



BRIEFING NOTE FOR DECISION

Date: August 3, 2018

Prepared For: Honourable Selina Robinson, Minister of Municipal Affairs and Housing

Title: TransLink Parking Rights Tax Increase

Issue: Requesting direction on increasing the parking rights tax under the *South Coast British Columbia Transportation Authority Act*.

SUMMARY:

- **In June 2018, the Mayors' Council on Regional Transportation approved its Investment Plan. This plan included an increase to the parking rights tax from 21 to 24 per cent to contribute \$10 million annually to the Plan.**
- **On June 27, the Minister sent a letter to the Mayors' Council confirming that the Province would introduce fall legislation to remove the existing 21 percent cap to enable the tax increase.**
- s.12,s.13,s.14
-

RECOMMENDED OPTION:

Option 1 s.12,s.13
s.12,s.13

BACKGROUND:

TransLink's Phase Two Investment Plan states that the region will fund its share through a variety of measures, including: an increase in transit fares; a property tax increase; an increase in the Development Cost Charge for new development across the region; increased revenue from commercial opportunities; and an increase in the existing parking rights tax from 21 per cent to 24 per cent (\$10 million).

Under the *South Coast British Columbia Transportation Authority Act* (the Act), TransLink is provided with authority to collect a tax paid on the purchase price of off-street parking rights within Metro Vancouver. The parking rights tax rate is currently 21 per cent, the maximum rate allowed under the Act. TransLink raised \$70 million in parking rights tax revenue in 2017, and its proposed 3 per cent increase is expected to generate an additional \$10 million annually. The Province has informed TransLink that it will bring forward legislation to enable an increase in the tax rate.

While the maximum rate for the parking rights tax is specified in the Act, the applicable rate is established through a bylaw that is approved by the TransLink Board. It is anticipated that should the Act be amended to enable TransLink's request, a new bylaw would be considered and endorsed by the Board to increase the tax to 24 per cent for 2019, the rate identified in the Phase Two Investment Plan.



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DISCUSSION:

s.12,s.13,s.14

See Attachment 1 for parking rights tax revenue projections under each option.

NEXT STEPS:

s.12,s.13,s.14

FINANCIAL IMPLICATIONS:

Any of the proposed options will increase tax revenues raised by TransLink from users of paid off-street parking facilities in Metro Vancouver. The tax is collected and remitted directly to TransLink, s.13,s.14,s.13,s.14,s.17

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OPTIONS:



Ministry of
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OPTION 1: s.12,s.13,s.14
s.12,s.13,s.14

s.12,s.13,s.14

OPTION 2: s.12,s.13,s.14
s.12,s.13,s.14

Pros:

- s.12,s.13
-

Cons:

- s.13,s.14

OPTION 3: s.12,s.13,s.14
s.12,s.13,s.14



s.12,s.13,s.14

RECOMMENDATION: Option 1

APPROVED (recommended option) / NOT APPROVED

Honourable Selina Robinson

August 3, 2018

Date

Attachments: (1)

1. Maximum Projected Revenue by Option

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DATE APPROVED:

2018-08-02

2018-08-03

**ATTACHMENT 1: Maximum Projected Revenue and Tax Rates by Option**

These tables represent the possible maximum revenue TransLink could receive from parking rights tax under each option. The projections in Option 3 are taken directly from TransLink's Phase Two Investment Plan, s.13,s.17

s.13,s.17

s.13,s.17



BRIEFING NOTE FOR DECISION

Date: August 23, 2018

Prepared For: Honourable Selina Robinson, Minister of Municipal Affairs and Housing

Title: Jumbo Municipal Council Appointments

Issue: Mayor and councillors (2) of Jumbo Glacier Mountain Resort Municipality are appointed by the Minister to be effective immediately after a general local election. ^{s.22}
s.22

RECOMMENDED OPTION:

- **Option 1,** ^{s.13}
s.13

BACKGROUND:

Jumbo Glacier Mountain Resort Municipality (Municipality) was incorporated in 2013 at the request of the Regional District of East Kootenay (RDEK), which did not want responsibility for land use decisions at the proposed Jumbo Glacier ski resort (resort). Letters Patent for the Municipality require the Minister to appoint a council of three or five persons to provide a local governance framework, including an official community plan and zoning bylaws, in anticipation of the development of the resort.

At incorporation, the then-minister appointed a three-position council (mayor and two councillors), selected for neutral and credible competencies needed to govern the Municipality. Greg Deck, former mayor of Radium Hot Springs, was appointed as mayor because of his background in local government. Councillors appointed were Nancy Hugunin, past East Kootenay zone chair for the BC Alpine Ski Association; and Stephen Ostrander, a retired professional forester. All three were reappointed following the 2014 local elections.

In the spring of 2018, enquiries were made as to whether the mayor and councillors wished to continue serving during the 2018-2022 local government term of office. ^{s.22}

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DISCUSSION:

As detailed in the attached Briefing Note (CLIFF # 234132), resort development in the Jumbo Glacier area is a long, complex and contentious issue, in the midst of ongoing legal proceedings.

On August 17, 2018, the BC Supreme Court ordered the Minister of Environment to reconsider a past decision to not extend the proponent's Environmental Assessment Certificate. While this court ruling will re-energize attention on resort development at Jumbo Glacier, the future of the resort proposal itself still remains unclear. The Province will need to decide whether to undertake the reconsideration or appeal the court's ruling (it has 30 days to appeal); the proponent will need to await the Province's decision, determine if the existing resort proposal can proceed or put forward a modified proposal, and/or activate a related civil claim for damages against the Province.

Mountain resort development (and related legal proceedings) is the responsibility of the Ministry of Forests, Lands, Natural Resource Operations and Rural Development (FLNR), with much of the decision making delegated to statutory decision makers, rather than to ministers or Cabinet. The Minister of Environment also has a role where the resort proposal requires an environmental assessment. By contrast,



the role of the Ministry of Municipal Affairs and Housing (Ministry) is to support the Municipality in meeting legislated requirements for local governance in the area, which at this point is secondary to the future of the resort itself. s.13
s.13

s.13,s.14

For now, the Municipality's council only meets briefly every few months to fulfil statutory obligations for annual budget and tax bylaws, and to secure audited financial statements. As such, it could continue operations for the foreseeable future with two members, which meets quorum under section 129 of the *Community Charter*. s.13,s.14
s.13,s.14

FINANCIAL IMPLICATIONS:

None; the Municipality operates on reserve funds from past Small Community Grants. At the Municipality's request, it has not received any such grants since 2015.

OPTIONS:

1, s.13



Ministry of
Municipal Affairs
and Housing

s.13

APPROVED (recommended option) / NOT APPROVED

Honourable Selina Robinson

September 18, 2018

Date

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DATE APPROVED:

August 23, 2018

August 23, 2018

BACKGROUND INFORMATION

Intergovernmental Relations Secretariat - Office of the Premier

CONFIDENTIAL ADVICE TO THE PREMIER

PREPARED FOR: Premier John Horgan

MEETING: Meeting with the Prime Minister

ISSUE: Housing

KEY POINTS:

- There is no higher priority among British Columbians right now than housing affordability.
- We appreciate your government's development of a National Housing Strategy with funding. British Columbia was one of the first provinces to sign a bilateral agreement under the National Housing Strategy.
- In February, the B.C. government issued Homes for BC: A 30-Point Plan for Housing Affordability. The 30 actions are broadly grouped into those addressing supply, demand and better housing security. We are working our way through implementing these actions and tracking the results.
- Through this plan, the Government of BC is making a historic investment in housing and will work with partners to build 114,000 new units of affordable housing. The funding under the National Housing Strategy will help us achieve this goal.
- Although there has been pressure to move quickly to implement federal legislation that explicitly recognizes the right to housing as defined in international human rights law,
s.13
- Governments cannot address housing affordability without harnessing the private market. s.13,s.16
s.13,s.16
- Like Ontario, we have taken some steps to increase and expand the foreign buyers' tax, but we are also now working to better understand suspected problems with money laundering and tax avoidance. Staff from BC, Canada and CMHC are scheduled to meet in September on money laundering and the housing market. We would like to thank Canada for working with us on this issue.

BACKGROUND INFORMATION

Intergovernmental Relations Secretariat - Office of the Premier

- I'm pleased that the federal government is developing National Indigenous Housing Strategies, s.16
s.16
- We are partnering with First Nations and Indigenous groups to provide affordable housing. The Building BC: Indigenous Housing Fund facilitates the construction and operation of 1,750 units of social housing for Indigenous people on or off reserve. Funding is application-based so can be used wherever the need is greatest. s.13,s.17
s.13,s.17

BACKGROUND:

National Housing Strategy Funding

- The federal funding for British Columbia under the National Housing Strategy is about \$754 million over 10 years, a welcome addition to newly committed provincial spending on housing of more than \$7 billion over 10 years.

Human Rights Based Approach to Housing

- During the consultations on the National Housing Strategy, some stakeholders urged the federal government to do more to advance its international commitments related to the progressive realization of the right to adequate housing in Canada.
- Canada is a signatory to the International Covenant on Economic, Social and Cultural Rights, which recognizes a right to adequate housing as a component of an adequate standard of living. A wide range of federal, provincial, territorial and municipal laws, policies and programs for housing and homelessness contribute to the achievement of Canada's commitment.
- A National Housing Strategy for Canada is itself an important step toward the progressive realization of the right to adequate housing and meeting Canada's international commitments.



BRIEFING NOTE FOR INFORMATION

Date: August 31, 2018
Prepared For: Honourable John Horgan, Premier
Title: Broadway Subway and Surrey Newton-Guildford LRT Projects
Issue: Overview of Broadway Subway and Surrey Newton-Guildford LRT Projects

SUMMARY:

- **June 28, 2018 – The Mayors’ Council of Regional Transportation approved Phase Two of a 10-Year Vision for transportation and transit investments in Metro Vancouver.**
- **Phase Two cost (capital, operating and financing) is estimated at \$7.63 billion over ten years.**
- **Together with Phase One costs of over \$2 billion, the Mayors’ Vision represents the largest planned investment in TransLink history.**
- **The Province committed to fund 40% (estimated at \$2.54 billion) of the capital cost of Phase Two of the Mayors’ Vision. The Province is also funding and delivering the replacement of the Pattullo Bridge, estimated at \$1.377 billion.**
- **The federal government, through Infrastructure Canada and the Investing in Canada Infrastructure Program, committed to fund \$2.2 billion for rapid transit projects within the Lower Mainland.**
- **Two key transit projects in Phase Two are the Millennium Line Broadway Extension (Broadway Subway) estimated at \$2.83 billion and a new Light Rail Transit line in Surrey estimated at \$1.65 billion. These two significant transit projects will collectively receive \$1.82 billion of the capital funding allocated by the Province.**
- **The Broadway Subway will be delivered by the Province while the Surrey Newton-Guildford LRT will be delivered by TransLink.**
- **Beyond the major rapid transit projects, the plan also includes critical investments expanding service across the region, including 420,000 service hours annually of new or expanded bus service, a 7% increase to HandyDart services, and improvements to road and cycling networks.**
- **Business cases for the rapid transit projects have been approved at both provincial and federal levels, with the projects scheduled to be formally announced on September 4 with the federal government, TransLink, the City of Vancouver and the City of Surrey.**

BACKGROUND:

In 2014, the Mayors’ Council on Regional Transportation approved a 10-Year Vision for transportation and transit investments and service increases in Metro Vancouver. The Vision will be delivered in three phases and through three separate, overlapping 10-Year Investment Plans.

The Phase One Investment Plan was approved in 2016 and is currently underway. The provincial and federal governments contributed \$246 million and \$370 million, respectively, to this Plan. It included rail and bus transit service increases, new SkyTrain, Canada Line and West Coast Express cars, as well as other capital investments.



The Phase Two Investment Plan was approved by the Mayors' Council and TransLink Board on June 28. The Plan includes investments of \$7.63 billion over 10 years (capital operating and financing costs), and builds on work underway under Phase One.

Phase Two includes:

- Existing Expo and Millennium Lines – major upgrades and capacity expansion including additional SkyTrain cars;
- Millennium Line – extension of the existing line, mostly underground, along Broadway to Arbutus Street (Broadway Subway);
- Surrey Light Rail Transit – developing light rail transit (LRT) along 104 Ave and King George Boulevard;
- Conventional bus – 8% service level increase across the region (420,000 service hours annually by 2022), which includes the following improvements and new service:
 - Improved bus service – at least 75 different bus routes across the region;
 - Restructuring and adding bus service – Pitt Meadows, Maple Ridge and Langley;
 - New bus service – Harbourside in North Vancouver; East Fraser Lands in Vancouver; 68th Avenue Crosstown in Surrey (Scottsdale to Sullivan); East Fraser Heights in Surrey;
- New B-Line service – Richmond to Expo Line; Scott Road (120th Street);
- Upgraded B-Line service – Fraser Highway; Lougheed Highway; Marine Drive-Main Street; SFU/Burrard Station;
- HandyDART – 7% service level increases (76,000 service hours annually by 2021), including 20 new buses to support this increased service;
- Surrey-Langley rapid transit line – planning and engineering;
- Major road network – \$75 million for road improvements, rehabilitation and seismic upgrades across the region
- Other investments – \$38 million for cycling and walking infrastructure; and,
- Planning – for a potential gondola to SFU Burnaby Mountain campus and for future potential rapid transit to UBC Point Grey campus.

The Province committed to funding 40% of Phase Two of the Mayors' Vision, estimated at \$2.54 billion. This is in addition to the estimated \$1.377 billion the Province committed to fund and deliver the replacement for the Pattullo Bridge. The federal government, through Infrastructure Canada and its *Investing in Canada* Infrastructure Program, has committed \$2.2 billion over 11 years for transit in the Lower Mainland.

Of the provincial and federal funding for Phase Two, approximately \$1.37 billion from Canada and \$1.82 billion from the Province has been allocated towards the rapid transit projects in Vancouver and Surrey. The Province also committed to introduce legislation to enable TransLink to increase the regional fuel tax by 1.5 cents per litre, which is expected to generate an estimated \$30 million annually.^{s.13}

s.13

TransLink is funding its share of the Plan through a variety of modest increases across a range of sources (e.g., fares, development cost charges, property taxes, parking rights taxes), borrowing and private financing and other revenue streams such as Federal gas taxes and local government contributions. The



Province further committed to legislation to enable the region to realize its proposed parking rights tax increase (currently capped at 21%), and this is expected to be introduced this fall.

Millennium Line Broadway Extension (Broadway Subway)

5.7 km extension of the existing Millennium Line SkyTrain service, from VCC–Clark to a new station at Arbutus Street, mostly tunneled beneath the Broadway Corridor.

The project includes six underground stations at: Great Northern Way; Main; Cambie; Oak; Granville; and Arbutus. (See Attachment 1 for a map of the Broadway Subway.)

Construction of the Broadway Subway is expected to begin in 2020 with service commencing in 2025. It's estimated that this project will result in 7,190 direct jobs and 5,270 indirect jobs, and support economic and urban development within the region.

Broadway Subway – Key Milestones	
Deliverable	Date
Announcement s.13	September 2018
Construction Start	Early 2020
Completion & Commencing Service	Late 2025

The total cost of the project is estimated at approximately \$2.83 billion, \$47 million of which was funded through the Phase One Investment Plan. Cost estimates may be refined through additional technical analysis, public input and design modifications and will be finalized at the end of the procurement process.

The Broadway Corridor is the second largest employment centre in BC. It is the most densely populated area in Metro Vancouver not served by rail transit and faces significant transportation challenges.

It is currently a key bus route between Commercial Drive (Commercial-Broadway SkyTrain station) and UBC and transit demand within the corridor has exceeded the ability to provide service solely with buses, resulting in approximately half a million passengers passed up every year. Bottlenecks occur in both the transit and road networks resulting in service impacts for all users. The accompanying delays, line-ups, and pass-ups dissuade many people that travel to and from the Broadway Corridor from taking transit.

The Broadway Subway will be able to move 5,100 more passengers per hour per direction on this portion of the corridor than the existing 99 B-Line bus service, a capacity increase of 250%. In addition, when the Broadway Subway opens in 2025, it is expected to result in travel time savings of 30 minutes per day for the average commuter and improve their quality of life. Time savings are due to passengers no longer waiting while up to three buses to pass them by due to insufficient capacity, as well as to an improved travel time on the Broadway Subway of 11-minutes between Commercial-Broadway and Arbutus. Commuters traveling five days per week will save 120 hours each year. Daily travel time savings will increase by 2045 as Broadway becomes more congested and bus trips could take 30 to 55 minutes.

The current average weekday boardings are 56,500. With Broadway Subway, the forecasted daily ridership is expected to be 142,000 boardings daily by 2030, increasing to 167,000 boardings by 2045.

When the Broadway Subway begins operating, trains are expected to run every 3 to 4 minutes during peak periods, and every 6 to 8 minutes during off-peak periods.



Surrey Newton-Guildford LRT (SNG LRT)

10.5 km line extending from Surrey City Centre east along 104 Ave to Guildford Town Centre and south along King George Boulevard to Newton Town Centre.

It will operate at street level, primarily along the centre of 104 Ave and King George Boulevard, with 11 stops. It will be integrated with the local and regional cycling network, local bus and SkyTrain transit systems. (See Attachment 2 for a map of the SNG LRT.)

Construction of the SNG LRT project is anticipated to begin in 2020 with service commencing in 2024. It's estimated that this project will result in 3,960 direct jobs and 2,350 indirect jobs, as well as supporting economic and urban development, particularly in the South of Fraser Sub-region.

Surrey Newton-Guildford LRT – Key Milestones	
Deliverable	Date
Announcement	September 2018
Request for Qualifications	September 2018
s.13	
Construction Start	Spring 2020
Completion & SNG Commencing Service	Spring 2024

The total cost of the project is estimated at approximately \$1.65 billion, with \$43 million funded through the Phase One Investment Plan. The cost estimate may be refined through additional technical analysis, public input and design modifications and will be finalized at the end of the procurement process.

The South of Fraser Sub-region is one of the fastest growing areas in the Lower Mainland, with population expected to increase by 400,000 by 2040 according to regional estimates. The Sub-region includes Surrey, Langley, Delta, White Rock and Tsawwassen First Nation.

The City of Surrey has planned for rapid transit along key corridors, envisioning it as a catalyst to support the development of the second urban core in Metro Vancouver. The SNG LRT represents the first step in this network and is envisioned by the City as spurring and shaping growth along the Newton-Guildford Corridor.

Trains on the SNG LRT are expected to run every 5 minutes during peak periods, every 7.5 minutes during the mid-day, and every 10 minutes in the evenings.

While the initial time savings are estimated to be small over the existing bus service, the savings are expected to increase over time as vehicular traffic volumes increase. The time saving is estimated to be 18 minutes by 2045 (27 minute trips for LRT vs 45 minute trips for bus).

People will be able to travel from Guildford to Surrey Centre in approximately 9 minutes and from Newton to King George Station in approximately 13 minutes.

The existing 96 B-Line, which the SNG LRT is replacing, currently has approximately 15,000 daily weekday boardings. This is forecasted to increase to 20,500 boarding by 2045. The SNG LRT is forecasted to have 62,000 boardings daily by 2045.

The line will operate within dedicated train-only lanes on the road. Along with modern intersection signal optimization technology this will allow the trains to bypass traffic queues and thus make it an attractive public transit choice.



DISCUSSION:

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Affordability and Density Along Transit Corridors

The Province is working with TransLink, the City of Vancouver and the City of Surrey to ensure that adequate and timely measures to promote densification and affordable housing occur along these two corridors. TransLink has adopted a 'Supportive Policies Agreement' (SPA) with each City, which commits them to a range of measurable outcomes. The Province is playing a key role in implementing these agreements, by jointly developing annual reporting on indicators such as:

- population growth;
 - employment growth;
 - development activity;
 - zoned housing capacity; and,
 - affordable housing s.13,s.16
- s.13,s.16

Procurement/Delivery Models

The Broadway Subway will be delivered by the Province through a 'Design-Build-Finance' procurement model. Under this model, the contractor would be responsible for most construction risks, and the contract will include significant risk transfer relating to adverse geotechnical conditions and management of utility conflicts.

The SNG LRT will be delivered by TransLink through a 'Design-Build-Finance-Operate-Maintain and Rehabilitate' procurement model (P3). The model has been modified to include a short operating term (seven years compared to a more usual 30-year term). This was selected as the best method of delivery given the project involves a new line and technology not currently operated by TransLink. TransLink will be able to take over operations once the line is up and running and initial issues have been resolved.

Potential Issues and Risks

The Phase Two funding announcement spurred public and stakeholder interest in a potential subsequent phase of the Broadway Subway connecting Arbutus Station to UBC s.13,s.16

s.13,s.16

Phase Two approval also resulted in renewed calls by some residents of Surrey for a reconsideration of the choice of LRT technology for Surrey. Opponents have proposed extending SkyTrain out to Langley along Fraser Highway and bus rapid transit along the 104 Ave and King George Boulevard corridors instead of LRT. The Vision currently includes LRT to Langley City along the Fraser Highway corridor. This project is



expected to be included in the Phase Three Investment Plan. A final decision on technology will be made when the business case is approved.

As both are major transportation infrastructure projects along major regional corridors, concerns have been raised about traffic and business disruptions during construction and, in the case of SNG, once the line is operational, as it will be interacting with vehicular traffic. The Province, TransLink and the Cities of Vancouver and Surrey are cognizant of these concerns and plans to minimize impacts through measures such as construction staging and traffic management are well underway.

s.13,s.17

Attachments: (2)

1. Broadway Subway Map
2. Surrey Newton-Guildford LRT Map

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DATE APPROVED:

August 31, 2018

August 31, 2018



Attachment 1: Broadway Subway Map





Attachment 2: Surrey Newton-Guildford LRT Map





BRIEFING NOTE FOR INFORMATION

Date: August 27, 2018
Prepared For: Honourable Selina Robinson, Minister of Municipal Affairs and Housing
Title: Clean Growth Strategy and Local Governments
Issue: Actions in the Clean Growth Strategy will require local government involvement

SUMMARY:

- **BC local governments are leaders in climate action. Since 2007, 187 of 190 local governments have signed on to the Climate Action Charter, committing to take action to reduce emissions in their corporate operations and communities.**
- **Local governments have undertaken numerous climate action initiatives since the 2007 implementation of the Climate Action Charter. As early actions become business as usual, there is an opportunity to further propel innovative local government actions to reduce emissions.**
- **B.C. is developing a long-term clean growth strategy for release in fall, 2018 that will include actions impacting or involving local governments.**
- **Some of this work has the potential to form the basis of a next phase of action for local governments under the Climate Action Charter.**
- **The Climate Solutions and Clean Growth Advisory Council, which is tasked with providing strategic advice to government on climate action and clean economic growth, includes local government representation.**
- **These members have expressed an interest in renewed local government climate action under the Climate Action Charter. They will be canvassing the UBCM membership for resolution endorsement which would then go forward to Ministry of Environment and Climate Change Strategy and then the Ministry of Municipal Affairs and Housing.**
- **MAH staff are currently working on an expanded local government climate action strategy**

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BACKGROUND:

Current Local Government Climate Action

Since 2007, 187 of 190 local governments in BC have signed the B.C. Climate Action Charter (Charter) and committed to becoming carbon neutral in *corporate* operations; measuring and reporting on *community* emissions and creating complete, compact and energy-efficient communities. Local governments are supported in achieving these goals by the Joint Provincial-UBCM Green Communities Committee (GCC), which has implemented initiatives including the BC Climate Action Toolkit website (currently being updated) and GCC's Carbon Neutral Framework for Local Governments.

The Provincial Climate Action Revenue Incentive Program (CARIP) is a conditional grant program that provides funding to local government Climate Action Charter signatories equal to 100 percent of the carbon taxes they pay directly to support operations. Annual CARIP summary reports describe local government climate actions and progress on reducing their GHG emissions. The [2016 report](#) is available for review now. The 2017 report is under development and will be available before UBCM Convention.



DISCUSSION:

Provincial Clean Growth Strategy

B.C. is developing a long-term clean growth strategy for release in late fall, 2018 that will bring together provincial action on climate change, energy roadmap work and economic development. To support development of the strategy, Government has published three intentions papers (IP) proposing actions in three areas: transportation, buildings, and clean growth for industry. Public consultations on these closed August 24, 2018. These will have several implications for local governments, as described in Appendix C.

Additional topics are also scheduled for consideration in 2019 and 2020 as follows:

- 2019: global energy opportunities (winter); low carbon energy (spring), adapting to a changing climate (summer), communities and waste (summer), public sector leadership (summer), transportation system (summer)
- 2020: research and development, clean innovation

Details on these topics are pending, however, it is generally expected that there will be implications for local governments in the areas of adaptation, communities and waste, and the transportation system.

Provincial Clean Growth Strategy Ideas - Process

Development of the Clean Growth Strategy is informed by advice from the Climate Solutions and Clean Growth Advisory Council (Council), which has been tasked with providing strategic advice to government on climate action and clean economic growth. The Council membership includes the Mayors of Tofino and Smithers, and the City of Vancouver's Climate Policy Manager. Ideas from the Council are provided directly to the Ministry of Environment and Climate Change Strategy for internal discussion and consideration by applicable ministries.

Through conversations with CAS at the staff level, it is understood that the Council and member Mayors may seek to generate support for renewed local government climate action, including an expanded Charter 2.0, at the upcoming UBCM Convention. If endorsed by the UBCM membership at Convention, any resulting proposals would be cataloged by CAS who would then bring those to MAH (or other relevant ministries) for further analysis. Proposals falling under the auspices of local governments and the Charter would be brought forward to the GCC for consideration and next steps.

MAH Strategy for Expanded Local Government Action on Climate

Local governments have undertaken numerous climate action initiatives since the initial signing of the Charter in 2007. Many actions initially undertaken under the Charter have become business as usual. This includes actions such as upgrading fleets, replacing streetlights, building efficiency upgrades and organics programs. The provincial focus on clean growth provides an opportunity to further propel innovative local government actions to reduce emissions and contribute to the achievement of provincial reduction targets.

MAH staff are developing an expanded climate action strategy for local government, with a particular emphasis on planning and land use. ^{s.13}

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Ministry of
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Preliminary ideas have been identified and work to refine these into a comprehensive strategy with specific actions will continue, with implementation dates aligned with the Clean Growth Strategy timelines. See Appendix A for a diagram of how the strategy fits with existing local government climate action initiatives, s.13

Concepts are in the very early stages of development; however, it is expected that new ideas related to the Charter will go forward to the GCC. s.13

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FINANCIAL IMPLICATIONS:

No new funding anticipated.

Appendices: (3)

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Jacqueline Dawes, Deputy Minister

DATE APPROVED:

August 24, 2018

August 27, 2018

Page 22 to/à Page 24

Withheld pursuant to/removed as

s.13



BRIEFING NOTE FOR INFORMATION

Date: August 30, 2018

Prepared For: Geoff Meggs, Chief of Staff to the Premier

Title: GST on Rental Housing Investment

Issue: LandlordBC requests a meeting to discuss working together to persuade the federal Liberals to fulfill their campaign promise to remove GST on capital investments in rental housing.

SUMMARY:

- **BC wants to work with the federal government to support the construction of new rental housing.**
- **As part of this, BC would like the federal government to consider utilizing the tax system to encourage the construction of purpose built rental housing and incentivize supply generally.**
- s.13,s.17

BACKGROUND:

Since the advent of more profitable condominium construction in the 1970s and federal income tax changes in the 1980s, new construction of rental apartment buildings declined dramatically.

The secondary rental market (mostly rented condos and secondary suites) has filled some of the supply gap, but vacancy rates have remained very low in BC for much of this period. Low vacancy rates, while a narrow measure based only on a segment of voluntarily reported rental stock, are thought to indicate a shortage in available rental housing. The resulting increase in demand for rental housing has resulted in upward escalation in rents and in growing affordability challenges.

During the 2015 federal campaign, the platform of the Liberal Party of Canada included a pledge to “encourage the construction of new rental housing by removing all GST on new capital investments in affordable rental housing.”

Finance Minister Morneau’s 2015 Mandate Letter instructed him to “remove the GST on new capital investments in rental housing.”

On its mandate-letter tracking website (launched November 14, 2017), the federal government indicated it is not pursuing its pledge to waive the GST on the construction of new rental units, preferring targeted investments over broad taxation measures.

In November 2017, the federal government released its National Housing Strategy. Associated funding programs will primarily help address the needs of low income Canadians in core housing need, but not necessarily create affordable rental housing for working households in BC’s “missing middle” income categories (i.e. household incomes up to median income levels).

Even without tax changes, higher rents have incentivized a significant increase in the construction of new purpose built rental housing in BC in the last two years. However, the rate of new construction remains below the growth in demand, and increasing construction costs and rising interest rates mean that the window of financial viability may not be open for long. Redevelopment of older rental stock (often as



condos) has only exacerbated the supply challenge. New investment in private rental supply yield higher rents driving up average rents across the province. Current investment in new rental housing supply is being driven by high costs of home ownerships and by higher income households choosing rental occupancy.

DISCUSSION:

A purchaser of a new rental building is required to pay GST on the value of the building when rentals in the new building commence. If the developer holds the building, the developer pays the GST. This cost adds approximately 6% to the cost of any new purpose built rental housing, raising the rents that would need to be charged, reducing profitability, or, more likely, discouraging the developer from proceeding with the project.

BC wants to work with the federal government to create that conditions that support the construction of new market rental housing by private developers. As part of this, BC would like the federal government to consider utilizing the tax system to encourage the construction of purpose built rental housing and incentivize supply generally. ^{s.13,s.17}. Any request should be made to the federal Minister of Finance rather than the minister responsible for housing.

Over the years, previous requests to the federal government by BC and other provinces for more favourable tax treatment for rental housing have been unsuccessful. ^{s.16}

^{s.13,s.16,s.17}

^{s.13,s.17}

^{s.13,s.17}

According to Landlord BC, GST accounted 6% of all hard costs and 4% of hard and soft costs combined (this figure has not been verified). All project costs are passed along to the eventual tenant through higher initial rents; as determined by market conditions and constructions costs.

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DATE APPROVED:

August 30, 2018

August 30, 2018



BRIEFING NOTE FOR INFORMATION

Date: August 30, 2018

Prepared For: Honourable Selina Robinson, Minister of Municipal Affairs and Housing

Title: Development Approval Process Review (DAPR) Project Overview

Issue: Provide overview of development approval process review project and seek input on stakeholder lists

Potential Meeting: with Adam Olsen, MLA for Saanich North and the Islands, BC Green Party

SUMMARY:

- The project proposes a review of the local government development approvals (DA) process to identify ways to increase DA efficiency (including timeliness, predictability, certainty, consistency), and effectiveness (including fairness, balance, transparency, inclusivity).

DISCUSSION:

s.13

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s.16;s.13;s.17