homes rather than taking advantage of the Housing Choices Program. These new dwellings tend to be much larger than the original homes and are much less affordable than both the homes they replace and other Housing Choices projects. In addition, narrow-lot subdivisions with single-family homes account for an additional 28% of developments in Housing Choices areas. Duplexes, triplexes and quadruplexes accounted for the remaining 42% of projects in Housing Choices areas.

There are a variety of factors that contribute to the trend of large, one-for-one single-family home replacements being built across Southwest Coquitlam, and many of the economic incentives are beyond the City's ability to control. For example, provincial legislation places "single-family" homes in a separate development category which limits the City's ability to require development cost charges for replacement single-family homes or Development Permits to control form and character. Additionally, the federal government has control over the manner in which the capital gains from building homes as investments, or "house flipping", is taxed.

Background: cont'd/

Phase 2 of the HCR includes the development of advocacy positions to senior levels of government on issues related to housing affordability within their jurisdictions, as outlined in this report.

Discussion/Analysis:

Government Jurisdiction in the Housing Sector

Federal and provincial governments can have significant influence over the housing market, as they can control interest rates, income distribution and tenure. While local governments can make a difference with land use regulations, they cannot tackle the housing affordability crisis on their own.

Federal Government Jurisdiction

The federal government has a large role in the housing sector and the tools that impact affordability, including: setting interest rates and mortgage guarantees; capacity to invest in the housing sector; and controlling policies affecting tax, immigration, tenure, income distribution and labour markets. Historic low mortgage interest rates in recent years have pushed up demand for housing in Canada and likely fueled demand for housing as an investment. They have also contributed to historic household debt levels and the potential economic risk associated with such levels.

The federal government also controls agencies such as the Canada Mortgage and Housing Corporation (CMHC), which is responsible for affordable housing policy and program delivery in Canada. CMHC played an active role in building affordable and rental housing units across the country between 1946 and the mid-1980's. In the past 20 years, CMHC has been largely absent from this area and instead has focused on its mortgage insurance business and housing market analyses. However, given recent announcements in the 2017 federal budget and National Housing Strategy, it appears the federal government may be once again getting more directly involved in housing delivery.

Provincial Government Jurisdiction

The Province, through the *Community Charter* and the *Local Government Act*, establishes local government powers related to housing. The Province also creates and regulates the framework for local government finance, including property taxes and development finance (e.g., development cost charges). BC Housing, responsible for affordable housing delivery in the province, is also under provincial jurisdiction, and the Province has the ability to collect and monitor data around property sales and purchases and controls the Property Transfer Tax.

Local Government Jurisdiction

Local governments are responsible for land use decisions, community planning, and development approvals. In this role, they act within the constraints of a narrow tax base (derived primarily from property taxes) and defined legislative authority. In BC, the *Local Government Act* and *Community Charter* are the governing pieces of legislation that provide a variety of tools for local governments to plan for and issue housing approvals and delivery (e.g., Official Community Plans, Zoning Bylaws and Subdivision Bylaws).

Discussion/Analysis: cont'd/

Senior Governments: Planned Actions

Both the federal and provincial governments have recently made commitments to reinvest in housing and identified key strategies that should impact the housing sector. The federal government released the 10-year National Housing Strategy in November 2017, and in February 2018 the provincial government announced its 30-point plan for housing affordability in BC. These measures are aimed at building better real estate datasets, managing speculative demand and preventing “house flipping”, increasing housing supply and reducing tax fraud and money laundering in the real estate marketplace. Planned actions from senior levels of government include the following:

- Building better datasets to support informed decision-making;
- Managing speculative demand and addressing house flipping;
- Increasing the housing supply; and
- Addressing tax fraud and money laundering in the housing market.

Detailed descriptions of these planned actions are included in Attachment 1.

Additional Actions Requested

Coquitlam supports recent commitments by senior governments to address issues in the housing market as noted above, given they have the potential to positively impact the housing sector and improve affordability. However, additional actions could be taken by senior government to limit the financial advantages associated with building speculative single-family homes and further improve housing affordability.

Eliminate Preferential Treatment of Single-Family Dwellings

Many new single-family homes in Southwest Coquitlam are double or even triple the size of the original single-family homes they replace, and increasingly include illegal suites built without permits. The City does not have the ability under existing legislation to charge development cost charges for one-for-one single-family home replacements, despite a potentially larger impact on existing infrastructure. This means that development cost charges for a new Housing Choices project with four units would be significantly higher than for a single-family home that could be larger and potentially have the same number of people living in it. The City also lacks the ability to require Development Permits to control form and character of new single-family homes and ensure they fit into existing neighbourhoods.

The *Local Government Act* should be revised to allow local governments more flexibility to require additional fees for very large new homes, and regulate the form and character of new homes to ensure they fit in with surrounding homes. This will help reduce the competitive advantage that single-family homes currently have, and help level the playing field between single-family homes and other housing types.

Discussion/Analysis: cont'd/

Leverage Taxation Tools to Address Speculation & House Flipping

Focused tax changes are required to reduce investor-driven speculative demand, both foreign and domestic. Taxation tools should be adopted with the short-term goal of stabilizing prices and the long-term goal of increasing the diversity of housing options. Senior governments could also consider penalizing rapid speculative resale, which could be achieved by the application of a seller's tax applicable during a set period of time after purchase and so as not to negatively impact long-term residents selling their homes.

Under existing federal tax policy, capital gains on principal residences are exempt from income tax. Most other capital gains are taxable, as is the interest earned on investment. This creates a tax incentive to fraudulently declare a home as a "principal residence" when house flipping. The federal capital gains exemption regulations for primary residents could be updated to curb speculation, by limiting the number of times they may be used, setting a maximum value on the exemption, and / or increasing the time the individual must live in a new home after construction.

The provincial government could revise the property transfer tax to make it more progressive and target speculation. This could be achieved while maintaining current revenue levels from the tax but introducing a sliding scale with higher rates for more expensive transactions and / or shorter-term 'flips'.

With the rise of Airbnb and related websites, there are opportunities for homeowners to rent out suites and homes on a short-term basis, thus removing units from the long-term rental market. The provincial government should enable local governments to charge commercial property taxes for residential properties being used for commercial purposes (e.g., short-term rentals).

Improve Data Collection & Sharing

Senior governments could further improve the data collection, development, and sharing of information necessary to support evidence-based policy and actions to address tax avoidance in real estate. For example, the pre-sales registry referenced above could be shared publicly. Coordination could also be improved between the agencies responsible for monitoring and regulating property transactions and capital flows (e.g., the Canada Revenue Agency, the Financial Transactions and Reports Analysis Centre of Canada, mortgage lenders, and the Real Estate Council of BC).

Next Steps:

This report recommends that Council notify senior levels of government of the City's position on issues related to the housing sector and affordability, as outlined in this report. Should Council endorse this direction, letters will be prepared in advance of the Federation of Canadian Municipalities annual conference (May 31 to June 3, 2018) to be sent to the appropriate Ministers.

Financial Implications:

There are no financial implications associated with this report.

Conclusion:

The primary goals of the HCR include 'leveling the playing field' between single-family home replacements and Housing Choices projects and improving housing affordability. However, the City has limited ability to address the housing affordability without assistance from the federal and provincial governments. While senior levels of government have already committed to making some changes, there are a number of additional actions the City encourages senior governments to take to address the housing affordability crisis.


J.L. McIntyre, MCIP, RPP

RC/ss

Attachments:

1. Senior Government Planned Actions (Doc# 2959709)

This report was prepared by Rebecca Chaster, Community Planner and reviewed by Jacint Simon, Housing Planner, Bruce Irvine, Manager Planning Projects, Chris McBeath, Major Project Planner and Andrew Merrill, Manager Community Planning.

SENIOR GOVERNMENTS PLANNED ACTIONS

Build Better Datasets to Support Informed Decision-Making

Through the National Housing Strategy, the federal government has committed to ensuring that more and better data are available to serve as the basis for housing decisions. This will address gaps in information that may be acting as barriers to informed decision making and the creation of evidence-based housing policy, and increase the ability of all levels of government to develop housing policy in anticipation of changing housing needs, conditions, and market forces.

The provincial government is aiming to build complete information about beneficial ownership of land and corporations in BC. The 'beneficial' owner is the individual or corporation that is entitled to make decisions with respect to all aspects of the property, and may differ from the legal owner listed on property title. Currently, true ownership and funding sources of real estate can be hidden through numbered companies, offshore and domestic trusts, and stand-in owners. The Province will require information on beneficial ownership on Property Transfer Tax forms, and is establishing a public registry on beneficial ownership of land in BC. Information on beneficial ownership may contribute to the development of new taxation models in the future.

Manage Speculative Demand & Address House Flipping

Existing policy allows owner-occupied homes to be sold without tax being paid on the capital gain (i.e. difference between the sale price and original cost of purchasing the home), and this includes new construction. This exemption has been cited as encouraging investor speculation and house flipping as a form of tax-free profit in overheated housing markets. The federal government has made tax law changes to ensure the principal residence exemption is claimed as intended, and has committed to continuing to examine ways to further enhance compliance procedures in the sector.

Beginning in fall 2018, the provincial government will introduce a new speculation tax on residential property. This will target foreign and domestic individuals who own residential property in BC, but do not pay income tax in BC (including those who leave units vacant). The Province will also build a database of pre-sale condominium assignments, to be shared with federal and provincial tax authorities who can ensure the appropriate taxes are paid. This is intended to help close the 'loophole' in contract assignments in the condominium pre-sale market. Through selling contract assignments condominium units can be sold multiple times before the unit is even lived in, leading to price inflation and the sellers not necessarily paying appropriate taxes.

Increase Housing Supply

Through partnerships with local governments, the federal government, and the private and not-for-profit sectors, the provincial government has committed to building 114,000 units of affordable market rental, non-profit, co-op, supported social housing, and owner-purchase housing over the next 10 years. The federal government has also committed to build up to 60,000 new units and repair up to 240,000 existing affordable and community housing units (many built by the federal government in the 1950s-1970s).

ATTACHMENT 1

Address Tax Fraud & Money Laundering in the Real Estate Market

In order to help reduce tax fraud and combat money laundering in BC's real estate market, the provincial government has asked the federal government to formalize a multi-agency working group on tax evasion, money laundering, and housing. This will help address compliance and enforcement issues in the real estate sector, and ensure governments have the information needed to provide to federal enforcement agencies. Starting in 2019, the provincial government will also begin collecting Social Insurance Numbers as part of the Homeowner Grant application process. This information can be cross-referenced against income tax information to identify individuals inappropriately claiming the grant.



City of Coquitlam
His Worship Mayor Richard Stewart
3000 Guildford Way
Coquitlam BC V3B 7N2

Dear Mayor Stewart:

Thank you for your November 14, 2017, letter regarding the s.22 family's need for a transfer.

On behalf of housing provider members, BC Housing administers The Housing Registry, a central database of applicants in search of affordable housing. Tenants who meet the eligibility criteria for a transfer also have applications with The Housing Registry.

I am pleased to advise that the s.22 family has an active transfer file and it indicates that they need to relocate for medical reasons. As a result, the application is in a high need category. However, placement in any of the housing need categories, does not guarantee when an offer of housing may be made.

Currently the file indicates that the family only wishes to be transferred to s.22 s.22 To increase the likelihood of obtaining a transfer, the family may wish to expand the list of developments where they wish to reside. Listings for other areas and developments are at BC Housing's website at <https://www.bchousing.org/housing-assistance/rental-housing/housing-listings> or they may contact the Housing Inquiry Line by calling 604-433-2218.

Thank you for writing.

A handwritten signature in black ink, appearing to read "Shayne".

Yours truly,

Shayne Ramsay
Chief Executive Officer

FAX

FROM

New Westminster Family Practice

242 610 Sixth Street
New Westminster
BC V3L 3C2

Phone (604) 332-3312
Fax Number (604) 332-3312

TO

Phone
Fax Number +16044394722

DATE 11/17/2017

NOTE

Page 53 to/à Page 60

Withheld pursuant to/removed as

s.22



OFFICE OF THE MAYOR
Richard Stewart

November 22, 2017
Our File: 01-0620-01/000/2017-1
Doc #: 2775144.v1

MINISTRY OF MUNICIPAL AFFAIRS AND HOUSING		
NOV 28 2017		
<input checked="" type="checkbox"/> Min Sig	<input type="checkbox"/> Reply Direct	<input type="checkbox"/> FYI / File
<input type="checkbox"/> DM Advise	<input type="checkbox"/> DM	<input type="checkbox"/> ADM

Honourable Judy Darcy
Minister of Mental Health and Addictions
Room 346
Legislative Assembly of British Columbia
Victoria, BC V8V 1X4

Dear Minister Darcy:

RE: Impact of Mental Health-Related Calls on Police Resources and Community Safety





On behalf of Coquitlam City Council, I write to express concern related to the impact of mental health-related calls on community safety and police resources, and the lack of beds within the province for those suffering from mental health issues.

Section 28 of the *Mental Health Act* (MHA) stipulates the conditions under which an individual may be apprehended, and specifies that should an apprehension take place, the police officer or constable must immediately take the individual to a physician for examination. This results in uniformed officers escorting apprehended individuals to the local emergency room, where they are often required to wait until the individual can be released into the care of a physician. ^{s.22}

In 2016, Coquitlam RCMP responded to 1,896 calls related to mental health, with 580 apprehensions under Section 28 of the *Act*. Of the visits that required admittance to a hospital (580), 307 instances, over 50 percent, required officers to wait longer than two hours, with the longest period being six and a half hours. This constitutes a large drain on local policing resources. ^{s.22}

s.22

To mitigate this challenge, it is our understanding that Surrey Memorial Hospital uses a dual-track system in its emergency department to triage MHA-related cases in a more timely manner. This is an initiative that could also work well at Royal Columbian Hospital, given its role as the preeminent urgent care facility in the

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Coquitlam, BC Canada V3B 7N2
Mayor's Office: 604-927-3001 | Fax: 604-927-3015
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Northeast portion of Greater Vancouver, though it is extremely space-confined in terms of psych emergency.

We were pleased to discuss this issue with you at UBCM and to recently hear that the Province will continue with the 105-bed facility at Riverview, scheduled to open in 2019. We view this facility as a good step in addressing the mental health needs in the region, but feel more needs to be done to alleviate this service gap.

We would like to reiterate our position that the Riverview Lands are ideally situated and suited to provide a wide array of health services, and that a specialized 'health campus' is in the best interest of the province as well as residents of the northeast sector. Moreover, we believe expanding facilities at Riverview could be an integral part of the solution to address the need for additional mental health facilities. The City is hopeful that the plans for Riverview will take into consideration future provincial needs for health services, including both mental health and acute care in a growing region such as Metro Vancouver.

We understand that this is a challenging issue, one that is not unique to Coquitlam, and would welcome any opportunity to discuss potential new mental health initiatives for Riverview.

Yours truly,



Richard Stewart
Mayor

- c - Premier, Province of British Columbia
Minister of Municipal Affairs and Housing, Province of British Columbia ✓
Council
City Manager, City of Coquitlam
Deputy City Manager, City of Coquitlam
City Clerk, City of Coquitlam

CORRESPONDENCE SERVICES
Received: NOV 30 2017
Sent:
ASSIGN TO:
<input type="checkbox"/> MINISTER'S RESPONSE
<input type="checkbox"/> DM RESPONSE
<input type="checkbox"/> DIRECT REPLY
<input type="checkbox"/> NECESSARY ACTION
<input type="checkbox"/> COMMENTS/ADVICE
<input type="checkbox"/> PREMIER'S RESPONSE
<input type="checkbox"/> INFO/FILE



May 30, 2018

Ref: 234918

His Worship Mayor Richard Stewart
City of Coquitlam
3000 Guildford Way
Coquitlam BC V3B 7N2

Dear Mayor Stewart:

Thank you for your letter regarding a message received by Austin Heights Business Improvement Association (AHBIA) on the topic of revitalization tax exemptions.

I wish to clarify some of the statutory parameters regarding revitalization tax exemptions. The broad terms and objectives of a revitalization tax exemption are established under a Revitalization Program. Provincial statute does not prescribe a list of specific eligible terms and objectives for a Revitalization Program. Instead, the terms and objectives of the program are established by the local government, but must reasonably support the core goal of, "encouraging revitalization in the municipality" (as stated in s. 226(2) and (4) of the *Community Charter*).

Thus, the onus is entirely upon the municipal council to define the program objectives and describe how those objectives will support the broader goal of encouraging revitalization in the community. If rising property values and low housing affordability represent a potential threat to the long-term vitality of the community, council could consider that a reasonable objective of a Revitalization Program.

However, in accordance with s. 226(4)(b) and (c) of the Charter, the Revitalization Program must also describe how it will accomplish its objectives, including a description of tangible activities and/or circumstances that are potentially eligible for an exemption. Thus, the goals and objectives of a Revitalization Program must be grounded in concrete action.

For example, it is entirely appropriate to address issues of high property assessment through a revitalization tax exemption on new affordable housing units. This links the broad objective "addressing high property assessment" with the concrete action "encouraging development of new affordable housing". A broader tax exemption on all existing housing may be somewhat less concrete and thus more tenuous. An exemption like that should require a very strong policy rationale with some very concrete actions.

.../2

Ministry of Municipal Affairs
and Housing

Office of the Minister

Mailing Address:
PO Box 9056 Stn Prov Govt
Victoria BC V8W 9E2
Phone: 250 387-2283
Fax: 250 387-4312

Location:
Room 310
Parliament Buildings
Victoria BC V8V 1X4

<http://www.gov.bc.ca/mah>

His Worship Mayor Richard Stewart
Page 2

I must stress, as an autonomous local government, this is a discussion within your community regarding the unique challenges being faced. The final decision for any Revitalization Program rests with mayor and council. A Revitalization Program must be done through a publicly adopted bylaw, which requires full transparency and must link to the long-term financial planning of the community (in accordance with s. 226(6) of the Charter). For more information or details, please contact Sean Grant, Director, Local Government Finance, Ministry of Municipal Affairs and Housing, by email at: Sean.Grant@gov.bc.ca, or by telephone at: 778 698-3241.

Thank you again for writing.

Sincerely,

A handwritten signature in black ink, appearing to read 'SR', with a stylized flourish at the end.

Selina Robinson
Minister



OFFICE OF THE MAYOR
Richard Stewart

February 28, 2018

Our File: 05-1950-01/000/2018-1

Doc #: 2884315.v1

234918

MINISTRY OF MUNICIPAL AFFAIRS AND HOUSING		
MAR 08 2018		
<input checked="" type="checkbox"/> Min Sig	<input type="checkbox"/> Reply Direct	<input type="checkbox"/> FYI / File
<input type="checkbox"/> MHA/MAH	<input type="checkbox"/> DM	<input type="checkbox"/> ADM


The Honourable Selina Robinson
Minister of Municipal Affairs and Housing
Room 310 Parliament Buildings
Victoria, BC V8V 1X4

Dear Minister Robinson:

RE: Property Assessment and Taxation Legislation

I am writing to you on behalf of Council with respect to some information that your office passed along to the Austin Heights Business Improvement Association (AHBIA) regarding municipal property tax exemption (please see attached.) While we understand and appreciate that your office was attempting to assist the business property owners in Austin Heights facing large property tax increases this year, there appears to be a misunderstanding of the legislative framework surrounding property taxes, and the challenge facing these businesses. It is unclear to us how the information given to them regarding Section 226 of the Community Charter on Revitalization Tax Exemption would serve to address the impact of rising property values on these business owners and operators.

It seems clear in the legislation (Community Charter, Section 226(2)) that the intent of a revitalization program is to encourage various types of revitalization that achieve a range of environmental, economic or social objectives. Our understanding, as highlighted in Section 226(5)(b)(iv), is that property owners are to carry out some form of activity in order to receive a revitalization tax exemption (i.e. property renovations or land remediation) or else meet a particular condition that the municipality is interested in promoting (i.e. increasing the amount of affordable housing). We are not aware that this legislation is intended for, or has ever been applied to, providing businesses with a tax exemption simply due to rising property values. We would appreciate if your office could advise the Austin Heights BIA that the current provincial legislation does not give our municipality the flexibility that the previous email indicated. Moreover, the legislated deadline for issuing any sort of permissive

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Coquitlam, BC Canada V3B 7N2
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tax exemption certificate is October 31st of the preceding year, and therefore there is no solution for the 2018 tax year.

As a result of your office's representations to the AHBA, there are now some local businesses who perceive that the City of Coquitlam has the legislative authority to solve the challenges created by this inequity; as this is obviously in error, we would appreciate your office correcting the misstatements.

Specifically related to the current taxation/assessment rules that produced this inequity, we would like to request that the Minister explore other potential policy tools such as those recently highlighted by the City of Vancouver. We consider these proposals to be more equitable, reasonable and practical, while still upholding the integrity and values of the assessment and taxation system. These include making changes to the Assessment Act which would effectively maintain the values of objectivity, transparency, comparability and fairness in the assessment process, while addressing the assessment and taxation challenges that are impacting many businesses across the Lower Mainland today. Many of these businesses are at serious peril due to rising property values resulting from future development potential, values that are being taxed at the wrong rate.

Given the current housing crisis in BC, the City of Coquitlam is making land use changes to facilitate the development of new high density housing, as encouraged by the Province. Predictably, these land use decisions increase the market value of land in anticipation of this new residential development. Of course, the current Assessment Act requires valuation of a property based on its highest-and-best-use without consideration of either its current use or the timeframe for redevelopment. As a result, many commercial properties are currently facing very high assessments, typically based on the property's residential development potential. However, for commercial properties, cities are required to use this assessment (based on residential potential) and multiply it by the commercial tax rate (based on the current use of the site), resulting in an excessive tax burden on business property owners and – more egregiously – their tenants. The commercial tenant of a one-storey building can end up paying commercial property taxes based on the unbuilt 25-storey residential potential of the site, while having no claim on the appreciation in value that the landowner enjoys. Then, in a few years, once the 500 new residents of the newly-built residential tower move in, the total property taxes for the site may actually drop, even though (of course) the city's costs have risen with the arrival of 500 new residents. If the tenant of that one-storey commercial building is responsible for the property taxes, it can easily drive them out of business, while the property owner sees the windfall profit from the land value increase.

To resolve this egregious inequity, we ask that the Province implement changes to the Assessment Act which would permit a split property assessment on a single property; that would enable municipalities to issue a tax bill with the appropriate tax distribution between commercial and residential rates. It wouldn't completely solve the challenge, but it would allow the values associated with potential residential densities to be taxed at the residential

tax rate, thus removing a great deal of the unfairness associated with the current situation, and would likely save from imminent failure many small businesses in the vicinity of your constituency office. The result would be a clear delineation between the taxes attributed to the associated future development potential (calculated using the residential mill rate) and the current commercial use.

In addition, we ask that the Province investigate a Provincial tax deferment program for businesses, to provide owners with the ability to defer their tax payment until the property is sold or developed. Together, these proposed changes will have more likelihood of sustainable long-term benefits as they would address some of the systemic issues with the property assessment system in our current housing market, rather than the exception-based solution as proposed by your office (even if the legislation allowed it).

We strongly encourage the Province to work with municipalities to seek a solution to the existing property assessment and taxation system, a system that is out of sync with the current real estate market in Metro Vancouver. To expedite this process, we support the formation of a Province-led inter-governmental workgroup, including representatives from the Province, BC Assessment Authority and Metro Vancouver member municipalities, to discuss these or other policy solutions that could be implemented in time for the 2019 tax billing cycle. We are looking for changes that maintain an assessment system that is objective, transparent and fair.

For many small businesses, the situation is enormously serious. The City of Coquitlam wishes it could help them, but the currently legislative framework gives us no viable way of protecting them from this egregious inequity.

Should you, or your staff, have any questions or require any further information with respect to this matter, please contact me, or contact Michelle Hunt, General Manager, Finance and Technology at 604-927-3531 or at mhunt@coquitlam.ca.

Yours truly,



Richard Stewart
Mayor

c- Council
City Manager
General Manager Finance & Technology

Attachment: Email dated February 23, 2018 from Matt Djonlic

RUSH!

CORRESPONDENCE SERVICES
Received:
MAR 13 2018
Sent: MAR 13 2018
ASSIGN TO:
LG-LGIF (2018)
<input checked="" type="checkbox"/> MINISTERS RESPONSE
<input type="checkbox"/> DM RESPONSE
<input type="checkbox"/> DIRECT REPLY
<input type="checkbox"/> NECESSARY ACTION
<input type="checkbox"/> COMMENTS/ADVICE
<input type="checkbox"/> PREMIER'S RESPONSE
<input type="checkbox"/> INFO/FILE

From: "Djonlic, Matt MAH:EX" <Matt.Djonlic@gov.bc.ca>
Date: February 23, 2018 at 3:46:13 PM PST
To: "LISA" <lisa@austinhoights.ca>
Subject: RE: Richmond Tax Exemption Bylaw?

Hey Lisa,

Got some information for you at long last!

In 2011 the Province passed special enabling legislation to provide permissive tax exemptions for an area of Richmond (MEVA No.4, Part 1). The wording of the enabling legislation is taken from the existing wording in S.226 of the Community Charter for Revitalization Tax Exemptions.

However, the wording is slightly altered to achieve a few targeted things beyond the scope of a standard Revitalization Tax Exemption:

1. Limit the geographic scope of the exemptions to an identified portion of Richmond
2. Limit the eligible deadline by which the exemption certificate must be issued (October 31, 2011)
3. Limit the life to the exemption until 2016.
4. Limit the scope of the exemption to properties in Class 5 (Light Industry) and Class 6 (Business) that had at least doubled in value between 2005 and 2011.
5. And, most importantly, cross-reference this municipal tax exemption to the School Taxes.

Staff believe the core purpose of this MEVA was to link a targeted (municipal) revitalization tax exemption to a school tax exemption.

Coquitlam could potentially achieve most of Richmond's geographic exemption without a MEVA. It could do this through a revitalization tax exemption under S.226 of the CC. However, such an exemption is limited to municipal taxes and does not cross-reference to School Taxes.

If the City of Coquitlam is not too concerned with School Taxes, it could provide a geographically targeted tax exemption without a MEVA. If Coquitlam would like to discuss further with a staff person, they can reach out Sean Grant, Director either by email at Sean.Grant@gov.bc.ca or by phone at 778-698-3241.

Hope this explains things. Feel free to give me a call if you want to follow up on any details.

Matt Djonlic
Executive Assistant to
Hon. Selina Robinson
Minister of Municipal Affairs and Housing
and Minister responsible for TransLink
C: 778-584-4398 | E: Matt.Djonlic@gov.bc.ca

From: LISA [<mailto:lisa@austinhoights.ca>]
Sent: Thursday, February 22, 2018 4:44 PM
To: Djonlic, Matt MAH:EX
Subject: Richmond Tax Exemption Bylaw

Paton, Susan MAH:EX

From: Robinson.MLA, Selina <Selina.Robinson.MLA@leg.bc.ca>
Sent: Tuesday, April 10, 2018 3:45 PM
To: Minister, MAH MAH:EX
Cc: White, Christine MAH:EX
Subject: FW: Invitation for Minister Robinson from Coquitlam Mayor Richard Stewart
Attachments: Sch2_clk_go18041015320.pdf

Importance: High

Follow Up Flag: Follow up
Flag Status: Flagged

Categories: Invitation

From: Knowles, Kyla [<mailto:KKnowles@coquitlam.ca>]
Sent: Tuesday, April 10, 2018 3:37 PM
To: Robinson.MLA, Selina
Cc: McIntyre, Jim
Subject: Invitation for Minister Robinson from Coquitlam Mayor Richard Stewart

Good afternoon from the City of Coquitlam Mayor's office –

Please find attached a request for Ms. Robinson – I am putting the original in the mail today to follow.

Regards,

Kyla Knowles | Executive Assistant to Mayor and Council
City of Coquitlam | 3000 Guildford Way | Coquitlam, BC V3B 7N2
Tel: 604-927-3008 | kknowles@coquitlam.ca



OFFICE OF THE MAYOR
Richard Stewart

April 10, 2018

Our File: 10-5040-20/AFFHOU/2018-1

Doc #: 2928443.v1

The Honourable Selina Robinson
Minister of Municipal Affairs and Housing
Room 310 Parliament Buildings
Victoria, BC V8V 1X4

By email: selina.robinson.mla@leg.bc.ca

Dear Minister Robinson:

RE: Housing Affordability Forum Invitation





We commend your efforts and commitments to help address housing affordability issues across British Columbia. As you are aware, Coquitlam has advanced a number of recent housing affordability initiatives, including several successful partnerships to help tackle housing affordability challenges in our community. This has led to a significant increase in both market rental and below-market/non-market housing under development.

To ensure we continue building on these successes, the City of Coquitlam is hosting a local Tri-Cities-focused Housing Affordability Forum to enable housing providers and promote practical partnerships. We would like to invite you to provide the morning keynote address to kick-off the day.

This one-day forum is intended to focus on action and will:

- promote Coquitlam's housing affordability incentives
- provide networking opportunities between developers and non-profit housing providers
- enable new private/public partnerships aimed at delivering affordable housing solutions
- build capacity among local housing providers
- host a learning event with Vancity Community Foundation about social purpose real estate development

We are currently targeting holding the Forum in either late June or late September 2018 depending on your schedule. Please let me know your availability by April 20, 2018.

City of Coquitlam
3000 Guildford Way
Coquitlam, BC Canada V3B 7N2
Mayor's Office: 604-927-3001 | Fax: 604-927-3015
    cityofcoquitlam.ca | coquitlam.ca

Should you or your staff have any questions or require any further information with respect to the Housing Affordability Forum, please contact Andrew Merrill, Manager Community Planning, at 604-927-3416 or at amerrill@coquitlam.ca.

Thank you for your consideration.

Yours truly,

A handwritten signature in black ink, appearing to read "Richard Stewart", with a large, stylized flourish extending from the end of the signature.

Richard Stewart
Mayor

c- Jim McIntyre, General Manager Planning and Development

235815



OFFICE OF THE MAYOR
Richard Stewart

JFYI

February 9, 2018

Our File: 11-5500-03/000/2018-1

Doc #: 2857863.v2

Mr. Roger Dall'Antonia
President and CEO
FortisBC Energy Inc.
16705 Fraser Highway
Surrey, BC V4N 0E8

MINISTRY OF MUNICIPAL AFFAIRS AND HOUSING			
FEB 16 2018			
<input type="checkbox"/> Min Sig	<input type="checkbox"/> Reply Direct	<input checked="" type="checkbox"/> FYI / File	
<input type="checkbox"/> DM Advise	<input type="checkbox"/> DM	<input type="checkbox"/> ADM	

Dear Mr. Dall'Antonia:





RE: Lower Mainland Intermediate Pressure System Upgrade (LMIPSU) – Impacts on Coquitlam

The City of Coquitlam and FortisBC have held extensive conversations regarding the LMIPSU project, which is proceeding within our community. While we can appreciate the need to improve the infrastructure, we have also expressed significant concerns with various elements of this project.

Given that a number of these issues have yet to reach an adequate resolution, this letter outlines the City of Coquitlam's specific concerns regarding the LMIPSU project for FortisBC's consideration.

The LMIPSU project will cause major disruption to Como Lake Avenue (a critical transportation corridor) for over a year. The list of stakeholders and agencies that will be negatively impacted includes, but is not limited to:

- the many residents who live along the corridor;
- the many businesses located along this corridor, as well as their customers and clients;
- emergency responders;
- schools and other institutions;
- parents and children that use the corridor to get to schools, appointments and errands;
- the various commuters that use the corridor to travel to and from work both within and through Coquitlam; and
- transit operators and passengers.

City of Coquitlam
3000 Guildford Way
Coquitlam, BC Canada V3B 7N2
Mayor's Office: 604-927-3001 | Fax: 604-927-3015
    cityofcoquitlam | coquitlam.ca

We anticipate major travel delays for these groups of people, as well as significant spillover traffic onto the adjacent residential street system. We expect that FortisBC will make every effort to mitigate the negative impacts on these groups as well as ensure that a comprehensive communications and community outreach plan is in place to notify and inform those affected, well in advance and throughout the project.

The LMIPSU project will also have major impacts to the paved surface of Como Lake Avenue, both due to the physical construction of the pipeline, as well as the heavy duty equipment that will put stress and strain on the roadway during the many months of construction. FortisBC appears to support funding that would assist with the full-width repaving of Como Lake Avenue, which would mitigate these concerns, but we are seeking formal confirmation that this funding is approved by FortisBC and the BC Utilities Commission. Partial-width repaving is not acceptable due to differential settlement and degradation of the original remaining pavement that occurs on this type of project.

However, the single most significant concern related to LMIPSU project is the long-term impacts with regard to space for underground utilities that the 30" gas pipeline, in combination with the existing 60-year-old 20" gas line, will have on the Como Lake Avenue corridor. This corridor is already extremely congested with a variety of utilities from various agencies, including the City, FortisBC, BC Hydro and many others.

The utility congestion poses a threat to Coquitlam's ability to provide services along this corridor. For example, the City needs to upgrade the water system and sewer system on a portion of Como Lake Avenue, but space is very limited and will be even more so once the 30" gas line is in place.

City staff have raised this issue with the LMIPSU team, and have asked that the existing 20" line be removed. I am dismayed to learn that the response has been that this is not feasible due to the cost. The alternative proposed by the LMIPSU team would leave Coquitlam with undue uncertainty and risk, as much of the work needed to remove the old pipe would be left up to the City of Coquitlam. As a result we are not supportive of your alternative proposal. It is unacceptable to use the City's right-of-way for decades and then once the original purpose of the pipeline is fulfilled, to leave your garbage behind for us to deal with. Therefore, we are requesting that FortisBC remove the buried 20" gas line once it is decommissioned so that it does not pose a hardship to the current or future residents of our community.

In summary, the impacts to the City of Coquitlam's residents and various stakeholders as a result of the LMIPSU construction are not being adequately mitigated, and FortisBC needs to do much more to take action in this regard.

At the same time, the impact of leaving the existing 20" gas line will have significant implications to the future use of Como Lake Avenue as a utility corridor for the City and will impact our ability to deliver much-needed services to our residents.

We trust that FortisBC will take seriously the impacts outlined above as a result of LMIPSU project in Coquitlam, and that further action will be forthcoming.

I look forward to receiving a positive response from you regarding the issues raised in this letter.

Sincerely,



Richard Stewart
Mayor

c- British Columbia Utilities Commission Board

✓ Hon. Selina Robinson, Minister of Municipal Affairs and Housing

Hon. Michelle Mungall, Minister of Energy, Mines and Petroleum Resources

City Manager

General Manager, Engineering and Public Works

**CORRESPONDENCE
SERVICES**

Received:

FEB 22 2018

Sent:

ASSIGN TO:

- ☐ MINISTER'S RESPONSE
- ☐ DM RESPONSE
- ☐ DIRECT REPLY
- ☐ NECESSARY ACTION
- ☐ COMMENTS/ADVICE
- ☐ PREMIER'S RESPONSE
- ☐ INFO/FILE

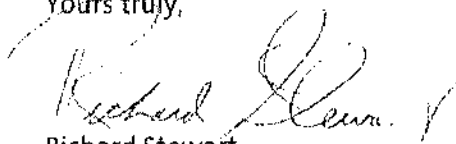
We would like to again suggest that Royal Columbian Hospital institute a dual-track system in its emergency department, similar to the initiative at Surrey Memorial Hospital, to triage mental-health-related cases in a more timely manner. Given Royal Columbian Hospital's role as the foremost urgent care facility in the northeast portion of Greater Vancouver, we believe such an initiative could help expedite cases, and reduce the costs associated with unnecessary wait times for police and EHS.

While we were pleased to hear that the Province will continue with the 105-bed facility at Riverview scheduled to open in 2019, we again highlight our position that the Riverview Lands are ideally situated and suited to provide a wide array of health services, and that a specialized 'health campus' is in the best interest of the province as well as residents of the northeast sector. The City is hopeful that the Province will consider Riverview as an essential part of any future provincial health services, including both mental health and acute care.

We understand that these are complex and challenging issues that are important to you and your Ministry, and we are hopeful improvements can continue to be made to mental health and addiction services, including expediting mental health admissions.

Thank you in advance for your consideration of these important matters.

Yours truly,



Richard Stewart
Mayor

c - Premier, Province of British Columbia
Minister of Municipal Affairs and Housing, Province of British Columbia
Council
City Manager, City of Coquitlam
Deputy City Manager, City of Coquitlam
City Clerk, City of Coquitlam
Fraser Health Authority

APR 26 2018



August 22, 2018

Ref: 237711

His Worship Mayor Richard Stewart
City of Coquitlam
3000 Guildford Way
Coquitlam BC V3B 7N2

Dear Mayor Stewart:

Thank you for your letter and attached report to Coquitlam City Council regarding provincial government actions in the housing sector. I am pleased to respond to the matters you raised that pertain to local government land use and apologize for the delay in responding. I understand that Minister James will be responding separately with respect to a number of the items you have raised including taxation matters and data on pre-sale assignments that are within her mandate.

As you know, the Province of British Columbia is committed to making housing more affordable for all British Columbians and ensuring that everyone has access to the home that they need. Through *Homes for B.C.: A 30-Point Plan for Housing Affordability in British Columbia*, we have actioned a number of new measures. These include recently passed legislation to enable local government to zone for rental only properties as well as new housing needs assessments to ensure local governments have the information needed to support the types and quantity of housing in their communities.

I am pleased to learn more about the initiatives that the City of Coquitlam is advancing to improve the availability of a more diverse range of affordable housing options in the community, and recognize the critical role that local governments are playing in addressing housing challenges. The Province is committed to continuing to work with municipalities and regional districts on this and other important issues.

I appreciate your recommendation that the Province provide local governments with the ability to regulate the form and character of new homes, and charge development cost charges (DCCs) for very large new homes. Ministry of Municipal Affairs and Housing staff monitor the local government land-use framework to ensure it is working as intended, including as it relates to provision of more affordable and diverse housing. With this in mind, I have forwarded your letter to staff in the Ministry's Planning and Land Use Management Branch for their information and consideration. Consideration of amendments to DCCs and form and character provisions, as with most legislative changes, would require significant policy work to understand the full range of implications.

.../2

Ministry of Municipal Affairs
and Housing

Office of the Minister

Mailing Address:
PO Box 9056 Stn Prov Govt
Victoria BC V8W 9E2
Phone: 250 387-2283
Fax: 250 387-4312

Location:
Room 310
Parliament Buildings
Victoria BC V8V 1X4

<http://www.gov.bc.ca/mah>

His Worship Mayor Richard Stewart
Page 2

Like Coquitlam, many communities are looking at ways to move towards denser forms of development, and it is always helpful for the Province to gain a better understanding of the specific challenges they are facing.

Thank you again for writing and taking the time to share Coquitlam's experience.

Sincerely,

A handwritten signature in black ink, appearing to read 'SR', with a stylized flourish at the end.

Selina Robinson
Minister

pc: Honourable Minister Carole James, Minister of Finance
Joan Isaacs, MLA, Coquitlam-Burke Mountain
Jessica Brooks, Executive Director, Planning and Land Use Management Branch,
Ministry of Municipal Affairs and Housing
Jim McIntyre, General Manager, Planning and Development, City of Coquitlam

Paton, Susan MAH:EX

From: Robinson.MLA, Selina <Selina.Robinson.MLA@leg.bc.ca>
Sent: Wednesday, May 30, 2018 11:43 AM
To: Robinson, Selina
Cc: Minister, MAH MAH:EX
Subject: FW: Provincial Government Actions in the Housing Sector
Attachments: Prov Govt Actions-Housing.pdf; Attachment-Report to Council.pdf

Follow Up Flag: Follow up
Flag Status: Completed

Categories: Minister's Response

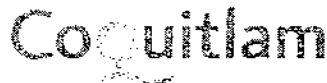
From: Jones, Carol [<mailto:CJones@coquitlam.ca>]
Sent: Wednesday, May 30, 2018 11:39 AM
To: Robinson.MLA, Selina ; James.MLA, Carole
Cc: Isaacs.MLA, Joan
Subject: Provincial Government Actions in the Housing Sector

Good morning,

Please find attached a letter from Mayor Richard Stewart regarding Provincial Government Actions in the Housing Sector. The original letter will follow by mail.

Thank you and regards,

Carol Jones | Executive Assistant to City Manager
City of Coquitlam | 3000 Guildford Way | Coquitlam, BC V3B 7N2
Tel: 604-927-3006 | cjones@coquitlam.ca



COQUITLAM
Richard Stewart

May 29, 2018

Our File: 13-6930-20/HCRS1/1

Doc #: 2964913.v1

The Honourable Selina Robinson
Minister of Municipal Affairs and Housing
Room 310 Parliament Buildings
Victoria, BC V8V 1X4

The Honourable Carole James
Minister of Finance and Deputy Premier
Room 153 Parliament Buildings
Victoria, BC V8V 1X4

Dear Ministers Robinson and James:

RE: Provincial Government Actions in the Housing Sector

We commend your efforts to help address issues related to the housing sector and affordability across the Province. In particular, we would like to highlight the commitments made in your government's 30-point plan for housing affordability in British Columbia, released in February 2018. Coquitlam supports these measures, given they have the potential to positively impact the housing sector and improve affordability.

Coquitlam has recently advanced a number of initiatives to improve the availability of a more diverse range of affordable housing options in our community. These have led to a tenfold increase in the development of rental housing, including below-market / non-market housing. However, we are struggling to tackle the trend of large, speculative one-for-one single-family home replacements being built in established neighbourhoods. Many of these new single-family homes are much larger than the original homes they replace, however, the City does not have the ability under existing legislation to control the form and character of these homes to ensure they fit into existing neighbourhoods, or to charge development cost charges despite the potentially large impact of these one-for-one replacements on existing infrastructure. These new homes can be used as vehicles for speculative investment or 'house flipping', being sold and resold multiple times in a short period of time. We have provided options for infill density and improved affordability in these established neighbourhoods, however, many builders do not take advantage of these options due to the financial incentives to build large, speculative single-family homes. Given the constraints of a defined municipal mandate and narrow tax base, we cannot tackle these issues on our own. We need the support of senior governments, who can have significant influence over the housing market and affordability, given their jurisdictions in the housing sector.

While Coquitlam supports the Province's recent commitments to address issues in the housing market, additional actions could be taken to limit the financial advantages associated with building speculative single-family homes and further improve housing affordability. Many of

City of Coquitlam
3000 Cumford Way
Coquitlam, BC Canada V3B 7N7
Mayor's Office: (604) 273-3001 | fax: (604) 273-3015
 coquitlam.ca [coquitlam.ca](https://www.facebook.com/coquitlam)

these actions have been recommended in the recent housing affordability positions papers by the Union of BC Municipalities and the Federation of Canadian Municipalities, and include the following:

Eliminate Preferential Treatment of Single-Family Dwellings

The *Local Government Act* should be revised to allow local governments more flexibility to regulate the form and character of new homes to ensure they fit in with surrounding neighbourhood, and charge DCCs and other additional fees for very large new homes. Under existing legislation, the replacement of an existing small house with a much larger new house with secondary suite (and in many cases with multiple suites) is currently exempt from DCCs. This provides an unintended incentive to build the less-sustainable option of a massive "single-family" house over more sustainable and affordable options (e.g., duplex/triplex/ quadruplex, garden cottages, laneway housing, townhouses, etc.), all of which would be subject to DCCs.

Leverage Taxation Tools to Address Speculation & House Flipping

Focused tax changes are required to reduce investor-driven speculative demand. In particular, rapid speculative resale of property should be penalized, which could be achieved by the application of a seller's tax applicable during a set period of time after purchase and so as not to negatively impact long-term residents selling their homes. The provincial government could also revise the property transfer tax to make it more progressive and target speculation. This could be achieved while maintaining current revenue levels from the tax but introducing a sliding scale with higher rates for more expensive transactions and /or shorter-term 'flips'.

With the rise of Airbnb and related websites, units are being removed from the long-term rental market and rented on a short-term basis. The provincial government should enable local governments to charge commercial property taxes for residential properties being used for commercial purposes (e.g., short-term rentals).

Advocate for Tax Changes to Allow Proper Tax on New House Construction Profits

When a new single-family house is built (often as a replacement for a smaller existing home), it appears that many builders are structuring projects in order to pay no income tax on construction and development profits. The typical scenario is as follows: a family member buys a single-family lot, the builder demolishes the house and constructs a much larger new house, the family member "moves in" for at least one year (though it appears that in many cases the new house remains empty other than for periodic visits), and then the new home is sold with a "No GST" tag on the real estate sign.

Walking through these new homes, it is evident that many of them have never been occupied during the year since construction was complete. It appears that, in many cases, the builder earns no "profit" on the \$2.2 - \$2.7 million house, while the family member uses the principle-residence exemption to avoid any tax on their \$500,000 - \$700,000 profit (by calling it their "home" for a year). Most of these very large homes also have additional space for conversion into multiple illegal suites, creating a safety hazard and enormous enforcement challenges for building officials and bylaw enforcement.

Coquitlam has been trying to encourage these builders to opt for more sustainable and affordable housing options that the City has made available (e.g., multiple smaller homes on the same lot). However, many builders have reported that while those options are potentially more profitable, they would have to pay tax on the profit (whereas the large "single-family" house project can be structured so as to pay no income tax on the profit). This structure also fuels the underground economy, particularly if the family member opts to "be their own contractor" (thus permitting trades to be hired for cash).

We would urge the Province to join us in asking the Federal Government to institute a "deemed value" as of the date of occupancy for these new single family houses, since they clearly cannot be anybody's principle residence during demolition, construction, and prior to the issuance of an occupancy permit.

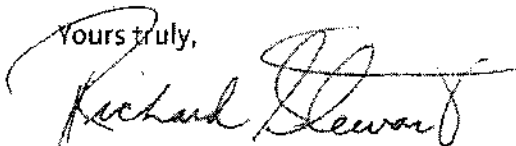
Improve Data Collection & Sharing

The provincial government could further improve the data collection, development and sharing of information. This is very important to support evidence-based policy development by local governments and federal government actions to address tax avoidance in real estate. For example, the database of pre-sale condominium assignments the Province is building (to be shared with federal and provincial tax authorities) could be shared publicly.

Coquitlam is one of the only Metro Vancouver communities that is meeting its regional housing-supply targets, including with thousands of new units of purpose-built rental housing. We are excited to work with you to tackle issues contributing to the housing affordability and diversity challenges facing the residents of Coquitlam and British Columbia. We support the commitments recently made by your government and urge you to consider going even further, by pursuing the additional actions to limit speculative single-family home building and further improve housing affordability outlined in this letter.

Should you, or your staff, have any questions or require any further information with respect to this matter, please contact me, or contact Jim McIntyre, General Manager, Planning and Development at 604-927-3401 or at jmcintyre@coquitlam.ca.

Yours truly,



Richard Stewart
Mayor

c- Council

Jim McIntyre, General Manager, Planning and Development
Joan Isaacs, MLA for Coquitlam-Burke Mountain

Attachment: Report to Coquitlam City Council – Senior Government Advocacy Positions for Housing (Doc# 2955543)

May 22, 2018

Our File: 13-6930-20/HCRS1/1

Doc #: 2955543.v3

To: City Manager

From: General Manager Planning and Development

Subject: **Housing Choices Review – Senior Government Advocacy Positions for Housing**

For: **Council**

Recommendation:

That Council notify the federal and provincial governments of the City's position on issues related to the housing sector and affordability, as outlined in the report from the General Manager Planning and Development dated May 22, 2018 and entitled "Housing Choices Review – Senior Government Advocacy Positions for Housing".

Report Purpose:

This report summarizes recent senior government commitments in the housing sector and outlines further work required to address issues of speculation in the real estate market and improve housing affordability for Coquitlam residents.

Strategic Goal:

This report supports the strategic goals of 'Strengthening Neighbourhoods' and 'Achieving Excellence in City Governance' by advocating to senior levels of government to take additional actions to address the housing affordability crisis.

Background:

The Housing Choices Review (HCR) was initiated in 2017, with primary goals of 'leveling the playing field' between single-family replacements and smaller ground-oriented housing, while improving housing affordability. Over 30% of development in Housing Choices areas between 2011 and 2016 involved replacing existing single-family homes with new single-family homes rather than taking advantage of the Housing Choices Program. These new dwellings tend to be much larger than the original homes and are much less affordable than both the homes they replace and other Housing Choices projects. In addition, narrow-lot subdivisions with single-family homes account for an additional 28% of developments in Housing Choices areas. Duplexes, triplexes and quadruplexes accounted for the remaining 42% of projects in Housing Choices areas.

There are a variety of factors that contribute to the trend of large, one-for-one single-family home replacements being built across Southwest Coquitlam, and many of the economic incentives are beyond the City's ability to control. For example, provincial legislation places "single-family" homes in a separate development category which limits the City's ability to require development cost charges for replacement single-family homes or Development Permits to control form and character. Additionally, the federal government has control over the manner in which the capital gains from building homes as investments, or "house flipping", is taxed.

Background: cont'd/

Phase 2 of the HCR includes the development of advocacy positions to senior levels of government on issues related to housing affordability within their jurisdictions, as outlined in this report.

Discussion/Analysis:

Government Jurisdiction in the Housing Sector

Federal and provincial governments can have significant influence over the housing market, as they can control interest rates, income distribution and tenure. While local governments can make a difference with land use regulations, they cannot tackle the housing affordability crisis on their own.

Federal Government Jurisdiction

The federal government has a large role in the housing sector and the tools that impact affordability, including: setting interest rates and mortgage guarantees; capacity to invest in the housing sector; and controlling policies affecting tax, immigration, tenure, income distribution and labour markets. Historic low mortgage interest rates in recent years have pushed up demand for housing in Canada and likely fueled demand for housing as an investment. They have also contributed to historic household debt levels and the potential economic risk associated with such levels.

The federal government also controls agencies such as the Canada Mortgage and Housing Corporation (CMHC), which is responsible for affordable housing policy and program delivery in Canada. CMHC played an active role in building affordable and rental housing units across the country between 1946 and the mid-1980's. In the past 20 years, CMHC has been largely absent from this area and instead has focused on its mortgage insurance business and housing market analyses. However, given recent announcements in the 2017 federal budget and National Housing Strategy, it appears the federal government may be once again getting more directly involved in housing delivery.

Provincial Government Jurisdiction

The Province, through the *Community Charter* and the *Local Government Act*, establishes local government powers related to housing. The Province also creates and regulates the framework for local government finance, including property taxes and development finance (e.g., development cost charges). BC Housing, responsible for affordable housing delivery in the province, is also under provincial jurisdiction, and the Province has the ability to collect and monitor data around property sales and purchases and controls the Property Transfer Tax.

Local Government Jurisdiction

Local governments are responsible for land use decisions, community planning, and development approvals. In this role, they act within the constraints of a narrow tax base (derived primarily from property taxes) and defined legislative authority. In BC, the *Local Government Act* and *Community Charter* are the governing pieces of legislation that provide a variety of tools for local governments to plan for and issue housing approvals and delivery (e.g., Official Community Plans, Zoning Bylaws and Subdivision Bylaws).

Discussion/Analysis: cont'd/

Senior Governments: Planned Actions

Both the federal and provincial governments have recently made commitments to reinvest in housing and identified key strategies that should impact the housing sector. The federal government released the 10-year National Housing Strategy in November 2017, and in February 2018 the provincial government announced its 30-point plan for housing affordability in BC. These measures are aimed at building better real estate datasets, managing speculative demand and preventing "house flipping", increasing housing supply and reducing tax fraud and money laundering in the real estate marketplace. Planned actions from senior levels of government include the following:

- Building better datasets to support informed decision-making;
- Managing speculative demand and addressing house flipping;
- Increasing the housing supply; and
- Addressing tax fraud and money laundering in the housing market.

Detailed descriptions of these planned actions are included in Attachment 1.

Additional Actions Requested

Coquitlam supports recent commitments by senior governments to address issues in the housing market as noted above, given they have the potential to positively impact the housing sector and improve affordability. However, additional actions could be taken by senior government to limit the financial advantages associated with building speculative single-family homes and further improve housing affordability.

Eliminate Preferential Treatment of Single-Family Dwellings

Many new single-family homes in Southwest Coquitlam are double or even triple the size of the original single-family homes they replace, and increasingly include illegal suites built without permits. The City does not have the ability under existing legislation to charge development cost charges for one-for-one single-family home replacements, despite a potentially larger impact on existing infrastructure. This means that development cost charges for a new Housing Choices project with four units would be significantly higher than for a single-family home that could be larger and potentially have the same number of people living in it. The City also lacks the ability to require Development Permits to control form and character of new single-family homes and ensure they fit into existing neighbourhoods.

The *Local Government Act* should be revised to allow local governments more flexibility to require additional fees for very large new homes, and regulate the form and character of new homes to ensure they fit in with surrounding homes. This will help reduce the competitive advantage that single-family homes currently have, and help level the playing field between single-family homes and other housing types.

Discussion/Analysis: cont'd/

Leverage Taxation Tools to Address Speculation & House Flipping

Focused tax changes are required to reduce investor-driven speculative demand, both foreign and domestic. Taxation tools should be adopted with the short-term goal of stabilizing prices and the long-term goal of increasing the diversity of housing options. Senior governments could also consider penalizing rapid speculative resale, which could be achieved by the application of a seller's tax applicable during a set period of time after purchase and so as not to negatively impact long-term residents selling their homes.

Under existing federal tax policy, capital gains on principal residences are exempt from income tax. Most other capital gains are taxable, as is the interest earned on investment. This creates a tax incentive to fraudulently declare a home as a "principal residence" when house flipping. The federal capital gains exemption regulations for primary residents could be updated to curb speculation, by limiting the number of times they may be used, setting a maximum value on the exemption, and / or increasing the time the individual must live in a new home after construction.

The provincial government could revise the property transfer tax to make it more progressive and target speculation. This could be achieved while maintaining current revenue levels from the tax but introducing a sliding scale with higher rates for more expensive transactions and / or shorter-term 'flips'.

With the rise of Airbnb and related websites, there are opportunities for homeowners to rent out suites and homes on a short-term basis, thus removing units from the long-term rental market. The provincial government should enable local governments to charge commercial property taxes for residential properties being used for commercial purposes (e.g., short-term rentals).

Improve Data Collection & Sharing

Senior governments could further improve the data collection, development, and sharing of information necessary to support evidence-based policy and actions to address tax avoidance in real estate. For example, the pre-sales registry referenced above could be shared publicly. Coordination could also be improved between the agencies responsible for monitoring and regulating property transactions and capital flows (e.g., the Canada Revenue Agency, the Financial Transactions and Reports Analysis Centre of Canada, mortgage lenders, and the Real Estate Council of BC).

Next Steps:

This report recommends that Council notify senior levels of government of the City's position on issues related to the housing sector and affordability, as outlined in this report. Should Council endorse this direction, letters will be prepared in advance of the Federation of Canadian Municipalities annual conference (May 31 to June 3, 2018) to be sent to the appropriate Ministers.

Financial Implications:

There are no financial implications associated with this report.

Conclusion:

The primary goals of the HCR include 'leveling the playing field' between single-family home replacements and Housing Choices projects and improving housing affordability. However, the City has limited ability to address the housing affordability without assistance from the federal and provincial governments. While senior levels of government have already committed to making some changes, there are a number of additional actions the City encourages senior governments to take to address the housing affordability crisis.



J.L. McIntyre, MCIP, RPP

RC/ss

Attachments:

1. Senior Government Planned Actions (Doc# 2959709)

This report was prepared by Rebecca Chaster, Community Planner and reviewed by Jacint Simon, Housing Planner, Bruce Irvine, Manager Planning Projects, Chris McBeath, Major Project Planner and Andrew Merrill, Manager Community Planning.

SENIOR GOVERNMENTS PLANNED ACTIONS

Build Better Datasets to Support Informed Decision-Making

Through the National Housing Strategy, the federal government has committed to ensuring that more and better data are available to serve as the basis for housing decisions. This will address gaps in information that may be acting as barriers to informed decision making and the creation of evidence-based housing policy, and increase the ability of all levels of government to develop housing policy in anticipation of changing housing needs, conditions, and market forces.

The provincial government is aiming to build complete information about beneficial ownership of land and corporations in BC. The 'beneficial' owner is the individual or corporation that is entitled to make decisions with respect to all aspects of the property, and may differ from the legal owner listed on property title. Currently, true ownership and funding sources of real estate can be hidden through numbered companies, offshore and domestic trusts, and stand-in owners. The Province will require information on beneficial ownership on Property Transfer Tax forms, and is establishing a public registry on beneficial ownership of land in BC. Information on beneficial ownership may contribute to the development of new taxation models in the future.

Manage Speculative Demand & Address House Flipping

Existing policy allows owner-occupied homes to be sold without tax being paid on the capital gain (i.e. difference between the sale price and original cost of purchasing the home), and this includes new construction. This exemption has been cited as encouraging investor speculation and house flipping as a form of tax-free profit in overheated housing markets. The federal government has made tax law changes to ensure the principal residence exemption is claimed as intended, and has committed to continuing to examine ways to further enhance compliance procedures in the sector.

Beginning in fall 2018, the provincial government will introduce a new speculation tax on residential property. This will target foreign and domestic individuals who own residential property in BC, but do not pay income tax in BC (including those who leave units vacant). The Province will also build a database of pre-sale condominium assignments, to be shared with federal and provincial tax authorities who can ensure the appropriate taxes are paid. This is intended to help close the 'loophole' in contract assignments in the condominium pre-sale market. Through selling contract assignments condominium units can be sold multiple times before the unit is even lived in, leading to price inflation and the sellers not necessarily paying appropriate taxes.

Increase Housing Supply

Through partnerships with local governments, the federal government, and the private and not-for-profit sectors, the provincial government has committed to building 114,000 units of affordable market rental, non-profit, co-op, supported social housing, and owner-purchase housing over the next 10 years. The federal government has also committed to build up to 60,000 new units and repair up to 240,000 existing affordable and community housing units (many built by the federal government in the 1950s-1970s).

ATTACHMENT 1

Address Tax Fraud & Money Laundering in the Real Estate Market

In order to help reduce tax fraud and combat money laundering in BC's real estate market, the provincial government has asked the federal government to formalize a multi-agency working group on tax evasion, money laundering, and housing. This will help address compliance and enforcement issues in the real estate sector, and ensure governments have the information needed to provide to federal enforcement agencies. Starting in 2019, the provincial government will also begin collecting Social Insurance Numbers as part of the Homeowner Grant application process. This information can be cross-referenced against income tax information to identify individuals inappropriately claiming the grant.