



BRIEFING NOTE FOR INFORMATION

Date: October 11, 2018
Prepared For: Honourable Selina Robinson, Minister of Municipal Affairs and Housing
Topic: 2018 Community Gaming Capital Project Grants
Briefing Date: October 15, 2018

SUMMARY:

- **The Community Gaming Grants Branch has completed its evaluation of 2018/19 Capital Grant applications and is recommending funding for 55 projects totalling \$5,146,052.**
- **Applications were assessed through a competitive process against a range of criteria, including project feasibility, financial considerations, alignment with Capital Projects sector objectives and special project features.**
- **Additional consideration was given to project size, reasonable distribution amongst geographic regions and Community Gaming Grant sectors and to ensure equitable funding for Indigenous organizations.**
- **Following final approval by the Gaming Grants Manager, the Branch will provide decision notification to all applicants and funding to successful applicants on October 31, 2018.**
- **Applicants who failed to meet minimum mandatory program criteria will receive feedback from the Branch regarding opportunities to strengthen future applications.**

BACKGROUND:

Funding of \$5 million per year over three years for the Capital Grant program was announced as part of *Budget 2017*. Under the Capital Grant program, eligible not-for-profit organizations can apply for 20-50% of a project's total cost up to \$250,000.

In 2017/18, the Branch provided a total of \$9.3 million in Capital Project grants, with \$5.0 million awarded in December 2017 and an additional \$4.3 million awarded in March 2018.

The evaluation of Capital Project applications differs from the process used for the regular Community Gaming Grants program. In the regular program, grants are continuously awarded as applications are received and reviewed. All eligible applicants receive some level of funding. The Capital Grant program has a competitive application process because the funding envelope is limited and the grant amount must match the amount requested. Partial funding would likely impact the ability of organizations to successfully complete projects in a timely manner.

Three levels of consideration were applied in the assessment of Capital Project Grant applications:

1. Applications first had to meet all mandatory criteria (organization, project, financial and compliance).
2. Applications were then marked against the predetermined assessment criteria. Points were awarded based on financial considerations (50%), project feasibility (35%), alignment with sector objectives (10%) and special project features, such as accessibility (5%).



3. Once the ranking process was completed, a management review was conducted for quality assurance. Following this validation, the Branch's management team applied the following additional considerations:
 - a. Regional distribution – disbursement of grant funding between the eight economic regions of the province.
 - b. Sector distribution – disbursement of grant funding across the six community gaming grant sectors (i.e. arts, sports, environment, etc.).
 - c. Project size – disbursement of available grant funding to projects of all sizes in terms of project cost.
 - d. Indigenous inclusion – no less than 6% of available grant funding to Indigenous not-for-profits, as Indigenous peoples account for roughly 6% of BC's population¹.

DISCUSSION:

The Branch received 226 Capital Project applications in 2018, down from 336 last year. Requested funds totaled \$21,925,651, down from \$31,432,620 last year.

Following the application assessment process, 55 projects are currently recommended for funding, totalling \$5,146,052. Recommended projects include 53 that scored 67/100 or higher in the ranking process and 2 additional projects with lower scores that support the program's goals of Indigenous representation. The recommended projects are reasonably distributed amongst the province's economic regions, Gaming Grant sectors and by project size / dollar values and therefore no adjustments were necessary based on these factors.

The Branch is recommending exceeding the notional \$5 million budget allocation by \$146,052 to achieve fairness for four applicants who scored the minimum cut off score of 67. If all of these projects were excluded, the notional budget would be underspent by approximately \$300,000.

In addition to the 55 recommended projects, there are an additional 66 projects with a combined value of \$5,723,463 that met mandatory minimum criteria but with diminishing project scores. These projects may be considered for funding later in the fiscal depending on the demand for funding through the regular Gaming Grant program.

Next steps include:

- October 17, 2018 - Receive approval of the final list of recommended grant recipients from the Community Gaming Grants Manager.
- By October 31, 2018 - Send notification letters and payments to successful applicants and notify MLAs of grant awards. Send notification letters to applicants who did not meet mandatory minimum program criteria with feedback from the Branch regarding opportunities to strengthen future applications.

¹ Stats Can, 2016 Census. The commitment to apply a funding distribution based on population was requested by the BC Association of Aboriginal Friendship Centres (BCAAFC) during stakeholder consultation on program development for the Capital Projects Sector.



FINANCIAL IMPLICATIONS:

As part of *Budget 2017*, Treasury Board approved a 3-year \$5 million base budget lift starting in 2017/18 to support a new capital component of Community Gaming Grants.

The Community Gaming Grants Branch is able to fund the full recommended amount of \$5,146,052 for 2018 Capital Project grants from within its existing Community Gaming Grant budget allocation.

Appendices: (5)

1. Capital sector work flow
2. Summary breakdown of recommended 2018/19 grants by sector, region, project size, and Indigenous status
3. Detailed list of recommended 2018/19 grants
4. Draft template; notification of grant approval
5. Draft template; notification of grant denial

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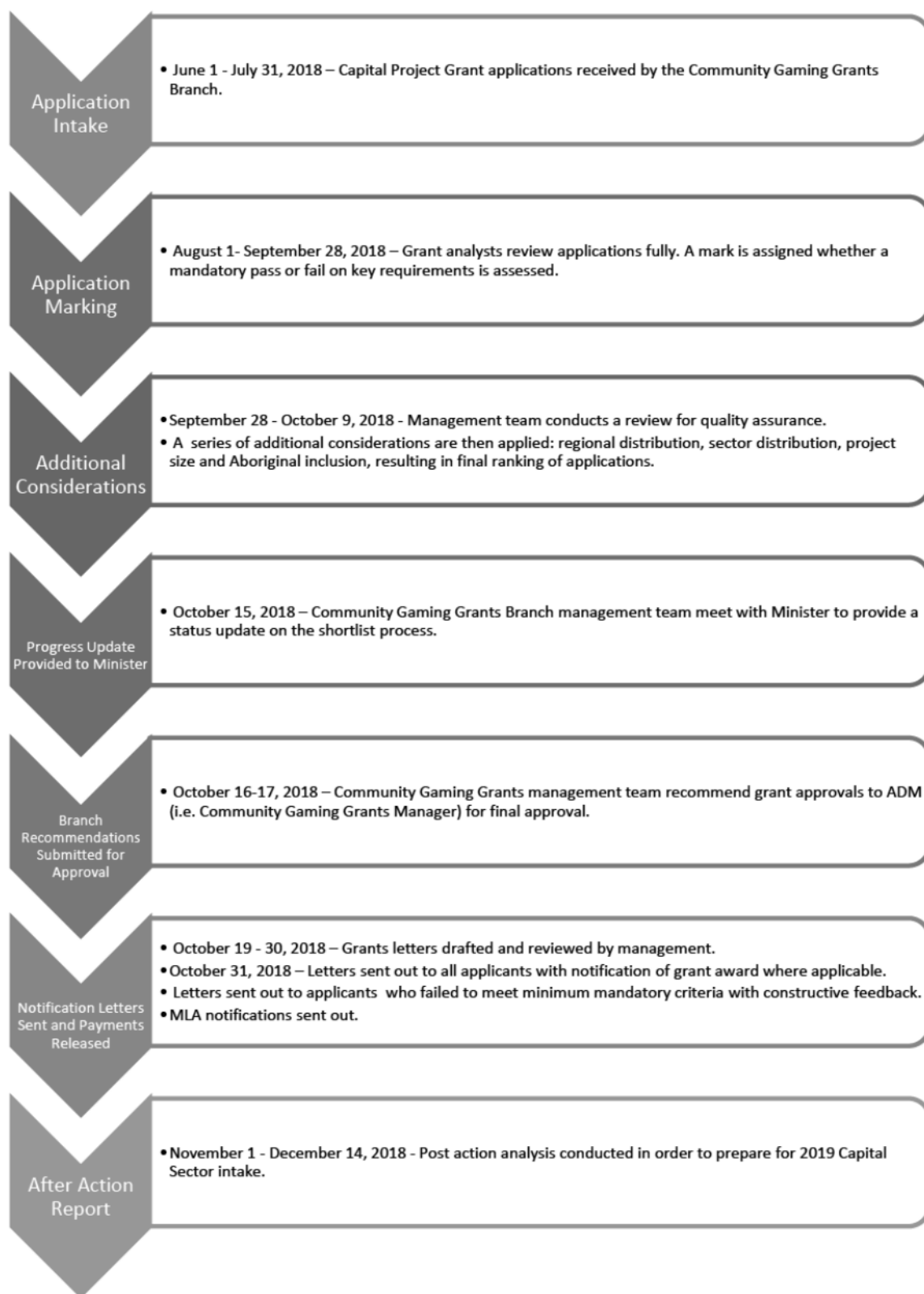
DATE APPROVED:

October 10, 2018

October 11, 2018



APPENDIX 1- Capital Sector Work Flow





APPENDIX 2 – Summary Breakdown of Recommended 2018/19 Grants by Sector, Region, Project Size and Indigenous Status

Sector Distribution

Proposed Successful Capital Projects 2018: Sector Distribution				
Sector	# of Recipients	% of Recipients	Total Funding Awarded by Sector	% of Funding Awarded by Sector
Arts & Culture	10	18.2%	\$831,529	16.1%
Environment	2	3.6%	\$214,465	4.2%
HSS	31	56.4%	\$2,818,499	54.8%
PACs	1	1.8%	\$250,000	4.8%
Public Safety	3	5.5%	\$234,904	4.6%
Sport	8	14.5%	\$796,655	15.5%
Grand Total	55	100.0%	\$5,146,052	100.0%

Comparison to typical program distribution by Sector (three year average)

Sector	% of funding awarded
Arts & Culture	13.6%
Environment	2.6%
HSS	47.1%
PACs	9.0%
Public Safety	5.8%
Sport	21.9%
Grand Total	100.00%

Regional Distribution

Proposed Successful Capital Projects 2018: Regional Distribution					
Region	# of Recipients	% of Total # of Recipients	Total Funding Awarded by Region	% of Total Funding Awarded by Region	% of Population Distribution
Cariboo	4	7.3%	\$281,708	5.5%	3.2%
Kootenay	8	14.5%	\$350,278	6.8%	3.1%
Mainland/Southwest	19	34.5%	\$1,449,289	28.2%	61.7%
Nechako	1	1.8%	\$250,000	4.9%	0.9%
North Coast	2	3.6%	\$132,500	2.6%	1.1%
Northeast	2	3.6%	\$420,000	8.2%	1.5%
Thompson-Okanagan	13	23.6%	\$1,570,572	30.5%	11.6%
Vancouver Island/Coast	6	10.9%	\$691,705	13.4%	16.9%
Grand Total	55	100.0%	\$5,146,052	100.0%	100.0%



Project Size

Note: All projects where the requested amount represented lower than 20% of the total project cost were screened out.

Proposed Successful Capital Projects 2018: Regional Distribution				
Grant Size	# of Recipients	% of Recipients	Funding Awarded	% of Total Funding Awarded
\$0K - \$49K	24	43.6%	\$557,037	10.8%
\$50K - \$99K	9	16.4%	\$642,450	12.5%
\$100K - \$149K	8	14.5%	\$978,677	19.0%
\$150K - \$199K	6	10.9%	\$1,007,705	19.6%
\$200K - \$249K	1	1.8%	\$210,183	4.1%
\$250K	7	12.7%	\$1,750,000	34.0%
Grand Total	55	100%	\$5,146,052	100.0%

Project Size by Region

Proposed Successful Capital Projects 2018: Grant Size by Region							
Region	Grant Size						Grand Total
	\$0-49K	\$50K - \$99K	\$100K - \$149K	\$150K - \$199K	\$200K - \$249K	\$250K	
Cariboo	2	1	0	1	0	0	4
Kootenay	5	2	1	0	0	0	8
Mainland/Southwest	10	3	3	2	0	1	19
Nechako	0	0	0	0	0	1	1
North Coast	1	0	1	0	0	0	2
Northeast	0	0	0	1	0	1	1
Thompson-Okanagan	4	3	1	1	1	3	13
Vancouver Island/Coast	2	0	2	1	0	1	6
Grand Total	24	9	8	6	1	7	55



Grants to Indigenous Organizations

Proposed Successful Capital Projects 2018: Indigenous Inclusion				
Grant Size	# of Applications	% of Recipients	Funding Awarded	% of Total Funding Awarded
\$250K	1	5.5%	\$359,279	7.0%
\$0 - \$49k	2			



APPENDIX 3 - List of Recommended 2018 Capital Grant Recipients

Rank	L&G	Organization Name	City	Electoral District	Score	Category	Region	Sector	Requested Amount	% Request to Total Project	Project
1	117991	Avalanche Canada	Revelstoke	Columbia River-Revelstoke	94	Acquisitions	Thompson-Okanagan	Public Safety	79,070	50%	Purchase of two full-sized trucks.
2	104488	North Shore Connexions Society	North Vancouver	North Vancouver-Lonsdale	94	Acquisitions	Mainland/Southwest	HSS	30,183	50%	Purchase a 2019 Transit Passenger Van XL to replace aging vehicle.
3	103345	Cine-Vic Society of Independent Filmmakers	Victoria	Victoria-Beacon Hill	90.5	Acquisitions	Vancouver Island/Coast	Arts & Culture	20,000	48%	Purchase a camera package.
4	112766	B.C. Family Hearing Resource Society	Surrey	Surrey-Fleetwood	88	Facilities	Mainland/Southwest	HSS	12,500	49%	Network-based audio/video recording system to be used for early intervention support to families with young deaf and hard of hearing children.
5	107232	Vancouver Island Providence Community Association	Duncan	Cowichan Valley	87	Facilities	Vancouver Island/Coast	HSS	125,000	48%	A multi-year (completed 2020) renovation project to restore Providence Farm's iconic "Providence House".
6	104742	Kelowna & District Share Society	Kelowna	Kelowna West	87	Acquisitions	Thompson-Okanagan	HSS	25,000	50%	Purchase of a delivery truck.
7	114642	Whiskey Jack Nordic Ski Club Society	Fort St. John	Peace River North	87	Community Infrastructure	North Coast	Sport	12,500	50%	Accessible pit toilet.
8	105745	Mount Pleasant Family Centre Society	Vancouver	Vancouver-Mount Pleasant	87	Facilities	Mainland/Southwest	HSS	10,000	50%	Repairs to walls and sidings, painting all the outside walls, and replacing or adjusting the signage along the building exterior.
9	104401	Powell River Curling Club	Powell River	Powell River-Sunshine Coast	86.5	Facilities	Vancouver Island/Coast	Sport	173,705	46%	Switch from Ammonia ice plant to a safer Freon plant, installation of new emergency exit doors, addition of an accessible gender neutral bathroom, addition of an electric stair lift to the upstairs viewing area, and a new paved parking lot.
10	118894	Sheringham Point Lighthouse Preservation Society	Sooke	Langford-Juan de Fuca	85	Community Infrastructure	Vancouver Island/Coast	Arts & Culture	105,000	50%	Phase 3 (final phase) of restoration of Sheringham Point Lighthouse.



Rank	L&G	Organization Name	City	Electoral District	Score	Category	Region	Sector	Requested Amount	% Request to Total Project	Project
11	106924	BC Schizophrenia Society - Prince George Branch	Prince George	Prince George-Valemount	85	Facilities	Cariboo	HSS	25,729	48%	Accessibility upgrades for two washrooms.
12	112194	Prince George Native Friendship Centre Society	Prince George	Prince George-Valemount	81.5	Facilities	Cariboo	HSS	80,979	50%	Upgrade to Camp Friendship's main lodge, spruce/pine building, wash house, cabins 1-5, and stairs.
13	111226	Carney Hill Neighbourhood Centre Society	Prince George	Prince George-Valemount	81	Acquisitions	Cariboo	HSS	25,000	40%	Replace aging van to provide transportation for clients to access programs.
14	104249	Canadian Mental Health Association - Kelowna and District Branch	Kelowna	Kelowna West	79.5	Facilities	Thompson-Okanagan	HSS	35,404	50%	Renovate two key entrances and two washrooms to remove access barriers for clients with mobility and mental health challenges.
15	112461	Dawson Creek Secondary School Parent Advisory Council	Dawson Creek	Peace River South	79	Acquisitions	Northeast	PACs	250,000	50%	New theatre seating, accommodation for wheelchair seating, ramp access, and accessible bathrooms.
16	105315	Yaletown House Society	Vancouver	Vancouver-False Creek	79	Facilities	Mainland/Southwest	HSS	149,787	50%	Repair and modernize all three (3) aging elevators in residential care facility.
17	103732	Association of Neighbourhood Houses of BC - South Vancouver Neighbourhood House	Vancouver	Vancouver-Kensington	79	Acquisitions	Mainland/Southwest	HSS	30,892	50%	Purchase an accessible van to transport mobility challenged seniors and adults with developmental challenges.
18	104849	Richmond Tennis Club	Richmond	Richmond North Centre	78	Acquisitions	Mainland/Southwest	Sport	177,000	45%	Replacement of existing old 3-court tennis bubble along with heating and inflation system.
19	108338	Grand Forks Art Gallery Society	Grand Forks	Boundary-Similkameen	78	Facilities	Kootenay	Arts & Culture	18,011	50%	Upgrade of lighting in a heritage Courthouse.
20	113520	W.E. Graham Community Service Society	Slocan	Kootenay West	77.5	Facilities	Kootenay	HSS	16,180	50%	Dry-cool/cold Storage for Food Bank food storage.



Rank	L&G	Organization Name	City	Electoral District	Score	Category	Region	Sector	Requested Amount	% Request to Total Project	Project
21	108187	Ocean Wise Conservation Association	Vancouver	Vancouver-West End	77	Acquisitions	Mainland/Southwest	Environment	162,000	50%	Aquarium ozone System upgrades.
22	102608	Terrace Curling Association	Terrace	Skeena	77	Acquisitions	North Coast	Sport	120,000	50%	TCA Ice Plant Replacement.
23	112053	Alzheimer Society of B.C.	Vancouver	Vancouver-Fairview	77	Acquisitions	Mainland/Southwest	HSS	97,359	50%	Technology upgrade.
24	119238	Community First Foundation	Vancouver	Vancouver-False Creek	76	Acquisitions	Mainland/Southwest	HSS	18,240	50%	Purchase a delivery van (buyout of existing lease).
25	102798	Trail Association for Community Living	Trail	Kootenay West	75.5	Acquisitions	Kootenay	HSS	50,253	50%	Van acquisition.
26	104320	Langley Community Services Society	Langley	Langley	75	Facilities	Mainland/Southwest	HSS	56,806	49%	Renovating the interior of an older portable building.
27	114181	Windermere Valley Child Care Society	Invermere	Columbia River-Revelstoke	75	Facilities	Kootenay	HSS	20,000	27%	Youth playground project.
28	112570	Penticton Curling Club	Penticton	Penticton	74	Facilities	Thompson-Okanagan	Sport	107,000	50%	Refrigeration plant upgrades.
29	120243	Victoria Multicultural Society	Victoria	Victoria-Beacon Hill	74	Facilities	Vancouver Island/Coast	Arts & Culture	18,000	36%	A series of renovations to create a washroom that is accessible to people with wheelchairs, mobility devices, and others who require the components of an accessible washroom.
30	108015	VDC Dance Centre Society	Vancouver	Vancouver-False Creek	73	Facilities	Mainland/Southwest	Arts & Culture	80,518	44%	Dance floor reno.
31	110732	Thetis Island Community Association	Thetis Island	Nanaimo-North Cowichan	72.5	Facilities	Vancouver Island/Coast	HSS	250,000	20%	Existing facility expansion.
32	113585	Canadian Cancer Society - BC and Yukon Division	Vancouver	Vancouver-Fairview	72	Facilities	Mainland/Southwest	HSS	105,000	50%	Lodge Renovation.
33	120232	Eagle Valley Transportation Society	Sicamous	Shuswap	72	Acquisitions	Thompson-Okanagan	HSS	25,000	50%	Purchase of an electric Vehicle.



Rank	L&G	Organization Name	City	Electoral District	Score	Category	Region	Sector	Requested Amount	% Request to Total Project	Project
34	120230	Bridge Educational Society	Lumby	Vernon-Monashee	71.5	Facilities	Thompson-Okanagan	HSS	250,000	20%	Construction of new four room building to house licensed childcare programs.
35	104350	Shuswap Family Resource and Referral Society	Salmon Arm	Shuswap	71	Facilities	Thompson-Okanagan	HSS	250,000	49%	Renovating and upgrading a new location.
36	107515	Capilano Community Services Society	North Vancouver	West Vancouver-Capilano	71	Acquisitions	Mainland/Southwest	HSS	26,200	50%	Purchase of furniture and equipment.
37	106553	Nechako Valley Community Services Society	Vanderhoof	Nechako Lakes	70.5	Facilities	Nechako	HSS	250,000	31%	Office expansion.
38	120205	Nicola Valley Community Theatre Society	Merritt	Fraser-Nicola	70	Facilities	Thompson-Okanagan	Arts & Culture	250,000	20%	Construction of a theatre.
39	118368	Turtle Valley Donkey Refuge Society	Chase	Kamloops-South Thompson	70	Facilities	Thompson-Okanagan	Environment	52,465	50%	Pasture enhancement and expansion project.
40	101324	Young Men's Christian Association (YMCA) of Northern BC	Prince George	Prince George-Mackenzie	69	Facilities	Cariboo	Sport	150,000	46%	Gymnasium revitalization.
41	113459	Rossland and District Search and Rescue Society	Rossland	Kootenay West	69	Facilities	Kootenay	Public Safety	136,765	50%	Leasehold improvements to 4 parking bays to produce a Search and Rescue Hall to house vehicle units, equipment, records & conduct search operations.
42	109946	Boys and Girls Clubs of South Coast BC	Vancouver	Vancouver-Mount Pleasant	69	Facilities	Mainland/Southwest	HSS	130,125	29%	New wharf at Camp Potlatch.
43	108773	Arts Council of the North Okanagan	Vernon	Vernon-Monashee	69	Facilities	Thompson-Okanagan	Arts & Culture	85,000	49%	Facilities upgrade washrooms and sinks.
44	107207	Chrysalis Drug and Alcohol Abuse Recovery Society	Vancouver	Vancouver-Kensington	69	Facilities	Mainland/Southwest	HSS	30,000	50%	Upgrades to a women's home.
45	115260	DreamRider Productions Society	Port Moody	Port Moody-Coquitlam	69	Acquisitions	Mainland/Southwest	Arts & Culture	25,000	50%	Purchase of specialized film equipment.



Rank	L&G	Organization Name	City	Electoral District	Score	Category	Region	Sector	Requested Amount	% Request to Total Project	Project
46	108054	Castlegar Society for Search & Rescue	Castlegar	Kootenay West	69	Acquisitions	Kootenay	Public Safety	19,069	50%	2 snowmobiles.
47	105864	North Peace Cultural Society	Fort St. John	Peace River North	68	Facilities	Northeast	Arts & Culture	170,000	50%	Theatre interior renovation.
48	113578	Nelson and District Museum, Archives, Art Gallery and Historical Society	Nelson	Nelson-Creston	68	Facilities	Kootenay	Arts & Culture	60,000	29%	Repurpose Nelson's Civil Defense Unit into a restored heritage site and repurposed exhibition and programming space.
49	112789	Black Jack Cross Country Ski Club Society	Rossland	Kootenay West	68	Acquisitions	Kootenay	Sport	30,000	44%	15 seat passenger van.
50	119980	Heritage Hills/ Lakeshore Heights Homeowners' Association	Okanagan Falls	Boundary-Similkameen	67	Community Infrastructure	Thompson-Okanagan	HSS	210,183	42%	Public park development.
51	119997	Hands in Service Canada	Kelowna	Kelowna-Mission	67	Acquisitions	Thompson-Okanagan	HSS	175,000	48%	Mobile dental van acquisition.
52	104971	Seniors Come Share Society	Surrey	Surrey South	67	Acquisitions	Mainland/Southwest	HSS	29,382	33%	Furnishings for recently renovated site.
53	114156	Golden Nordic Ski Club Society	Golden	Columbia River-Revelstoke	67	Facilities	Thompson-Okanagan	Sport	26,450	50	Facility upgrades; parking lot, septic tank, ditch work, re-staining of post and beams, and fascia.
54	105265	Lillooet Friendship Centre Society	Lillooet	Fraser-Nicola	65	Facilities	Mainland/Southwest	HSS	28,297	50%	Asbestos Abatement and Removal in existing facility
55	118712	Fraser Region Aboriginal Friendship Centre Association	Surrey	Surrey-Whalley	60	Facilities	Mainland/Southwest	HSS	250,000	21%	Build a new, quality, and accessible Indigenous childcare facility for infants and toddlers.



Ministry of
Municipal Affairs
and Housing

APPENDIX 4 – Draft Notification of Grant Approval Letter Template

DD-MM-YYY

Application

Type: Capital Projects Grant

Application No: XXXXXXXX

L+G File No: XXXXXXX

Officer(s) Responsible:

Name (1)

Name (2)

Organization Name

Address

Dear Name (3),

Thank you for your application for a Capital Project Grant.

I am pleased to inform you that your request for funding has been approved and your organization has been awarded \$XX,XXX in funding. This grant will be deposited directly into your gaming account.

Please note that all recipients of Capital Project Grants are required to adhere to the Conditions for a Community Gaming Grant, with the exception of Conditions 7 through 11. Instead of Conditions 7 through 11, recipients must comply with Section 5 of the Capital Projects Sector Guide regarding the use of grant funds. The Conditions can be found online at: <https://www2.gov.bc.ca/assets/gov/sports-recreation-arts-and-culture/gambling/grants/cond-cgg.pdf>.

As you can appreciate, it is very important that we are able to demonstrate that public funds are being used appropriately and for the purpose they were intended. Because of this, all recipients of Capital Project Grants are required to report on the use of gaming funds using the Gaming Account Summary Report (GASR) and the Capital Project Grant Supplement to the Gaming Account Summary Report. Both reports must be submitted to the Community Gaming Grants Branch within 90 days of your organization's fiscal year end. The GASR is available on our website at: <https://www2.gov.bc.ca/gov/content/sports-culture/gambling-fundraising/gaming-grants/documents-forms>, while the Capital Project Grant Supplement to the GASR is attached to this email.

I would like to take this opportunity to thank you, your staff and volunteers for the work that you do to support your community. I wish you every success with the completion of your Capital Project.

If you have any questions about your grant, please do not hesitate to contact program staff at CommunityGamingGrants@gov.bc.ca or (250) 356-1081.

Executive Director
Community Gaming Grants Branch



Ministry of
Municipal Affairs
and Housing

APPENDIX 5 – Draft Notification of Grant Denial Letter Template

Ministry of Municipal Affairs and Housing

DD-MM-YYY

Type: Capital Projects Grant

Application

Application No: XXXXXXXX

L+G File No: XXXXXXXX

Officer(s) Responsible:

Name (1)

Name (2)

Organization Name

Address

Dear Name (3),

Thank you for your application for a BC Community Gaming Capital Project Grant. I regret to inform you that your request for funding was unsuccessful and your organization has not been awarded a Capital Project Grant this year.

In assessing your application, consideration was given to how well it met the mandatory eligibility criteria and the assessment criteria as described in Sections 2 and 4.2, respectively, of our Capital Projects Sector Guide. The Sector Guide can be found online at: https://www2.gov.bc.ca/assets/gov/sports-recreation-arts-and-culture/gambling/grants/capital_project_grants_2018_sector_guide.pdf. Analysts in the Community Gaming Grant branch worked very hard to adjudicate each application, including yours, fairly within this context.

The following elements of your application have been identified as opportunities to improve future applications for funding in the Capital Projects sector:

- [Add notes from analysts]

As all decisions are final, you do not have the opportunity to request a reconsideration regarding your application for a Capital Project Grant. If you have any general questions, however, please do not hesitate to contact program staff at CommunityGamingGrants@gov.bc.ca or (250) 356-1081.

I would like to take this opportunity to thank you, your staff and volunteers for the work that you do to support your community and wish you all the best with your ongoing efforts towards realizing your capital project.

Executive Director
Community Gaming Grants Branch
Ministry of Municipal Affairs and Housing



BRIEFING NOTE FOR INFORMATION

Date: October 15, 2018

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

Title: Technical Safety BC – *Railway Safety Act*

Issue: s.13,s.16

Meeting With: Catherine Roome, President and CEO, Technical Safety BC on October 16, 2018

SUMMARY:

- **Technical Safety BC (TSBC) is the delegated authority for rail safety, including rail-based transit systems, in British Columbia (BC) under the *Railway Safety Act*.**

s.13,s.16

BACKGROUND:

s.13,s.16

The Ministry of Transportation and Infrastructure has an Administrative Agreement with TSBC to provide inspection and safety services under the *Railway Safety Act*.

TSBC currently regulates at-grade heavy freight rail, grade separated public transit rail, and smaller railways including heritage railways and streetcars in Nelson and Cloverdale.

The Ministry of Municipal Affairs and Housing has an administrative agreement with TSBC to provide safety oversight under the *Safety Standards Act*. The ministry is the corporate liaison with TSBC and has responsibility for Translink.

DISCUSSION:

s.13,s.16



Ministry of
Municipal Affairs
and Housing

s.13,s.16

FINANCIAL IMPLICATIONS:

- None

Attachments: (1)

s.13

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DATE APPROVED:

October 15, 2018

October 15, 2018

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Withheld pursuant to/removed as

s.16;s.13



BRIEFING NOTE FOR INFORMATION

Date: October 18, 2018

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

Title: Private “B-Shuttle” Service

Issue: Private operator “Beyond Travel” proposed two premium bus service routes in Metro Vancouver. TransLink approved one from Surrey to UBC and rejected one along Broadway.

SUMMARY:

- **The TransLink Board of Directors approved Beyond Travel’s Surrey to UBC service until December 31, 2019, at which time it will review the service.**
- **TransLink approved the Surrey to UBC service as it is not in direct conflict with any services provided by TransLink and is targeted toward the “luxury” transportation market.**
- **The Board also rejected Beyond Travel’s proposal for a Broadway shuttle service.**
- **TransLink believes that the Broadway Shuttle duplicates TransLink’s service and would negatively impact the effectiveness of TransLink’s own service.**

BACKGROUND:

Private operator “Beyond Travel” proposed two premium bus service routes in Metro Vancouver. Beyond Travel stated their proposed shuttles were aimed at getting commuters to UBC, out of their cars and reducing congestion and emissions.

In May, 2018 the operator received a general authorization license from the Registrar of Passenger Transportation (Registrar) for the proposed service along the Broadway corridor and service from White Rock to YVR. The Registrar indicated that an amendment to the application would be required for the Surrey service.

Although the operator received a license from the Registrar, independent transit service (ITS) applications within Metro Vancouver must be approved by the TransLink Board. Despite lacking the authority to operate, Beyond Travel launched its Surrey service on September 17th.

TransLink advised the operator in writing that this service must be approved by their Board as per s. 5 of the *South Coast British Columbia Transportation Authority Act*. TransLink requested they cease operation until the TransLink Board rendered a decision on the operator’s Surrey to UBC service. The operator had been using TransLink bus stops without permission from TransLink or the City of Surrey.

DISCUSSION:

TransLink staff reviewed the financial viability of the new services and the impacts on the transportation network and provided recommendations to the TransLink Board.

Broadway to UBC

The Broadway corridor is one of the most congested routes in the region and the 99 B-Line that services that route is already overcrowded. According to TransLink, any additional bus service would create more congestion and bus “bunching”. Adding another bus service to the already busy bus lane could hurt the frequency and reliability of TransLink services currently using the corridor. Based on the staff report, the Board rejected approval of the Broadway B-Shuttle with no discussion.



Surrey to UBC

TransLink stated that Beyond Travel's Surrey to UBC service served a different customer than TransLink's market. The service is aimed at university students, who must purchase a U-Pass anyway, which means it would not impact TransLink fare revenue. The service is more expensive than a three-zone transit pass, and offers a one-stop, faster ride than TransLink.

TransLink recommended approval of the Surrey route, with 14 conditions, including that the service not be allowed to use TransLink's bus stops, and that it not use the name "B-Shuttle" or any other terms or branding that could be confused with TransLink's service. The Board approved the Surrey to UBC service until December 31st 2019, and ordered that it be reviewed at that time. One member voted against this direction.

Phase Two of the Vision includes funding for planning for rapid transit to UBC Point Grey campus. s.13

At this point, the Province is focused on working with TransLink to deliver Phase 2 of the Mayors' 10-Year Vision which includes the Broadway Subway with service to Arbutus.

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DATE APPROVED:

October 16, 2018

October 17, 2018



BRIEFING NOTE FOR INFORMATION

Date: October 22, 2018

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

Title: Preliminary Findings - Five Year Review of the Auditor General for Local Government

Issue: The consultant recently provided key preliminary findings from the review of the Office of the Auditor General for Local Government (AGLG).

SUMMARY:

- In late July, Ministry staff retained an independent consultant, Kelly Daniels, to conduct the review of the Office of the AGLG.
- Mr. Daniels has conducted 20 interviews with individuals from key organizations and distributed surveys to both local governments that have been audited and those who have not.
- A preliminary findings report was recently shared with the Working Group for review and comment.
- Local governments have noted significant improvements in the services provided by the AGLG over the last 2.5 years, and 72% of local governments who haven't been audited indicated that they have made changes to their organization based on AGLG documents.
- The Working Group's key discussion points for improvement include: the cost of each audit; the high amount of staff time required from local governments to participate in the audit process; concern for the capacity of small local governments; and, whether the AGLG's products were resulting in changes to local government policies and practices.

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BACKGROUND:

The Office of the AGLG has been in place for over five years. Section 29 of the AGLG Act requires that the minister responsible initiate a review of the Act and the Office after the Act has been in force for five years.

In December 2017, Minister Selina Robinson initiated the review by approving the scope and approach of the review. Steps included a thorough review of the Act; engagement with stakeholders; and a review of AGLG documents. This approach also included retaining an independent consultant to conduct the review.

A six-person working group was established in April, 2018 that consists of three members of the Ministry of Municipal Affairs and Housing, the President of the Union of British Columbia Municipalities (UBCM), the UBCM Executive Director and one representative of the Local Government Management Association. The Working Group is responsible for overseeing the work of the consultant.

DISCUSSION:

On July 23rd Kelly Daniels, former CAO of the Capital Regional District and Regional District of Nanaimo was retained to conduct the review. Mr. Daniels was retained through a competitive Short Request for Proposal process with the support of the Working Group.



Mr. Daniels has completed a milestone in the review process by completing 20 interviews with representatives from:

- the Ministry of Municipal Affairs and Housing;
- members of the Audit Council;
- the AGLG and office staff;
- Union of BC Municipalities;
- Canadian Federation of Independent Business;
- Local Government Management Association;
- Government Finance Officers Association; and
- Columbia Institute – the Center for Civic Governance.

On September 17, 2018, surveys were also sent to all local governments to seek their feedback on the value of the AGLG Office to their organization, and to determine whether local governments that have received a performance audit by the AGLG Office are implementing the AGLG's recommendations. To date, 58% of local governments have responded to the survey.

Mr. Daniels recently presented key preliminary findings from the review to the Working Group. The complete findings are provided in Appendix A. Discussion among the Working Group focused on:

- The confirmation from audited and non-audited local governments that they benefit from audit reports and perspective booklets and that the recommendations are being implemented;

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- the distributed benefits of the Audit Reports and Perspective Booklets (i.e. how do you measure the net value);
- the high amount of local government staff time required to participate in the audit process, particularly in small communities; and
- the role of the Audit Council.

Mr. Daniels will now proceed to draft the report including recommendations by the end of October. Additional milestone dates for the review are provided in the following table.

Task	Timing	Status
Consultant (Kelly Daniels) retained	July 23	Complete
Consultant conducts stakeholder interviews	August - September	Complete
Surveys sent to local governments for response	September 17 - October 5	Complete
Key preliminary findings to Working Group	Mid-October	Complete
Consultant prepares draft report with recommendations	End of October	Pending
Consultant submits draft report to the Working Group	Mid November	Pending

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Ministry of
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FINANCIAL IMPLICATIONS:

- None

Appendices: **(1)**

1. Key Preliminary Findings

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October 19, 2018



Appendix A –Key Draft Preliminary Findings

- 1) The best practices scan of five countries indicated that there are a number of performance auditing structures and arrangements in place across Canada and the world to support local governments in achieving value for money and providing transparency and accountability to their citizens.
- 2) The process and general effectiveness of the AGLG Office is operating at a higher level in the last 2.5 years compared to the first 2.5 years of the review period, resulting in more positive feedback from local governments.
- 3) The majority of local governments that had been audited (71%) felt the performance audit benefited their organization to a moderate to high degree.
- 4) 87% of the local governments responding to the survey indicated they had read the Audit Reports or Perspective booklets and, of those, 72% (58 out of 80) indicated they had made changes to policy or practices from recommendations in the documents.

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- 6) Sometimes the audit recommendations were not scaled appropriately for the size of the local government.
- 7) General comments indicated that the AGLG role and mandate should not be expanded at this time. They should rather continue to focus on refining the relationships they have with local government and strengthening the service model established over the last few years.

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BRIEFING NOTE FOR INFORMATION

Date: October 23, 2018
Prepared For: Honourable Selina Robinson, Minister of Municipal Affairs and Housing
Title: U-Pass BC Program with TransLink
Issue: The current U-Pass BC Program with TransLink expires in December 2019.

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SUMMARY:

- U-Pass BC contributes to public post-secondary student affordability in Metro Vancouver. The current government made a commitment in its campaign platform to support U-Pass, to ensure transportation to and from class is affordable.
- The current U-Pass BC agreement ends on December 31, 2019. Student associations will begin their referendum processes to vote on the mandatory monthly fee, annual increase and term of a new agreement, as early as January 2019 through to the fall of 2019.
- The annual provincial financial contribution offsets a portion of TransLink's revenue shortfall related to the low fare paid by students.

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BACKGROUND:

In 2017, more than 135,000 public post-secondary students in Metro Vancouver were eligible to participate in the U-Pass BC program. There were over 32 million journeys by U-Pass BC students in 2017, representing 13 per cent of all journeys taken on TransLink's system.

In 2009, Metro Vancouver's U-Pass program applied to approximately 70,000 students at UBC, SFU, Capilano and Langara colleges. In 2011, ten public post-secondary student associations joined together to establish U-Pass BC with the principle of all eligible students paying the same mandatory monthly fee for the same access to TransLink's system. All ten institutions and their respective student associations are governed by a TransLink agreement with consistent program eligibility and opt-out language for students.



The ten public post-secondary institutions are:

- British Columbia Institute of Technology (BCIT)
- Capilano University
- Douglas College
- Emily Carr University of Art & Design
- Vancouver Community College (VCC)
- Kwantlan Polytechnic University (KPU)
- Nicola Valley Institute of Technology (in association with VCC)
- Langara College
- Simon Fraser University (SFU)
- University of British Columbia (UBC)

The provincial contribution is prorated based on the number of post-secondary institutions (PSIs) that sign the agreement. The proposed maximum contribution applies if all 10 student associations opt in.

In 2016, TransLink launched a four phase review of the way it prices conventional transit, including the feasibility of implementing different fare structures (e.g., distance or time-based fares); fare products (e.g., discounts); and fare prices.

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DISCUSSION:

Currently, the Province provides TransLink with an annual subsidy of up to \$12 million per year through 2019 to provide post-secondary students with the U-Pass at \$41/month.

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FINANCIAL IMPLICATIONS:

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Appendixes: (1)

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October 22, 2018



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Appendix A:

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BRIEFING NOTE FOR INFORMATION

Date: October 25, 2018

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

Title: BC Assessment (BCA) Regulated Rates

Issue: The BCA Board of Directors' (Board) routine annual adjustments to regulations prescribing the valuation of specific property types on the 2019 Assessment Roll.

SUMMARY:

- **Recommended rate updates to five of BCA's regulations for the 2019 Assessment Roll.**

BACKGROUND:

The *Assessment Act* (Act) generally requires land and improvements to be valued at market value. There are exceptions for property types that do not tend to trade freely in the market (e.g., where there is a lack of comparable sales evidence). While some regulations, such as rates for major industrial properties, must be approved by Cabinet, the Act authorizes the Board to pass regulations setting annual valuation rates for some property types.

Specifically, the Board approves the valuation rates for the five following regulations in the fall of each year that must be in place (deposited) by December 31 for the following assessment year. These include valuations for managed forests and linear improvements (e.g. railway tracks, pipelines, fibre optic cables and electrical transmission lines).

In determining appropriate adjustments to the rates and values set by the regulations, BCA engages in thorough and open consultation with industry, seeking input from industry and sharing, where possible, analyses and draft rates. Industry has been advised of the proposed rates for the 2019 Assessment Roll and accepted them as reasonable.

The Board approved the proposed amendments, in principle, on Friday, September 21, 2018. These rate regulations are the sole responsibility of the Board, but BCA ensures the Minister responsible for the Act is kept informed about each year's changes.

DISCUSSION:

The Board will amend the following five regulations for the 2019 Assessment Roll:

1. Managed Forest Land and Cut Timber Values Regulation (Appendix 1)

- This regulation establishes the assessed value of Class 7 land through a combination of bare land rates and the value of cut timber removed from the land.
- There were approximately 336 managed forest operations, representing about 3,988 folios, and \$1.44 billion in assessed value (based on the 2018 revised roll).
- The Cut Timber Rate changes for the 2019 Assessment Roll are for the four predominant species harvested only (hemlock, fir, red cedar and balsam); therefore, the percent changes



for the 2019 Assessment Roll have been determined on different price bases from those reported for the 2016, 2017 and 2018 Assessment Rolls, which also included species with low harvest volumes.

- Bare land values are determined based on the value of the land for the purpose of growing and harvesting trees without taking into consideration the value of the trees. It is calculated by a formula that includes stumpage rates, various adjustment factors and land sales.
- For the 2019 Assessment Roll, the range of Bare Land Rate changes are between 9.4 to 10.6 percent for coastal regions, and between 11.4 and 31 percent for interior regions. The average Cut Timber Rate change is 16.1 percent for coastal regions and 33.1 percent for interior regions. Although this appears to be a large percentage change, it has been higher in past years, and depends entirely on stumpage rates, which are set by the Ministry of Forests, Lands, Natural Resource Operations and Rural Development (FLNRO&RD). Industry groups and FLNRO&RD had been notified of the pending changes in August 2018 and there have been no concerns to date.
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2. Electrical Power Corporations Valuation Regulation (Appendix 2)

- This regulation establishes the rates for valuing electrical transmission and distribution line improvements and the communication towers used to facilitate the operation of these lines (Class 2).
- Currently there are 713 folios with electrical transmission and distribution lines. Together the lines were valued at \$5,672,429,000 on the 2018 Assessment Roll.
- The transmission line rate will increase by 2.58 percent and distribution line rate will increase by 3.31 percent for the 2019 Assessment Roll.
- The communication tower rate will change by 32 percent for the 2019 Assessment Roll. The reason for the increase is that a new model was developed and a cost review was completed with a full consultation with industry stakeholders, resulting in adjustments across the sector.

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3. Telecommunications Corporations Valuation Regulation (Appendix 3)

- This regulation provides for valuing telephone, cable and fibre optic transmission systems, as well as communication towers used to facilitate these operations (Class 2).
- Currently there are 3,068 folios, which were valued at \$1,110,395,000 on the 2018 Assessment Roll.



- The rate change for 2019 for telephone is 1.6 percent and 1.5 percent for cable television. Rate changes for the 2019 Assessment Roll for fibre optic cable are 0 percent (i.e. no change) for material and 1.68 percent for installation.

4. Railway and Pipeline Corporations Valuation Regulation (Appendix 4)

- This regulation is used to value railway track and gathering and transmission pipelines used for the transportation of petroleum and natural gas (Class 2 or Class 5).
- Currently there are 1,044 folios with railway track, which were valued at \$1,091,651,000 on the 2018 Assessment Roll.
- The change for the 2019 Assessment Roll is 2.64 percent.
- Currently there are 11,405 folios with pipeline improvements, which were valued at \$6,324,172,000 on the 2018 Assessment Roll. The regulated rates for pipelines will increase by 4 percent for the 2019 Assessment Roll.

5. Railway, Pipeline, Electric Power and Telecommunications Corporations Rights of Way Valuation Regulation (Appendix 5)

- This regulation is used to value the rights of way (i.e., land) under linear improvements, such as railway track, pipelines, fibre optic cables and electrical transmission lines (Class 2).
- The range of rate changes for the 2019 Assessment Roll is between 0.44 percent for mainline right of way south of the 59th parallel to 11.3 percent for mainline right of way north of the 59th parallel.

FINANCIAL IMPLICATIONS:

BCA has no direct role in property taxation. BCA is required to produce an annual Assessment Roll that is fair, equitable and impartial. The Assessment Roll forms the foundation for a stable property tax program by providing a base for distributing more than \$7.9 billion in levies for provincial, local government and other taxing jurisdictions.

CONSULTATION:

BCA has consulted industry, property owners and key stakeholders to discuss ramifications of the proposed changes. Specifically, a combination of consultation letters and emails were sent to property owners throughout 2018 seeking input and suggestions for changes to the 2019 regulated rates (details can be found in Appendix 6). No objections were received from industry in response to the proposed rate increases.

NEXT STEPS:

The BCA Board intends to pass the proposed amendments at a meeting in early December once the Minister has been briefed. BCA must deposit the order with the Registrar of Regulations by December 31, 2018, so the new rates will be in effect for the 2019 tax year.

BCA will review methodology/model in the next two years, as requested by industry groups.



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Appendices: **(6)**

1. Managed Forest Land and Cut Timber Values Regulation
2. Electrical Power Corporations Valuation Regulation
3. Telecommunications Corporations Valuation Regulation
4. Railway and Pipeline Corporations Valuation Regulation
5. Railway, Pipeline, Electric Power and Telecommunications Corporations Rights of Way Valuation Regulation
6. BC Assessment Industry Consultation Process Description - Regulated Rates

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DATE APPROVED:

October 25, 2018

October 25, 2018



APPENDIX 1:

Managed Forest Land and Cut Timber Values Regulation

Managed forest land is one of the nine property classes for assessment and taxation purposes (Class 7). Class 7 includes only land, which is not assessed at market value. This regulation establishes the assessed value of Class 7 land through a combination of bare land rates and the value of cut timber removed from the land.

For the 2019 assessment roll, there are approximately 336 managed forest operations, representing about 3,988 folios, and \$1.44 billion in assessed value (based on 2018 Revised Roll). Managed forest land accounts for approximately 0.2 percent of the total folios assessed by BC Assessment, and about 0.1 percent of the assessed land value in the province.

There are 232 separate bare land rates. They reflect the timber growing capacity of the land and take into consideration location, soil quality, topography, accessibility and parcel size. There are different bare land rates for the coastal and interior regions of the province. Stumpage is a significant factor in determining the productivity value of bare land. Changes in bare land values result from changes in the movement of stumpage through BC Timber Sales. Changes in bare land values are moderated by applying a five-year rolling average to the stumpage rates.

There are 1,313 potential cut timber rates. They take into consideration the species and grade of the log, the location in which the timber is cut and other regional factors (e.g., the average value at the Vancouver log market and the distance from Howe Sound for the Coastal region, and the average value of cut timber products and distance from the nearest sawmill in Interior regions). The main drivers for these rates are the log and lumber prices.

The average changes to the bare land and cut timber rates for the 2019 assessment roll are set out in the table below, along with the average changes for the 2016 – 2018 assessment rolls for the purposes of comparison and context. The changes are in line with past changes that have been adopted by BCA's Board of Directors and have not been challenged in several years.

Managed Forest Rate Type	Average Change (%)			
	2016 Roll Year	2017 Roll Year	2018 Roll Year	2019 Roll Year
Coastal bare land rates	+5.83 to +55.21%	+11.95 to +13.89%	+9.81% to +11.04%	+9.4% to +10.6%
Interior bare land rates	-4.95 to +143.18%	+11.71 to +24.44%	+10.23% to +44.10%	+11.4% to +31.0%
Coastal cut timber rates (predominant species)	+9.11% to +11.59%	-2.50% to -0.59%	+23.77% to +25.12%	+15.8% to +16.4%*
Interior cut timber rates (predominant species)	+6.97% to +40.59%	-28.90% to -13.38%	+17.62% to +26.88%	+28.5% to +37.3%*

*The cut timber rate changes for the 2019 Roll are for the four predominant species harvested only; therefore the percent changes for the 2019 Roll represent different information from that reported for 2016, 2017 and 2018 Rolls, which also included species with low harvest volumes.



APPENDIX 2:

Electrical Power Corporations Valuation Regulation

This regulation establishes the rates for valuing electrical transmission and distribution lines and the communication towers used to facilitate the operation of these lines. These improvements and the land under them are in the utilities property class (Class 2).

Telecommunication towers (Class 09, 10, 11, 12, 13, 14 & 15) accounted for 885 folios on the 2018 assessment roll, and about .013 percent of the total improvement value on that roll with a total assessed value of \$78,072,000.

Currently there are 713 folios with electrical transmission and distribution lines. Together the lines were valued at \$5,672,429,000 on the 2018 roll (1.1 percent of the total improvement value on the roll). Electrical transmission and distribution lines are not assessed at market value. Instead, the assessed value of these improvements is developed by applying a dollar value per circuit kilometre.¹ The rates are based on the average current cost of constructing or installing the improvements, including material and labour costs. Changes in the Canadian and North American utility construction markets are responsible for the changes in the rates.

The 2019 rate changes for electrical transmission and distribution lines and the communication towers used to facilitate the operation of these lines are set out in the table below, along with the changes for the 2016 – 2018 assessment rolls for the purposes of comparison and context. The changes for electrical transmission and distribution lines are in line with past changes that have been accepted by industry and adopted by BCA's Board of Directors.

The changes to communication tower rates for the 2019 roll were determined through a cost model review including extensive consultation with industry. Industry is in agreement with the changes to the 2019 rates.

Linear Type	Average Change (%)			
	2016 Roll Year	2017 Roll Year	2018 Roll Year	2019 Roll Year
Electrical transmission lines	0%	+2.5%	+1.0%	+2.58%
Electrical distribution lines	0%	+2.5%	+1.0%	+3.31%
Communication towers	+2.0%	+1.0%	31.0%	+32.0%*

* Communication towers underwent a cost model review in 2017 which resulted in a three-year phase in of new rates, now in the second year of the phase-in. More information about the cost model review is available upon request.

¹ A circuit kilometre is one kilometre of electrical transmission or distribution circuitry, including supporting structures.



APPENDIX 3:

Telecommunications Corporations Valuation Regulation

This regulation is used to value telephone, cable and fibre optic transmission systems, as well as communication towers used to facilitate these systems. These improvements and the land under them are in the utilities property class (Class 2).

On the 2018 assessment roll, there were 3,068 folios with telephone, cable and fibre optic transmission systems, which were valued at \$1,110,395,000 or about 0.22 percent of the total improvement value on the 2018 roll.

Telecommunications improvements are not assessed at market value. The assessed value of these improvements is, depending upon the particular improvement, valued at a rate per telephone access line, a rate per cablevision subscriber drop, or a rate per kilometer of fibre optic cable.

The 2019 rate changes for telecommunication improvements and the communication towers used to facilitate their operation are set out in the table below, along with the changes for the 2016 – 2018 assessment rolls, for the purposes of comparison and context. The changes have been accepted by industry and approved by BCA's Board of Directors. The change in the telephone access line, television subscriber, and fibre optic cable rates are attributable to movement in telecommunication construction costs.

Linear Type	Average Change (%)				
	2016 Roll Year – before 3 year phase in	2016 Roll Year - with 3 Year phase in where applicable	2017 Roll Year Final year of phase in of rates for Cable and Fibre Optics	2018 Roll Year (First Yr of a 3 Yr phase in for Communication Towers)	2019 Roll Year (2 nd Year of 3-year phase in for Communication Towers)
Telephones, per access line	+3.0%	n/a	+2.5%	+2.0%	+1.6%
Cable television, per subscriber drop	0%	+19.3%	+19.68%	+1.5%	+1.5%
Fibre optic cable, installation	+2.3%	+29% (for 3 of the 10 installation types)	+1.44% and +24% to 30% for 3 of the installation types	+1.38%	+1.68%
Fibre optic cable, material	-5.0%	n/a	+3.0%	+3.0%	0%
Communication towers	+2.0%	n/a	+1.0%	31.0%	+32% (including +2% percent change for 2019)*

* Communication towers underwent a cost model review in 2017 which resulted in a three-year phase in of new rates, now in the second year of the phase-in. More information about the cost model review is available upon request.



APPENDIX 4:

Railway and Pipeline Corporations Valuation Regulation

This regulation is used to value railway track and gathering, and transmission pipelines used for the transportation of petroleum and natural gas. These improvements are in the utilities property class (Class 2) or the light industry property class (Class 5).²

On the 2018 assessment roll, there were 1,044 folios with railway track, which had an assessed value of \$1,091,651,000. In 2018, railway track accounted for about 0.23 percent of the total improvement value on the 2018 roll.

Currently there are 11,405 folios with pipeline improvements, which were valued at \$6,324,172,000 on the 2018 roll. The regulated rates for pipelines will increase by 4.0 percent for the 2019 roll. Pipelines accounted for 1.25 percent of the total improvement value on the 2018 roll.

These improvements are not assessed at market value. Railway track values are based on how the track is used and tonnage. There are eleven classes of railway track, each with a separate “per kilometre” rate. Gathering and transmission pipelines are also valued by kilometre; the applicable rate varies with the diameter of the pipeline.

Generally, these rate changes reflect movement in the cost of construction between July 1, 2016 and July 1, 2017. The regulated rates for railway track will increase by 2.64 percent for the 2019 roll.

The 2019 roll rate changes for railway track and pipelines are set out in the table below, along with the changes for the 2016 – 2018 assessment rolls for the purposes of comparison and context. Industry is in agreement with and the Board of Directors has approved these rates.

Linear Type	Average Change (%)			
	2016 Roll Year (Year 3 of Phase-in for Railway + Update Factor)	2017 Roll Year	2018 Roll Year	2019 Roll Year
Gathering & Transmission pipelines	+2.0%	+0.5%	-1.50%	+4.0%
Railway track - All Classes	+2.68%	+0.5%	-1.59%	+2.64%

² Railway track and transmission pipelines come within Class 2. Gathering pipelines come within Class 5.



APPENDIX 5:

Railway, Pipeline, Electric Power and Telecommunications Corporations Rights of Way Valuation Regulation

This regulation is used to value the land (i.e., rights of way) under linear improvements such as railway track, pipelines, fibre optic cables and electrical transmission lines. These rights of way are not assessed at market value. The assessed values of these rights of way are based on the average of assessments for properties abutting the railway or for properties in jurisdictions the linear improvement traverses.

The 2019 rate changes for the rights of way are set out in the table below, along with the changes for the 2016 – 2018 assessment rolls for the purposes of comparison and context. The changes have been accepted by industry and adopted by BCA's Board of Directors.

Right of Way Type	2016 Roll Year		2017 Roll Year		2018 Roll Year		2019 Roll Year	
	Change (%)	Rate (\$)	Change (%)	Rate (\$)	Change (%)	Rate (\$)	Change (%)	Rate (\$)
Mainline right of way south of the 59 th parallel	+8.4%	\$9,630	+7.37%	\$10,340	+30.5%	\$13,500	+0.44%	\$13,560
Mainline right of way north of the 59 th parallel	+2.4	\$840	+4.65%	\$880	+2.30%	\$ 900	+11.3%	\$1,000
Safe operating Land	-31%	\$350	0.00%	\$350	+46%	\$ 510	+2.00%	\$520
For pipelines other than gathering lines	-1.69%	\$4,260	+1.19%	\$4,310	+4.09%	\$4,490	+6.76%	\$4,790
For gathering pipelines	+7.1%	\$1,090	+6.87%	\$1,165	-11.03%	\$1,035	+1.82%	\$1,055
Transmission lines of electrical power corporation	-1.69%	\$4,260	+1.19%	\$4,310	+4.09%	\$4,490	+6.76%	\$4,790
Telecommunications corporations metallic or fibre optic cables	-1.69%	\$4,260	+1.19%	\$4,310	+4.09%	\$4,490	+6.76%	\$4,790



Ministry of
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APPENDIX 6:
BC Assessment Industry Consultation Process Description— Regulated Rates
Managed Forest and Cut Timber Values Regulation (90/2000)
Industry Consultation Process

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Electrical Power Corporations Valuation Regulation (217/86) Industry Consultation Process

For all linear property types the 2019 Roll industry consultation process followed the annual Linear Property Type Consultation Process:

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- Culmination of responses and follow up consultation for more information as needed. For the 2019 Roll, six companies responded.
- Annual email letter to all of the major linear property owners (approximately 40) containing the proposed 2019 Regulated Rates seeking industry's input. There were no concerns from industry.
- Annual email sent to all major linear property owners (approximately 40) informing them that the BCA Board has approved the 2019 Regulated Rates. There were no concerns from industry.

Industry Consultation Details – All Linear Property Types

Date	Industry Contact (Company)	Consultation Details
Apr 5, 2018	40 Companies over 8 linear property types. Examples: Rogers, Telus, Bell, BC Hydro, Fortis, Shaw, Canadian Pacific Railway, Canadian National, BNSF Railway, SRY Rail Link, Kinder Morgan, Enbridge.	Email letter to all of the major linear property owners requesting input into the determination of the 2019 Regulated Rates. Deadline April 20, 2018.
July 5, 2018	40 Companies over 8 linear property types.	Email letter to all of the major linear property owners containing the proposed 2019 Regulated Rates seeking industry's input. Deadline July 23, 2018.
Sept 29, 2017	40 Companies over 8 linear property types.	Email sent to all major linear property owners informing them that the Board has approved the 2019 regulated rates.

Telecommunications Corporations Valuation Regulation (226/86) Industry Consultation Process

- For cable television, communication towers, fibre optic cable and telephone the 2019 Roll industry consultation process followed the annual Linear Property Type Consultation Process and the consultation details are the same as those outlined in the Industry Consultation Details – All Linear Property Types section above.

Railway and Pipeline Corporations Valuation Regulation (203/86) Industry Consultation Process

- For pipelines and railway track the 2019 Roll industry consultation process followed the annual Linear Property Type Consultation Process and the consultation details are the same as those outlined in the Industry Consultation Details – All Linear Property Types section above.
- For pipelines, an industry group consisting of 12 companies provided feedback and ultimately signed off on the indicated percent change on May 31, 2018.



Railway, Pipeline, Electric Power and Telecommunication Corporation Rights of Way Valuation Regulation (218/86)

Industry Consultation Process

For linear right of way the 2019 Roll industry consultation process followed the annual Linear Property Type Consultation Process:

- Annual email to railway companies with the proposed right of way rates for 2019. BCA has received feedback from Southern Rail concerning the increase for Mainline Right of Way South of the 59th Parallel. This feedback resulted in a change to the proposed rate.
- Annual email sent to all major linear property owners (approximately 40) informing them that the BCA Board has approved the 2019 right of way rates. There were no concerns from industry.

Industry Consultation Details – All Linear Right of Way (“r/w”)

Date	Industry Contact (Company)	Consultation Details
Jun 25, 2018	Railway companies: Canadian Pacific Railway, CN Railway, BNSF Railway, Southern Railway	Email to railway companies with the proposed r/w rates for 2019. Deadline July 5, 2018.
August 14, 2018	Review of railway rate resulting in revised rate, shared with industry	No further concerns.
Jun 25, 2018	Example right of way owners: Rogers, Telus, BC Hydro, Fortis, Canadian Pacific Railway, CN Railway, BNSF Railway, Southern Railway, Atco Electric	Email letter to all of the major linear r/w owners containing the proposed r/w 2019 Regulated Rates seeking industry's input. Deadline July 5 2018.
Sept 29, 2018	Example right of way owners: Rogers, Telus, BC Hydro, Fortis, Canadian Pacific Railway, CN Railway, BNSF Railway, Southern Railway, Atco Electric	Email sent to all major linear property owners informing them that the Board has approved the 2019 regulated rates.



Ministry of
Municipal Affairs
and Housing

BRIEFING NOTE FOR DECISION

Date: October 30, 2018

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

Title: s.13 Assess Ports

Issue: s.12,s.13

RECOMMENDED OPTION:

- -
 -
- s.12,s.13

BACKGROUND:

BC Assessment developed



Ministry of
Municipal Affairs
and Housing

s.12,s.13

DISCUSSION:

Ministry staff is seeking the Minister's approval to

s.12,s.13

Page 043

Withheld pursuant to/removed as

s.12;s.13



Ministry of
Municipal Affairs
and Housing

s.12,s.13

APPROVED (recommended option) / NOT APPROVED

A handwritten signature in black ink, appearing to read "Selina Robinson", written over a horizontal line.

Honourable Selina Robinson

November 5, 2018

Date

Appendices: **(2)**

s.12,s.13

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Kevin Volk ADM
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Jacqueline Dawes, Deputy Minister

DATE APPROVED:

October 30, 2018

October 30, 2018



APPENDIX 1: Fiscal Impact of the Pilot

s.12,s.13,s.17

Page 046

Withheld pursuant to/removed as

s.12;s.13



Ministry of
Municipal Affairs
and Housing

BRIEFING NOTE FOR INFORMATION

Date: October 30, 2018
Prepared For: Honourable Selina Robinson, Minister of Municipal Affairs and Housing
Title: Community Gaming Grants (CGG) Program - BC Stats Survey Results
Issue: Provide an overview of the BC Stats (CGG) survey results and how they will inform the Branch's short and longer-term policy development work.

SUMMARY:

- **The December 2016 Office of the Auditor General (OAG) report recommended that the Community Gaming Grants Program develop a performance management framework and publicly report on the program's funding model, funding levels and benefit to communities.**
- **To support this work, BC Stats conducted a survey of 11,500 B.C. not-for-profit organizations on behalf of the Community Gaming Grants Branch.**
- **The Branch received the final survey report in September 2018 and has incorporated its findings into its short and longer-term policy development plan.**

BACKGROUND:

BC Stats administered two surveys on behalf of the Community Gaming Grants Program. One survey was sent to all not-for-profits who had applied for a gaming grant between 2015 and 2018. BC Stats received 2,303 responses from the 5,515 surveys sent to applicants (42%). The second survey was sent to not-for-profits that had not previously applied for gaming grants. BC Stats received 1,353 responses from the 6,000 surveys sent to non-applicants (24%).

The survey results included both quantitative and qualitative responses. The findings provide the Branch with baseline data on a wide range of topics on the CGG program, including key challenges, funding levels and sectors. This information will allow the branch to act on the recommendations of the Office of the Auditor general with respect to performance management and program design and to respond to immediate concerns from program participants.

The Branch consulted with the British Columbia Association of Charitable Gaming on the design of the survey and on the analysis of the results.

DISCUSSION:

Overall, the responses showed a high degree of satisfaction with the program:

- 92% of applicants agree or strongly agree that the Community Gaming Grant program provides positive contributions to communities in British Columbia.
- 89% of applicants agree, strongly agree, or feel neutral that the framework for the administering the Community Gaming Grant program is suitable.
- 86% of applicants agree, strongly agree, or feel neutral that the framework for the administering the Community Gaming Grant program meets the needs of their organization



- 96% of applicants and 78% of non-applicants agree that their programs easily align with the current funding sectors.
- 50% of applicants believe they received the full amount of the Community Gaming Grant they requested.

However, the review also found areas of dissatisfaction from some respondents:

- The application process is time consuming, onerous and complex;
- The eligibility guidelines need to be clearer and broadened;
- New or extended funding sectors should be considered;
- The inability to pause, save and return to an incomplete online application form is frustrating;
- There could be more engagement with the Community Gaming Grants Branch; and
- Half of non-applicants had not applied for Community Gaming Grants as they had never heard of the program.

Refer to **Appendix A** for the branch's proposed actions to address the key findings. The Branch has incorporated the survey findings into its short and longer-term policy development plan. Refer to **Appendix B** for a detailed summary of projects, timelines and key deliverables.

Short Term:

The Branch will use these survey results to inform:

- improvements to the 2019 program guidelines to make the application process simpler and more user-friendly;
- changes to the sector descriptions to improve clarity;
- Updates to the evaluation process for capital projects; and
- 2019 community outreach efforts.

Medium Term:

The branch will focus on addressing the OAG's recommendations to develop a publicly accessible performance management framework and to evaluate and report on key program elements (e.g. its positive contributions to communities, appropriateness of total annual funding and funding sectors, and the funding method used to award grants).

As outlined in **Appendix C**, the branch has made significant progress on this issue to date but requires stakeholder feedback to finalize this work. The Branch will develop



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Longer Term:

The Branch will use the survey data to identify opportunities to improve the program and inform policy development work. Policy / program issues under consideration include,

s.13

FINANCIAL IMPLICATIONS:

s.13

Appendices: (3)

- A. Key findings from the CGG survey
- B. CGG policy development timelines and key deliverables
- C. Update on final recommendations from the Office of the Auditor General report

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APPROVED BY:

Kevin Volk, Assistant Deputy Minister
Community & Legislative Services Division

Jacqueline Dawes, Deputy Minister

DATE APPROVED:

October 30, 2018

October 30, 2018



Appendix A – Key Findings from the CGG Survey

Group	CGG Survey Key Findings	Branch Response
Applicants and Non-Applicants	Suggested ways to streamline the application process as they found the overall application process time consuming, onerous and complex.	<ul style="list-style-type: none"> • Simplified application instructions in 2019 Guidelines. • Consulted with BCACG on potential improvements. • Proposal to remove the need to submit multi-year organization and program budgets. • Quantitative data suggest a high level of satisfaction with application process.
Applicants and Non-Applicants	Requested increased clarity and broadening of the eligibility guidelines.	<ul style="list-style-type: none"> • Identified key areas to simplify in 2019 Guidelines. • Developing examples to clarify complex subjects in 2019 Guidelines.
Applicants and Non-Applicants	Recommended new or extended funding sectors.	<ul style="list-style-type: none"> • Individual comments indicate that existing sectors are sufficient, but sector descriptions could be clarified. • Sector descriptions will be expanded and clarified for 2019.
Applicants	The majority expressed frustration with the inability to pause, save and return to an incomplete online application form.	<ul style="list-style-type: none"> • s.13 • Tutorials are available online to support applicants with the application process.
Applicants	Requested more engagement with the Community Gaming Grants branch.	<ul style="list-style-type: none"> • Permanent Outreach Manager hired in May 2018. • Expanded outreach strategy developed for 2019.
Non-Applicants	Half of Non-Applicants had not applied for Community Gaming Grants as they had never heard of it.	<ul style="list-style-type: none"> • Permanent Outreach Manager hired in May 2018. • Expanded outreach strategy for 2019 targets new ways to reach non-applicants.



Appendix B – Community Gaming Grant Policy Timeline

Short-term policy work: October to April 1, 2019			
Initiative	Action to date/proposed future action	Deliverable	Timeline
2019 CGG Guidelines and support material	<ul style="list-style-type: none"> Complete: Consulted with BCACG on proposed changes. Complete: Identified areas to simplify language. Complete: Address feedback from the CGG survey. s.13	<ul style="list-style-type: none"> Decision note to Executive to approve changes 2019 Guidelines available to public 	<ul style="list-style-type: none"> November 15th, 2018 January 1st, 2019
2019 Capital Project Guidelines and scoring	<ul style="list-style-type: none"> Complete: Identified areas to clarify language. s.13	<ul style="list-style-type: none"> s.13 2019 Guidelines available to public 	<ul style="list-style-type: none"> s.13 February 1st, 2019
Identify additional opportunities for targeted outreach to new applicants	<ul style="list-style-type: none"> Complete: Hired permanent Outreach Manager in May 2018. Complete: Identified key stakeholders and major events to reach new applicants in 2019 s.13	<ul style="list-style-type: none"> Updated outreach strategy report delivered to Kevin Volk. 	<ul style="list-style-type: none"> December 20th, 2018.
Medium-term policy work: April 1, 2019 – April 1, 2020			
Initiative	Proposed future action	Deliverable	Timeline
OAG Recommendation #1: performance management framework	<ul style="list-style-type: none"> See Appendix C 	<ul style="list-style-type: none"> See Appendix C 	<ul style="list-style-type: none"> See Appendix C
OAG Recommendation	<ul style="list-style-type: none"> See Appendix C 	<ul style="list-style-type: none"> See Appendix C 	<ul style="list-style-type: none"> See Appendix C



#2: evaluation and reporting on key CGG program features			
Analysis of first three years of the Capital Project Grant program	<ul style="list-style-type: none"> • Monitor 2019/2020 applicant trends • Report on 3-year application trends to gauge sector need for capital funding. • Consult with key stakeholders, including BCACG. s.13	<ul style="list-style-type: none"> • Report on 3-year application trends. s.13	<ul style="list-style-type: none"> • October 31, 2019 s.13
s.13	<ul style="list-style-type: none"> • Incorporate sector feedback from CGG survey. • Consult with BCACG. s.13	s.13	s.13
Long-term policy work: April 1, 2019 to April 1, 2022			
Initiative	Proposed future action	Deliverable	Timeline
Use CGG survey to analyze and identify policy development opportunities (e.g. multi-year funding, capacity building)	<ul style="list-style-type: none"> • Use CGG survey to identify historical and new stakeholder concerns. • Analyse future policy options in the context of sector demand, available funding, and operational viability. • Consult with key stakeholders including BCACG, BC Association of Friendship Centres, and sector leads. s.13	s.13	s.13
s.13	s.13	<ul style="list-style-type: none"> • On-going consultation with Executive on options. s.13	<ul style="list-style-type: none"> • Ongoing s.13



Appendix C – Update on Final Recommendations from the Office of the Auditor General report

OAG Recommendation	Actions to date	In-progress/future actions	Deliverable/Timeline
1. Develop a performance management framework for the Community Gaming Grants program that clearly articulates a comprehensive set of performance measures for the program and requires regular assessment and public reporting of results.	<ul style="list-style-type: none"> ✓ A chronological history of gaming grants program to understand origins/evolution of the program. ✓ Jurisdictional scan of Canadian grant programs to determine a benchmark for public reporting frameworks. ✓ Internally developed options for performance reporting tools. ✓ Initial consultations with GPEB on availability of data. ✓ Used CGG survey to gather stakeholder input on the type of performance monitoring tools the sector would find beneficial. 	<ul style="list-style-type: none"> • In-progress: continue to develop options for consideration regarding a performance management framework and evaluation process. • In-progress: Develop timeline for performance reporting tools that can be implemented in the short term and expanded longer-term. • Future: Collaborate with the Ministry's performance management experts to identify measurable outputs and outcomes. • Future: Consultation with BCACG on proposed framework. • 	s.13
		s.13	



OAG Recommendation	Actions to date	In-progress/future actions	Deliverable/Timeline
<p>2. Evaluate, and publicly report on, the Community Gaming Grants program, by assessing:</p> <ul style="list-style-type: none"> the program's effectiveness in providing positive contributions to communities the appropriateness of the program's total annual funding the need to establish new funding categories or to extend or delete existing ones the funding model used to award grants 	<ul style="list-style-type: none"> ✓ A chronological history of gaming grants program to understand origins/evolution/ of the program. ✓ Jurisdictional scan of Canadian grant programs to determine a benchmark for public reporting frameworks ✓ Preliminary discussions regarding total funding level and funding categories have been held with the BCACG and a Cabinet Submission was submitted regarding these issues. ✓ Completed CGG survey which provides baseline data on sector perspectives on key issues such as: funding levels, funding sectors, program framework and community benefit. 	<ul style="list-style-type: none"> • In-progress: Internally develop options to publicly report on program successes and areas for improvement. • Future: Consult with BCACG on program data the sector wants to see. <p>s.13</p>	<ul style="list-style-type: none"> • • • <p>s.13</p>



BRIEFING NOTE FOR INFORMATION

Date: October 1, 2018
Prepared For: Honourable Selina Robinson, Minister of Municipal Affairs and Housing (MAH)
Title: Improvement Districts Access to MAH Grant Programs
Issue:

s.16

Meeting With: Nicolas Simons, MLA for Powell River-Sunshine Coast on October 4, 2018

SUMMARY:

- There are 189 local governments competing for federal/provincial capital grant programs. As Improvement Districts (IDs) do not have the same level of governance and financial rigour requirements as do local governments, conversion of IDs into a LG, incentivized by the opportunity to access federal/provincial capital grant programs, provides an opportunity to strengthen and harmonize the governance and financial structures which exist for the services delivered by IDs.
- The Ministry encourages Regional Districts (RDs) and IDs to engage in discussions on how best to provide efficient and effective governance for the delivery of critical services, such as water to rural residents. One critical component is how those services will be funded going forward.
- Though IDs cannot directly apply to obtain capital grants to fund their projects; an application can be submitted by RDs on behalf of the ID if an ID is prepared to be converted to a service of the RD if the infrastructure project is funded and proceeds (i.e. conversion does not need to occur until a grant has been awarded and the RD and ID have organized for the transition).
- Grant applications are assessed in the context of published program eligibility guidelines, which reinforces the Ministry's expectation that infrastructure grant funds are allocated fairly and equitably between competing projects based on rigorous technical evaluation and risk assessment.
- Amending legislation to give IDs equivalent powers would be redundant and would increase pressures on the federal/provincial grant programs and overall local government system. For example - without added measures of accountability and transparency, oversight of the IDs would require increased provincial resources.
-

s.16

BACKGROUND:

An ID is an incorporated public body that is managed by a board of elected trustees. The purpose of an ID is to operate and/or administer service(s) e.g., water system, fire protection, within a specified area. Letters Patent issued by Order in Council or amended by Minister's Order (for matters of geography) incorporate the organization, and specifies the services (for which taxes may be levied and tolls charged) and the geographic area of an ID. While IDs have some local government attributes (election of decision-makers and a taxing jurisdiction), they are not considered to be local governments, as their powers,



responsibilities, and accountability to the public are not as comprehensive as those of municipalities and RDs.

s.16

History of Improvement Districts in BC

In 1920, IDs were established under the *Water Act* as a method to provide public management for several large irrigation systems in the Okanagan Valley. The shift from private to public management allowed the IDs to have borrowing and taxation powers. From the 1920's IDs provided services to rural (unincorporated) areas of the Province. They effectively filled a service provider void because during this time, municipalities were the only public body that could provide services; however, it was not viable to incorporate rural communities where the residents wanted only one or two services. The 1960's ushered in the advent of the RD framework and governance, thus an alternative method of rural service delivery was created. Prior to the legislation that created RDs in 1965, IDs were the predominant form of service delivery in rural areas. In 1979, the legislative provisions relating to IDs were removed from the *Water Act* and transferred to the *Act*. At the same time, responsibility for IDs was transferred from the Ministry of Environment to MAH. The number of IDs peaked in 1983, when there were 327. Currently there are 205, with at least one known conversion in the near future. The last ID to be incorporated was in 1995.



DISCUSSION:

Differences between Local governments and IDs

MAH has operated with consistent objectives towards IDs for close to thirty years and continues to recommend supporting the role of RDs as the local government for rural areas while enabling existing IDs to perform their specific service role. Given that the RD system is firmly established, recognized as the preferred service provider for unincorporated areas, and continues to evolve over time, giving IDs equivalent powers would not only be redundant but would greatly increase pressures on the infrastructure funding programs as well as the local government system – without added measures of accountability and transparency, oversight of the IDs would require increased provincial resources. There are challenges facing IDs especially in areas experiencing growth. Local governments are able to manage growth via aligned servicing and land use policies that contribute to livable communities. This is the value of having a service provider that cannot only provide services but can engage in long term planning.

Though the small size of most IDs provides a cost savings benefit from volunteer-based administration, it precludes cost savings through economies of scale and professional operators. Where a RD can employ a certified operator to oversee a number of small systems, an ID must cover this cost for one system. Additionally, borrowing rates and terms are less favourable for IDs, as they borrow through private institutions, whereas, RDs borrow through the Municipal Finance Authority. Insurance costs for RDs are lower and stabilized through the Municipal Insurance Association and RDs can manage growth through integrated planning (land use and servicing) and coordinate services where possible.

It is true that within the RD system provision of services to remote (e.g., on an island) or in sparsely populated areas increases the costs associated with services. However an ID would face similar issues, if as it is suggested, that IDs be seen as a local government, because under current legislation IDs do not have to meet the same standards for governance, transparency (e.g., holding meetings in a public venue vs. in a trustee's house) and currently the majority of IDs do not meet accepted accounting standards for assets and liabilities (and overall financial statements).

Improvement District Governance Policy

Since 1979, MAH has undertaken a number of policy reviews of IDs and these have provided rationale for changes to the policies. The current policy recognizes the long-term benefits of consolidated local public services under a municipal or RD framework. The reason behind this is because RDs and municipalities have robust service provision powers, including access to senior government grants and preferred borrowing rates from the Municipal Finance Authority. For these reasons IDs are encouraged to work with local governments on conversion, especially in the cases when an ID board of trustees cannot meet quorum or is faced with failing infrastructure. Conversion means that the ID is dissolved, and the assets and liabilities of the former ID are transferred to the local government assuming responsibility for service delivery.

The current policy recognizes the preferred alternative of RDs operating the service while providing for IDs that are well managed to continue in their role unimpeded. It provides a voluntary pathway for conversion with incentives and does not take a directive approach. To date this approach has been successful with a reduction of over 100 IDs. For more detail see Appendix A: *Improvement District Governance: Policy Statement* (2006). As outlined in the policy statement, RDs have the ability to provide a comprehensive and coordinated suite of services that allow for integrated decision-making.



Capital Grants for Local Governments

As capital grant programs are heavily over-subscribed and allowing IDs to apply would more than double the eligible applicant list for drinking water and wastewater programs. This may raise concerns from other local governments and many IDs would be disadvantaged in applying as they do not have the same staff to apply to the program, manage the implementation of the capital projects, meeting reporting requirements and contract conditions, and carry the construction debt before claims are submitted.

This policy encourages RDs to collaborate with IDs that are willing to convert to a service area. Infrastructure funding is used to defray the capital costs required to bring services up to RD and health authority standards. Without senior government funding, RDs are reluctant to take on systems that require upgrades due to the cost pressures, therefore, the funding acts as an incentive for the ID as well as the RD. It is unusual for an ID with a well-managed system to approach an RD for conversion. Changing this policy would impact the grant programs and reduce the voluntary conversions as well as the appetite for RDs to take on former ID services.

Though IDs cannot directly apply to obtain capital grants to fund their projects; an application can be submitted by a local government on behalf of the organization. The approval of any capital grant is conditional on the subsequent dissolution of the ID and conversion to a local government service. This long-standing policy encourages IDs to convert to an RD service area or a municipal jurisdiction in order to receive infrastructure funding. Thus, the infrastructure funding is used to defray the capital cost required to bring the service up to current standards.

A recent example of this working well is the South East Kelowna Irrigation District (SEKID) voluntary conversion to the City of Kelowna. Kelowna and SEKID collaboratively reached agreement on a transition plan prior to securing grant funding, however the actual transition did not occur until about a year after funding was awarded.

FINANCIAL IMPLICATIONS:

None; based on the existing policy.

Appendix: (1)

1. Improvement District Governance: Policy Statement (2006)

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Jacqueline Dawes, Deputy Minister

DATE APPROVED:

September 28, 2018

October 1, 2018

Page 4 of 4

Improvement District Governance: Policy Statement



Improvement District Governance: Policy Statement

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1.0 PURPOSE

This paper presents the policies of the Ministry of Community Services with respect to its responsibilities for overseeing the system of improvement districts in the province. The intent of the paper is to provide a comprehensive picture of the ministry's approach so that all stakeholders are clear about ministry policies and practices. The key stakeholders are:

- improvement districts;
- the public;
- regional districts;
- municipalities; and
- other provincial agencies.

To this end the paper:

- reviews the history of improvement districts in the province;
- describes ministry reviews of issues associated with improvement districts;
- outlines ministry legislative actions;
- lays out the ministry vision, objectives and principles for improvement districts; and
- lays out the current policies of the ministry in areas such as local government structure, capital financing, supervision and management and advisory services.

It is important that this policy paper focus on the issues of the improvement district governance system, including issues of accountability, administration, service delivery and land use planning. It does not focus on issues in improvement districts such as water supply, fire protection or drainage, all of which are important issues but, which are dealt with elsewhere.

2.0 SUMMARY

- The ministry has been responsible for the improvement district system in the province since 1979.
- A consistent set of objectives towards improvement districts have guided the ministry over the past twenty years. These have focused on enabling them to perform the local service role that is expected of them but at the same time preparing for the eventual assumption of their responsibilities by municipalities and regional districts.
- While the ministry's objectives have been constant, the strategies have shifted over time.
- This policy statement provides an up to date statement of the ministry's vision, objectives, expectations and policies, including the recent legislative changes.

3.0 BACKGROUND

3.1 History and Purpose of Improvement Districts

Improvement districts are incorporated public bodies managed by elected trustees which are established to operate and administer services such as community water systems and fire departments within a specific geographic area. They were first established in the 1920s as a method to provide public management for several large irrigation systems in the Okanagan Valley. These systems had been under private management but they were in danger of going bankrupt. Incorporating improvement districts to manage the irrigation systems provided access to provincial borrowing programs and greater certainty for repaying loans because of their ability to tax land owners.

For a number of years, following their introduction, improvement districts continued to be incorporated to manage irrigation or domestic water systems. They were subject to

provisions of the *Water Act* which were the responsibility of the ministry now known as the Ministry of Environment, Lands and Parks. Private water systems were also subject to this Act and it became convenient for the Ministry to incorporate improvement districts and transfer ownership of the private water systems to them where the utility owner became unwilling or unable to operate it or the residents wanted the advantages that public control can bring to the administration of community services.

Improvement districts were gradually given responsibility for services other than water. For example, fire protection began to be undertaken by improvement districts in 1945. This occurred because municipalities were the only public body that could provide local services but it was not always viable to incorporate small rural communities where the residents wanted only one or two services, not general governance. These additional services included such things as dyking, drainage, street lighting, garbage collection, ambulance service and capital funding for small rural hospitals or diagnostic and treatment centres.

3.2 Characteristics

Currently there are 240 improvement districts in the province. The majority of these are concentrated in three regions: the Kootenays; the Okanagan Valley; and Vancouver Island. There is only one improvement district located north of Prince George (Atlin Improvement District). While there are 37 improvement districts located within municipal boundaries, the majority are located in unincorporated areas within a regional district. Of the latter, 54 are located on the fringe of a municipality.

The predominant service provided by improvement districts is water. One hundred ninety-six improvement districts provide domestic water and 52 provide water for irrigation. Most of the improvement districts which provide water have joint domestic and irrigation systems which are a reflection of the fact that development has occurred on lands that were previously used for agricultural purposes.

Improvement districts may provide multiple services. However, the majority (about 80%) only provide a single service. The most services provided by one improvement district is nine and this by the Clearwater Improvement District. A comprehensive list of services provided by improvement districts is shown on attached Table One.

The diversity of communities served by an improvement district varies from small, isolated, rural subdivisions of less than 20 parcels to large urban centres like Kelowna and Abbotsford.

3.3 Development of Regional Districts

Legislation enabling the creation of regional districts was introduced in 1965. Over the next five years, a total of 29 regional districts were incorporated. The boundaries of the regional districts were, to a large extent, based on school district boundaries but with a number of compromises necessary to ensure each had a reasonable tax base. Regional districts were created for three purposes: to provide services to the entire region; to provide a framework for inter-municipal service delivery; and to provide general local governance for areas outside municipal boundaries. In the latter role, regional districts were in direct competition with already existing improvement districts. However, it would take some time for the regional district system to become fully established.

In 1967, through the adoption of the *Hospitals Districts Act*, responsibility for regional hospital capital financing was transferred from improvement districts to regional districts. The regional district system did not develop overnight and, in fact, the strategy was described by local government scholars as "a strategy of gentle imposition". The system was built up regional district by regional district over a ten year period. In 1979 the first comprehensive review of the regional district system was undertaken by the Farmer Commission. In the period 1983 to 1986, a second review was undertaken by former

Minister of Municipal Affairs, Dan Campbell. As a consequence of these reviews, in 1989 a comprehensive rewrite of the regional district part of the *Municipal Act* was enacted.

3.4 Transfer of Improvement District Responsibility to Municipal Affairs

In 1965, the provisions in the *Water Act* that had applied to fire protection and street lighting improvement districts were copied into the *Municipal Act*. As well, responsibility for fire protection districts was transferred to the ministry. This facilitated a division of responsibilities between the Ministry of Environment which was responsible for water related improvement districts and Municipal Affairs which was responsible for all other improvement districts. In 1979, the legislative provisions relating to improvement districts were removed from the *Water Act* and responsibility for all improvement districts was transferred from the Ministry of Environment to the Ministry of Municipal Affairs. In addition, four staff members of the Ministry of Environment, who provided advice and assistance on improvement district matters, were assigned to the Ministry of Municipal Affairs.

The transfer was largely in recognition that improvement districts had more in common with local governments than they had with private water utilities. Therefore, it made sense to consolidate all local government responsibilities with the Ministry of Municipal Affairs. Nonetheless, the environment ministry continued to provide engineering support for improvement districts and the ministry until 1986, when two engineers were transferred to Municipal Affairs.

4.0 MINISTRY REVIEWS AND CHANGING MANAGEMENT OF IMPROVEMENT DISTRICTS

4.1 Introduction

Improvement districts have a long history. Before the advent of regional districts, they were the predominant form of local governance and service delivery in rural areas of the province. However, over time, improvement districts began to lose their predominant role as the vehicle for the delivery of local services in rural areas. The role of improvement districts has receded with the creation of regional districts and their broad roles in: providing: general government for electoral areas; land use planning and associated regulatory services; and local services like water and fire protection. They became just one of a number of delivery vehicles available for consideration by rural residents.

As the regional district system developed it began to assume responsibility for local services which were originally the exclusive prerogative of improvement districts. This intensified after the 1989 amendments to the *Municipal Act* which strengthened regional districts. The ministry's policies towards improvement districts and its management approaches have adapted to these changes. Specifically, the ministry has undertaken a number of reviews of improvement districts since 1979 and these have provided an impetus for considering changes to the ministry's approach to improvement districts.

4.2 Early Ministry Approach to Managing Improvement Districts

The ministry approach to managing improvement districts since taking responsibility in late 1979 has gone through a number of phases. It is fair to say that the ministry's attention over the period 1979 to 1989 was focused on creating a strong foundation of regional district government in the province. Very little policy attention was paid to improvement districts. Consequently, in the early years, the policies of the ministry were the policies of the Ministry of Environment, Lands and Parks. This is because, in part, the legislation was transferred from MELP "as is" and it became a stand alone part of the *Municipal Act* and, in part, because improvement districts were managed by staff transferred from the environment ministry. During this period of time, improvement district incorporations were still promoted, particularly as a means of converting private

water utilities into public ownership. As well, through this period there was no comprehensive strategy in place to guide the integration of improvement districts into the local government system or ministry program areas.

However, increasingly the ministry began to ask questions about the relationship between improvement districts and regional districts. The new regional district legislation in 1989 and concerns with growth management arising from rapid growth rates raised issues of integrating governance, land use planning and servicing decision making by regional districts with improvement district decision making. As well, by 1987 all of the former environment staff had retired and these positions filled by ministry staff. Finally, the arrangement that had the environment ministry provide engineering services for the ministry ended with the transfer of staff to Municipal Affairs. All of these factors provided an impetus for change and prompted the ministry to undertake a comprehensive review of rural services and governance.

4.3 Task Force on Rural Services and Governance

In 1989, the ministry established the Task Force on Rural Services and Governance, comprised of representatives of each key local government program area in the ministry. It undertook a limited consultation process with improvement districts and regional districts and produced a comprehensive report entitled Rural Service Delivery and Governance in BC.

The report identified the role improvement districts should play in the local government service hierarchy, particularly as it related to regional districts. Specifically, it proposed that improvement districts would continue but ministry efforts would be focused on reinforcing the role of regional districts as the primary local government for rural areas. The report made a number of specific recommendations to facilitate the transfer of improvement district responsibilities to regional districts.

The rationale for this recommendation to focus on regional districts can be summarized as follows:

- Regional districts are the general government for rural areas and have a broad role in providing governance, planning, regulation and service delivery. As a consequence, they can provide integrated decision making.
- Regional districts are better able to manage growth because they have a full set of planning tools and can effectively link decisions on land-use policies, regulation (i.e. building inspection) and services.
- Most regional districts have economies of scale and can hire administrative and technical staff familiar with the operation and regulation of local services while improvement districts do not always have the resources to hire experienced staff.
- Regional district borrowing terms and rates are better than those available to improvement districts because regional districts can borrow through the Municipal Finance Authority.
- Regional districts have access to a province-wide insurance plan through the Municipal Insurance Association which stabilizes insurance costs. Improvement districts are not covered by this Association.
- Regional districts have access to grant programs for study and capital cost purposes. Improvement districts do not have direct access to these grants.
- Taxes are collected on the provincial tax bill so there may be residual benefit from the provincial Home Owner Grant. Except for fire protection and street lighting taxes, improvement districts must prepare and collect their own taxes or user rates.

The report was never published nor did it receive widespread publicity. However, the report had a significant impact on ministry decision making. In fact, the ministry has been following the Task Force recommendations since 1989, discouraging the creation or expansion of improvement districts and encouraging the use of regional districts as the primary rural area servicing vehicle. As well, the report recognized the need to review the improvement district legislation because it was antiquated and did not reflect the overall strategic directions of the province with respect to local governments.

Also, as a consequence of this report, the management responsibility of the ministry was reshaped to reflect a similar management strategy as used for all other local governments. Emphasis was placed on providing advice, direction and assistance in maintaining the viability of improvement districts in the province, in particular through the following:

- promoting effective financial management through consultation with elected and non-elected officials, review of all long term borrowing proposals and review of improvement district financial statements;
- undertaking a program of community visits and attending improvement district association meetings;
- promoting good administrative practices in improvement districts, in particular through developing and maintaining the comprehensive Improvement District Manual (first published in 1983); and
- developing, and maintaining, an information base on improvement district operations.

4.4 Ministry Management Reviews

In 1994, a draft paper called Key Issues Affecting Improvement Districts was presented and discussed at ministry-sponsored workshops at the two Improvement District Association conventions held that year. There was general consensus at both conventions on the key issues and support for the need for change to legislation and ministry programs.

In 1997, an internal report, called Improvement District Review, was completed which reviewed current improvement district operations to determine if they were meeting provincial and public expectations. This review was undertaken as a result of issues arising from the litigation involving the Naramata Irrigation District to assess the likelihood of other improvement districts encountering difficulties like Naramata.

In 1998, an external report, prepared by Dave Wilson, former administrator of the Fraser-Fort George Regional District, called Improvement Districts in BC - A Review of Suggested Strategies for Management and Change, was completed. This review built on the 1997 report and did the following:

- identified and analysed key issues facing the ministry and local governments regarding improvement districts;
- developed a framework for describing and categorizing improvement districts for management purposes;
- provided a summary of findings on critical issues and possible policy and program directions; and
- provided recommendations on further process.

The Wilson report was significant in two respects. First, it confirmed that the ministry objective of facilitating conversion to regional district and municipal jurisdiction was the right one. Second, it accepted that the most practical approach was an incremental, voluntary approach to conversion with an emphasis on creating the incentives for improvement districts, regional districts and municipalities to facilitate conversion of improvement districts to regional district and municipal jurisdiction.

4.5 Current Status

The ministry strategy to this point has been successful in its fundamental objective. The number of improvement districts being incorporated slowed and many were dissolved. The total number peaked in 1983 at 327. The reason there are 87 fewer improvement districts today is a direct consequence of policies that the ministry followed from 1989 to date. These included the following:

- *Municipal incorporation.* Where a new community is incorporated, or an existing municipal government is restructured, the *Municipal Act* requires the improvement district to be dissolved and the service responsibility turned over to the municipality.
- *Municipal boundary extensions.* Improvement districts that were located on the fringe of a municipality were dissolved if the area was added to the boundary of a municipality.
- *Transfer to regional districts.* Where there was a local consensus for a regional district to take over responsibility for services that have been provided by an improvement district, the province transferred the assets and liabilities of the improvement district to the regional district. Regional district access to sewer and water infrastructure capital grants has been a major incentive for conversion.
- *Fewer improvement district incorporations.* Since 1990, only two improvement districts have been incorporated. Table Two outlines the number of incorporations and dissolutions that have occurred since the 1920's.

4.6 Key Issues Governance Facing Improvement Districts

At the end of the 1990's the ministry was in a position to take stock, to review what had been accomplished and what remained to be done. The issues facing local government and the Province concerning improvement districts have been well-identified through the reviews and consultation processes outlined above. In summary, the key outstanding issues associated with improvement districts are the following:

- *public accountability:* There is concern that improvement districts do not have the same standard of public accountability that regional districts and municipalities have. Key issues are openness of meetings, elections and referenda;
- *administrative effectiveness:* The small size of some improvement districts and traditions of self-help need to be balanced with the need for professionalism in dealing with the complex issues many improvement districts face;
- *relationships between improvement districts and regional districts:* It is inevitable that there is potential for conflict when land use planning and servicing responsibilities are vested in different jurisdictions in rural areas; and
- *growth management:* Population growth and development pressures have placed strains on many improvement districts.

The next section outlines the ministry's legislative program for dealing with these issues while the final section discusses the ministry's vision, objectives and principles and how these guide the ministry in the delivery of its programs.

5.0 MINISTRY LEGISLATIVE ACTIONS

5.1 Year 2000 Legislation

In 1999, the Minister of Municipal Affairs committed to a review of the legislative provisions for improvement districts as part of Phase 3 of the *Municipal Act* Reform process. In early 2000, the Improvement District Legislative Review Steering Committee was created to: prioritize the issues; plan and carry out a consultation program; prepare materials for presentation and discussion at a series of regional workshops; carry out the technical analysis of key issues following the regional workshops; review draft legislation; and make recommendations on legislative and non-legislative remedies. The key elements in the consultation process were the following:

- questionnaires were mailed out to local governments to solicit feedback on problem or concern areas. Separate questionnaires were sent out to improvement districts, regional districts and municipalities; and
- two regional consultation workshops were held in Kelowna and Nanaimo to enable improvement district representatives to discuss improvement district issues.

In March 2000 the Steering Committee and ministry developed legislative and non-legislative proposals in response to the Steering Committee's directions.

Bill 14, (*Local Government Statutes Amendment Act, 2000*) adopted at the year 2000 session of the provincial Legislature, advanced a number of legislative proposals. These are the most substantial changes to improvement district legislation since the ministry assumed full responsibility for improvement districts in 1979. The legislative proposals support the ministry's vision for improvement districts as well as the specific objectives and principles which are outlined in the following section. They also build on previous consultations and ministry reviews and are consistent with and build on changes to the *Municipal Act* introduced as part of the *Municipal Act* reform process in 1998, 1999 and 2000.

Bill 14 provisions are directed at four objectives: increasing public accountability; protecting the financial health of improvement districts; increasing administrative effectiveness and efficiency; and facilitating fair and effective growth management. The specific proposals are discussed below under each objective.

Public Accountability

- requiring trustees to establish written procedures for calling and conducting meetings;
- ensuring the annual general meeting is open to all residents, not just land owners; and
- providing that open meeting rules for municipalities and regional districts can be made applicable to improvement districts by cabinet regulation where and when appropriate.

Protecting Financial Health

- requiring financial statements to be prepared in accordance with generally accepted accounting principles for local governments;
- mandating audits by a qualified auditor; and
- limiting improvement district investments to the same instruments as other local governments.

Administrative Efficiency and Effectiveness

- authorizing the board of trustees to appoint standing and select committees with membership that may include the public;
- providing general authority for improvement districts to appoint professional staff;
- requiring establishment of professional positions in the areas of corporate and financial administration; and
- providing authority to indemnify and provide for the defence of trustees, officers, employees and volunteers in legal actions.

Fair and Effective Growth Management

- providing clear authority for establishing standards for the subdivision of land and requiring developers to provide works and services as a condition of the subdivision of land; and
- authorizing latecomer payments for excess and extended services required in relation to the subdivision of land to more fairly allocate costs previously paid solely by the developer.

At the same time, Bill 14 advances a number of changes to regional district legislation which will indirectly contribute to the vision and the objectives. These are:

- strengthening provisions for regional districts to establish elected local community commissions to manage local services;
- enhancing flexibility for regional districts to establish management committees and commissions to oversee local services including those provided by former improvement districts; and
- requiring regional districts to consider whether consultation is required with improvement districts in preparing and amending official community plans.

5.2 Future Legislation for Improvement Districts

The ministry has consulted with improvement districts on three other issues. These are:

- *elector qualifications*: The issue is who should be eligible to vote, be nominated, run and be elected to office. Currently, only land owners and corporations qualify, tenants do not;
- *elector approval*: The issue is the role of the public in approving long term capital commitments. Currently, there are no legislative requirements for elector approval although ministry administrative practice is to require it as a condition of bylaw approval; and
- *elections process*: The issue is whether there should be secret ballot elections or not. Currently, trustees are elected at an annual general meeting.

The ministry has deferred action on these issues until a future year for two reasons:

- The issue of who should vote in improvement district elections is controversial and is closely related to the issue of what issues require elector approval and how the approval is obtained. The ministry will be looking at all elector approval requirements in the *Local Government Act* in the future. It makes sense that improvement district provisions will be reviewed at the same time as regional district and municipal provisions; and
- A major policy decision is necessary as to whether full fledged universal suffrage elections are appropriate given the small size of many improvement districts and the role of improvement districts as single purpose service providers rather than full-fledged local governments.

6.0 MINISTRY STRATEGY FOR MANAGING IMPROVEMENT DISTRICTS

6.1 Overall Vision for Improvement Districts

The ministry recognizes that municipalities and regional districts are, and will continue to be, the primary components of the local government system in the province. The ministry expects that improvement districts will, over time, be converted to municipal or regional district jurisdiction and at some point in time all improvement districts will be under municipal or regional district jurisdiction. However, it is recognized that improvement districts will have an important role to play in providing local services to rural areas for some time and the process of change will largely be voluntary.

6.2 Ministry Objectives

The ministry strategy for improvement districts has four basic objectives:

1. It is the ministry's objective to increase the ability of improvement districts to effectively provide local services and be accountable to the public while maintaining incentives and removing constraints to conversion of improvement district to regional district and municipal jurisdiction.
2. It is the ministry's objective to minimize risks of failure in the improvement district system which could have serious financial implications for the province, improvement districts and residents.
3. It is the ministry's objective that conversion of improvement districts to regional district and municipal jurisdiction take place incrementally, over time and, for the most part, with local assent.
4. It is the ministry's objective to reduce the number of improvement districts. In short, it is anticipated that improvement districts will be an important part of the local government system in this province for some time and that their role will decrease as their responsibilities are increasingly assumed by regional districts and municipalities.

6.3 Ministry Principles

The ministry and the public have a number of expectations with respect to improvement districts. These expectations can be expressed as a set of overriding principles which can guide both the updating of the legislative framework for improvement districts and the delivery of the ministry's programs. Some of the key expectations are the following:

- *accountability*: the boards of trustees of improvement districts should be accountable to their citizens. In this sense, the boards of trustees should be open and transparent, information should be shared and there should be adequate opportunities for public participation;
- *representation*: there should be adequate representation for all citizens of the improvement district;
- *authority*: improvement districts should have sufficient authority to carry out their responsibilities;
- *appropriate provincial involvement*: provincial government involvement in improvement district affairs should be limited to protecting critical provincial interests;
- *effective growth management*: improvement districts need to play their part in the management of growth and change;

- *harmonious and constructive inter-governmental relations:* improvement districts should develop positive relations with the regional district or municipality of which they are part, and with adjacent improvement districts or municipalities;
- *integration:* improvement districts should have a well defined place in the local government system and be effectively integrated with regional district and municipal governments;
- *consistency:* improvement districts and other local governments should operate under a common set of objectives and consistent legislation;
- *financial accountability:* improvement districts should manage their financial affairs consistent with good local government practice in areas like budgets, financing, audits and accountability to the citizens; and
- *efficient and effective administration:* improvement districts should manage their affairs consistent with good local government practice in terms of having professional staff support and fair and effective administrative procedures.

6.4 Ministry Program Management Policies

The ministry has a number of programs which provide support for and oversight of improvement districts. These programs recognize the great diversity in size, services provided and administrative resources of improvement districts. The ministry tries to tailor these policies to the individual circumstances of the improvement districts and allocates its advisory and oversight resources accordingly.

The ministry has established a number of policies to guide the delivery of these programs consistent with the vision, objectives and principles.

6.4.1 Local Government Structure

- *The ministry will not create new improvement districts except where there is an overriding provincial interest and no other alternative exists.* With the exception of the Sun Peaks Mountain Resort Improvement District, which was incorporated in 1995 pursuant to the *Mountain Resort Associations Act* and which is a special case, only one other improvement district has been incorporated in the past ten years (1992).
- *The ministry will dissolve all improvement districts which are wholly or partially within an area which is newly incorporated within a municipality and transfer responsibility for those services to the municipality.* This is mandated by the provincial statute. For example, seven improvement districts were dissolved as part of the process of incorporating the new Municipality of Bowen Island in 1999.
- *The ministry will encourage and facilitate regional districts assuming greater responsibility for local services in rural areas.* The conversion of improvement districts is a two way street. Both the improvement district and the regional district have to be willing partners. Ministry advisory efforts will be focused to a large extent on encouraging regional district involvement in providing local services in rural areas and facilitating the transfer process.
- *The ministry will encourage rural improvement districts which are adjacent to municipal boundaries to convert to municipal jurisdiction through extension of municipal boundaries.* This is consistent with the ministry's approach to the management of urban fringe areas.

- *The ministry will critically review all proposals for major improvement district boundary extensions and, before approving such boundary extensions, discuss the potential transfer with municipalities and regional districts. Approval of boundary extensions is no longer automatic and regional districts are encouraged to assume responsibility for services.*
- *The ministry will encourage municipalities having improvement districts within their boundaries to assume responsibility. In many cases, municipalities and improvement districts have established co-operative relationships but municipalities are encouraged to plan for eventual assumption of responsibility.*
- *The ministry will not grant additional service responsibilities to existing improvement districts where the regional district is capable of effectively providing the service.*
- *The ministry will take a pro-active approach to restructure improvement districts which:*
 - *are experiencing problems with their infrastructure;*
 - *have serious management problems;*
 - *are facing irreconcilable conflicts with municipalities or regional districts;*
or
 - *are not complying with legislative requirements*

6.4.2 Access to Ministry Grants

The ministry vision is to encourage the conversion of improvement districts to regional district service areas and municipal jurisdiction. Consistent with that direction, it is important to maintain the existing financial incentives for conversion. Specifically the ministry will:

- restrict Sewer and Water Infrastructure Grants to regional districts and municipalities. This has been a consistent policy for the past 20 years.
- encourage regional districts to work with improvement districts and to make application for capital infrastructure grants to rehabilitate improvement district water and sewer systems on the assumption that the ownership of the system would shift to the regional district. This has been a consistent policy for the past 20 years.
- encourage regional districts to utilize Restructure Implementation Grants to assist with the administrative cost incurred by local governments when they assume responsibility for improvement district services.
- encourage regional districts to utilize Infrastructure Planning Grants to assist regional districts and improvement districts in analysing sewerage and water systems. This is as a precursor to regional districts assuming responsibility and upgrading those systems possibly with provincial Water and Sewer Infrastructure Grants.
- support the historic policy of the Ministry of Finance and Corporate Relations providing improvement districts access to the provincial tax roll and the services of the provincial Surveyor of Taxes for fire protection and street lighting purposes but not for other services. The indirect effect of this is to provide access to the provincial Home Owner Grant for fire and street lighting taxes but not for other services. This policy reflects the fact that historically the primary role of improvement districts was in water supply where the most common means of cost recovery has been user fees and parcel taxes and not ad valorem property value taxes

6.4.3 Capital Financing

The Municipal Finance Authority (MFA) provides long-term capital borrowing, pooled leasing and short term investment pooling services for regional districts and municipalities. These services provide substantial financial benefits for local governments. In December 1999, through a cabinet order, improvement districts gained access to the pooled leasing and short term investment pool services. A legislative change would be necessary to give improvement districts access to long term borrowing services. The Ministry is prepared to engage in discussions with the Municipal Finance Authority and the Ministry of Finance and Corporate Relations which could lead to improvement districts having access to MFA financing for long term borrowing.

6.4.4 Ministry Oversight

The ministry will enhance its oversight of improvement districts in accordance with the following policies, the ministry will:

- consider information received through communications with improvement districts, including bylaws, financial statements and other submissions to enable early and effective identification of potential issues and concerns; and
- take a pro-active approach to assisting improvement districts with administrative or financial problems and facilitate the settlement of disputes between competing interests.

The intent of these actions is to have early warning of potential "hot spots" and the ability to assist at the earliest sign of difficulties.

6.4.5 Ministry Advisory Services

The ministry emphasizes providing quality and timely advice to improvement districts, regional districts, municipalities and the public. In this regard, the Ministry's policy is to undertake the following actions, the ministry will:

- continue to develop advisory materials to demonstrate to regional districts, municipalities, improvement districts and the public the advantages of conversion to regional district service areas and municipal jurisdiction where appropriate.
- encourage improvement districts to contract with regional districts for administrative and operational services. This will be particularly important given the new legislative requirements to establish administrative officers responsible for financial management and for corporate administration.
- encourage improvement districts to take advantage of certain services of the Municipal Finance Authority, in particular, pooled leasing and short term investment pools.
- continue to update the improvement district manual to ensure that it provides high quality advice on key issues facing improvement districts.
- continue efforts to provide face-to-face advice to improvement districts particularly through participation at improvement district association conferences.
- work with partners on developing best practices guides for improvement districts. In this regard, the following are the priority areas: conversion to regional district service areas; servicing new development; and conducting elections.

APPENDICES

Table One: Frequency of Services Provided by Improvement Districts

Waterworks	173
Fire protection	37
Street lighting	18
Irrigation	46
Drainage	25
Dyking	14
Garbage	8
Parks/Playgrounds	13
Sewers	4
Cemetery	4
Community Hall/ Recreation	4
Lake Level Control	1
Land Improvements	2
Mosquito Control	1
Water Treatment/Quality	1
Boat Launch/Docks	2
Health Centre	1
Housing	1
River Bank Protection	1
Sidewalks	1

Table Two: Incorporation and Dissolution of Improvement Districts

	Incorporation	Dissolution
1920's	21	0
1930's	17	0
1940's	68	0
1950's	134	0
1960's	138	69
1970's	81	70
1980's	65	53
1990's	3	61
2000's	0	44
2010's	0	8

Current to June 1, 2012.



BRIEFING NOTE FOR INFORMATION

Date: October 2, 2018

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

Title: Development Approval Process Review (DAPR) –

s.13

Issue: s.13

Briefing Date: October 4, 2018

SUMMARY

s.13

BACKGROUND:

s.13 Following the UBCM Convention, the Ministry met with UBCM staff to provide an overview of s.13
UBCM indicated general support for a review of the
local government development approvals (DA) process

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DISCUSSION:

Proposed Amendments to the DAPR Consultation Process

To date, DARWG has been conceived of as having an exploratory and validation role, with the technical analysis primarily reserved for the DARTC.

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Proposed New Project Timeframe

s.13

UBCM Selection of Local Government Members (of DARWG and DARTC) and Committee Size

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FINANCIAL IMPLICATIONS:

s.13,s.17

OPTIONS:

1.

s.13



Ministry of
Municipal Affairs
and Housing

Pros:

s.13

Cons:

s.13

s.13,s.17

2.

s.13

Pros:

s.13

Cons:

s.13

Appendices: (2)

s.13

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Jacqueline Dawes, Deputy Minister

DATE APPROVED:

October 2, 2018

October 2, 2018

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s.13



BRIEFING NOTE FOR INFORMATION

Date: October 15, 2018

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

Title: Amendments to the Local Elections Campaign Financing Expense Limit Regulation to Set Contribution Limits

Issue: The attached Order In Council proposes changes to the Local Elections Campaign Financing Expense Limit Regulation that are necessary to establish contribution limits beginning in 2019.

SUMMARY:

s.13,s.14

BACKGROUND:

In 2017, government amended the *Local Elections Campaign Financing Act* (LECFA). These amendments included banning contributions made by organizations and establishing limits on individual contributions made to the election campaigns of candidates and elector organizations in local elections. These new rules (in addition to expense limits) apply for the first time in the 2018 general local elections.

For the 2018 general local elections, contribution limits were set in LECFA itself at \$1,200 per donor per year (e.g. an individual could provide up to \$1,200 to the election campaign of an unendorsed candidate and up to a total of \$1,200 to an elector organization and all of its endorsed candidates in each of 2017 and 2018).

A \$1,200 contribution limit was identified as an appropriate benchmark – it was consistent with contribution limits established in provincial elections and was supported by the Union of BC Municipalities and the City of Vancouver. Other provinces that have implemented contribution limits for local government elections have a variety of limits based on the experiences of each jurisdiction.

The amendments to LECFA also provided the Lieutenant Governor in Council with authority to set contribution limits by regulation beginning in 2019 to allow flexibility for government to adjust those limits, if needed, for future local elections. For example, government could set different contribution limits for communities based on population.



Amendments were also made to the Local Elections Campaign Financing Expense Limit Regulation (the Regulation) in Fall 2017 to allow candidates to contribute an additional amount to their own election campaigns in the 2018 general local elections – unendorsed candidates can contribute an additional \$1200 (\$2400 in total) to their own campaigns in 2018 and endorsed candidates can contribute an additional \$1200, collectively to their endorsing elector organization’s campaign (see below for more detail). These amendments addressed the “self-funding” issue (e.g. concerns expressed by candidates regarding their ability to finance their own campaigns) that was a significant source of discussion during Committee stage debate for the amendments to LECFA.

Under LECFA, contribution limits must be made with the recommendation of each minister who is responsible for legislation that governs the elections to which LECFA applies – for example, municipal and regional district board elections (Minister of Municipal Affairs and Housing), board of education elections (Minister of Education), and Advisory Council elections in the Sechelt Indian Government District (Minister of Indigenous Relations and Reconciliation).

DISCUSSION:

The amendments to the Regulation will:

- Set contribution limits beginning in 2019 at \$1,200 per donor per year. This means that an individual could provide up to \$1,200 per calendar year to the election campaign of an unendorsed candidate, and up to a total of \$1,200 to an elector organization and all of its endorsed candidates.
- Provide for unendorsed candidates to contribute an additional \$1,200 to their own election campaign in the year of an election. For example, if there is a by-election in 2019, a candidate could provide up to a total of \$2,400 to their election campaign.
- Provide for endorsed candidates to contribute an additional \$1,200 – in total – to their endorsing elector organization’s campaign in the year of an election. For example, if there is a by-election in 2019, the total additional amount that could be provided to an elector organization’s campaign through all of its endorsed candidates could not be more than \$1,200.

The proposed approach sets contribution limits that are consistent with the limits established for 2017 and 2018. The decision to maintain the current contribution limits is based on the policy work and consultations undertaken for the 2017 LECFA amendments and that continues to represent the best available information for setting appropriate contribution limit amounts.

Staff from the Ministry of Education and Ministry of Indigenous Relations and Reconciliation have reviewed the proposed amendments and have not identified any concerns. A written recommendation from each minister in the form of a briefing note will be provided with the OIC package.

Ministry staff are monitoring the 2018 general local elections and will also be reviewing candidate and elector organization disclosure statements when they are available (by end of February 2019) and

s.13

Consultation:

UBCM staff are being consulted as the proposed amendments will directly affect local elections.

Elections BC staff are also being consulted on the proposed amendments.



Ministry of
Municipal Affairs
and Housing

s.13,s.14

FINANCIAL IMPLICATIONS:

- None

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APPROVED BY:

Tara Faganello, Assistant Deputy Minister,
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Jacqueline Dawes, Deputy Minister

DATE APPROVED:

October 12, 2018

October 15, 2018



BRIEFING NOTE FOR DECISION

Date: October 22, 2018

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

Title: UEL Governance Review

Issue:

s.13

Briefing Date: October 29, 2018

RECOMMENDED OPTION:

s.13

BACKGROUND:

Strategy to review UEL's governance approved: in October 2017, the Minister approved a strategy to ultimately shift to some form of local governance in the UEL (see CLIFF #231005); a subsequent 'implementation plan' was approved January 2018 which outlined how to move forward with the UEL governance review strategy and its broad components of work¹ (see CLIFF #231829).

The governance strategy recognizes that the process for shifting to local governance in the UEL will have similarities with but ultimately be different from changing one form of local government to another, given UEL's unique arrangement/direct provincial administration, the multiplicity of interests at play and the presence of sensitive/significant issues.

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FINANCIAL IMPLICATIONS:

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RECOMMENDATION:

- s.13

NEXT STEPS:

s.13

APPROVED (recommended option) / NOT APPROVED

Honourable Selina Robinson

Date

Appendices (4)

s.13

PREPARED BY:

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DATE APPROVED:

October 17, 2018

October 24, 2018



s.13,s.16

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Withheld pursuant to/removed as

s.16;s.13



BRIEFING NOTE FOR INFORMATION

Date: October 25, 2018

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

Title: UBCM - Commercial Vehicle Licensing Program

Issue: Union of BC Municipalities' (UBCM) proposed amendments to the Commercial Vehicle Licensing Program (CVLP).

Meeting With: UBCM on October 29, 2018:

- Arjun Singh, UBCM President
- Kathleen Spalek, UBCM Chief Financial Officer
- Gary MacIsaac, UBCM Executive Director

RECOMMENDED RESPONSE:

- **I understand that there have been no significant changes to the CVLP since 1994. As a result, UBCM is seeking amendments that would modernize the program as well as address other issues raised by participating members.**

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- **In the short term, Ministry staff will follow-up and work in collaboration with UBCM staff**

s.13

BACKGROUND:

Overview of the CVLP

The CVLP was established by provincial statute¹ in the early 1960s to provide a source of revenue to participating municipalities to offset expenses related to the use of municipal roads and highways by commercial vehicle traffic. Expenses include the cost of maintenance of municipal roadways, road signage, snow removal, parking control, etc. Under the program, participating municipalities license commercial vehicles as defined under the *Commercial Transport Act*. Commercial vehicles commonly include trucks, taxis, as well as any other vehicle used for the collection or delivery of merchandise or commodity in the ordinary course of business.

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¹ The authority for the CVLP is under the *Local Government Act* (Part 16, Division 2) (LGA) and the fees for the program are set by the *Municipal Act Fees Regulation No.1*



In 1987, UBCM assumed the administration of the CVLP from the Province. Participating municipalities receive licence decals from UBCM; the decals are then issued annually by those municipalities to operators of commercial vehicles that are subject to licensing. The revenues collected from the sale of decals are returned to UBCM which then distributes the funds amongst all participating municipalities. There are currently over 100 participating municipalities in the CVLP. Municipalities that do not participate in the CVLP cannot issue licences. Regional districts cannot participate in the CVLP because they do not have general authority to regulate traffic on highways and are not authorized to adopt bylaws for commercial vehicle licensing.

In 2016, 100 participating municipalities issued nearly 39,000 licences, resulting in over \$907,000 shared revenue by the program members in 2017. The cost associated with administering the CVLP was \$16,000 for 2017.

History of UBCM concerns with CVLP

There have been no significant changes to the CVLP since 1994.

s.13

- In 2008, UBCM requested a licence fee increase to the CVLP as part of their overall review of local government finances. No amendments to the Municipal Act Fees Regulation No. 1, that sets fees for the CVLP, were made by the Province in response to UBCM's 2008 request.
- In 2012, a UBCM resolution was endorsed requesting the Province to amend the CVLP to provide compensation to local governments to assist in the infrastructure maintenance costs associated with the ongoing use of heavy commercial vehicles on local government roads. In response to the resolution, the Province stated that it would be prepared to review the fees set under the Municipal Act Fees Regulation No. 1 in consultation with affected stakeholders.

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- UBCM's 2017 Annual Report and Resolutions identifies the review of the CVLP as a priority item for UBCM Executive in 2017.
- In January 2018, UBCM staff contacted Ministry staff to request a review of the CVLP. In response, Ministry staff initiated preliminary research.

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DISCUSSION:

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- The CVLP licence fees and fines have not been increased since 1994.

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- CVLP licence fees are set by regulation and range from \$25-\$40 depending on gross vehicle weight.² In comparison, the licence fees for similar commercial vehicles through ICBC range from \$42-\$3,905 depending on weight class and type.
- CVLP fines may be imposed on conviction for offences of operating a vehicle without a licence or displaying an unauthorized license. Those fines are set in the LGA and range from \$50-\$200. In comparison, similar fines set by the Province are significantly higher.

s.12,s.13

Currently, the legislation provides that licence fees must be paid by the participating municipalities to UBCM, but regarding distribution to municipalities, only indicates that money may be paid out of the account for “payments to participating municipalities”. The legislation does not specify a formula for such payments.

s.12,s.13

² The ‘gross vehicle weight’ means the weight at which a vehicle is licensed under the *Commercial Transport Act* or the *Motor Vehicle Act*, and refers to the maximum weight a vehicle is designed to safely carry.



s.12,s.13

Next steps:

Ministry staff will follow-up and work in collaboration with UBCM staff to further understand

s.12,s.13

FINANCIAL IMPLICATIONS:

- None, at this time until further review is conducted.

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October 21, 2018

October 25, 2018



Ministry of
Municipal Affairs
and Housing

BRIEFING NOTE FOR INFORMATION

Date: October 30, 2018
Prepared For: Honourable Selina Robinson, Minister of Municipal Affairs and Housing
Title: UEL - Community Centre Funding Update
Issue: s.13

SUMMARY:

s.13

BACKGROUND:

In 2007, as part of a reconciliation agreement with the Province, Musqueam First Nations (MFN) acquired Block F (now called Ieləm). MFN's development company, Musqueam Capital Corporation (MCC) is managing the development of this property. MFN intends to retain ownership of the land with 99-year leases to developers for certain lots, ultimately creating strata air parcels for purchase by individuals (condo owners). MFN will also retain some lots to develop for rental income.



The UEL zoning bylaws, approved in 2016, established the criteria for leləm development; those bylaws require the MCC to build a community centre and a small park as part of the development and turn them over the Province (through the UEL) to own and operate.

The first 18-storey tower and townhouse complex has just completed the public consultation requirement for a development permit and will be reviewed by the Advisory Design Panel in November 2018. A second development permit application is currently under review by UEL planning staff for the adjacent retail/commercial and rental housing complex, which includes a required workforce housing component. The third complex planned to be built is the community centre.

There has been considerable engagement with the existing UEL community on community centre conceptual programming and design, principally through the Community Advisory Council (CAC). MCC has engaged an architectural firm to design the facility with the intent that it is built to open coinciding with the first major buildings, likely within 3 years.

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Typically, in a local government context, community centre operations are funded by a combination of property taxes, a variety of fees (e.g. membership), grants (dependent on the range/type of programs they offer) and occasionally through developer contributions.

s.13

As it currently stands, the operation of the new facility would need to be funded through an increase in property taxes, primarily from existing UEL residents as the leləm properties are just now being built and therefore do not generate a large tax revenue.

s.13,s.17

**DISCUSSION:**

s.13

Once built out, it is likely that the residents of the Ielām development will be a substantial component of the community centre users. The UEL community has a current population of just over 3,000, many of whom live in the high-value single family homes with access to private recreational facilities or are transient students with access to UBC facilities. The Ielām development will add 2,300 persons to the UEL community.

Advisory boards or boards of directors for community centres are common and range in degree of oversight, level of engagement and type of operation (e.g. YMCA not-for profit, for-profit, city managed & staffed, neighbourhood association managed & staffed).

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s.13

FINANCIAL IMPLICATIONS:

The UEL operates cost-neutral to government, with property taxes, water sales and fees offsetting expenses. As anticipated, the lelām development is adding new infrastructure to the UEL, including a park, underground utilities, roads and sidewalks that need to be maintained. The community centre operation will be a significant new expense and will require additional UEL resources to operate, regardless of the operational model chosen. The lelām development also adds property taxes as it builds out, partially offsetting these costs.

s.13,s.17

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BRIEFING NOTE FOR INFORMATION

Date: October 10, 2018

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

Title: Seniors' Affordable Housing

Issue: The Royal Canadian Legion/BC Yukon Command has requested to meet with the Minister to discuss seniors' affordable housing.

Meeting With: David Whittier, Provincial Executive Director and Dave Sinclair, Trustee of the Royal Canadian Legion/BC Yukon Command on October 16, 2018

SUMMARY:

- **The Royal Canadian Legion/BC Yukon Command recently submitted a proposal for an affordable rental housing project for seniors and families in Langford under the Community Housing Fund Request for Proposals (RFP). The RFP closed on September 17, 2018.**
- **BC Housing is currently evaluating proposals that have come in from around province to identify partnerships for funding under the Community Housing Fund. Final scoring, reviewing and announcements will be made later this fall.**

BACKGROUND:

The Royal Canadian Legion/BC Yukon Command is a non-profit organization consisting of 147 branches, 67 ladies' auxiliaries and nearly 44,000 members, serving veterans, ex-service personnel, seniors, and youth. The Legion maintains a reporting structure from local branches back to BC/Yukon Command.

BC Housing has an existing relationship with the Legion, providing operating funding for 25 units of transitional supported/assisted living for seniors in Port Coquitlam through the Legion's Port Coquitlam Branch. The 2018/19 budgeted operating amount for this project is \$189,000.

BC Housing has also provided the Legion's South Burnaby Branch with a one-time operating grant of \$150,000 in 2015 to help the society meet its financial obligations and keep rents affordable in their 70-unit seniors' housing project.

DISCUSSION:

The Royal Canadian Legion Prince Edward Branch #91 in Langford recently submitted a proposal under the Community Housing Fund Request for Proposals.

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BC Housing is currently evaluating proposals that were submitted under the Community Housing Fund Request for Proposals. There was significant interest in the Community Housing Fund program from all regions of the province. Final scoring, reviewing and announcements on the Community Housing Fund program will be made later this fall.



Ministry of
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BRIEFING NOTE FOR INFORMATION

Date: October 10, 2018

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

Title: Rental Increase Formula

Issue: Removal of 2 percent from the allowable rental increase formula

Meeting With: David Sander, Director, Hollyburn Properties, October 10, 2018
David Hutniak, Chief Executive Officer, Landlord BC, October 11, 2018

SUMMARY:

- **Following an early recommendation from the Rental Housing Task Force, the Ministry of Municipal Affairs and Housing announced the annual allowable rent increase formula would be changing to only inflation.**
- **Effective Jan. 1, 2019, the annual allowable rent increase will be 2.5%.**
- **The Residential Tenancy Branch will work with landlord and tenant groups to determine the criteria for applying for an additional rent increase to reflect the costs of maintaining their rental properties.**
- **LandlordBC has stated the operating costs of maintaining a rental unit exceeds the allowable rent increase.**
- **Hollyburn Properties has stated this change will create negative consequences for the existing rental housing stock as well as new supply in the Province.**

BACKGROUND:

Government is committed to amending the *Residential Tenancy Act* (RTA) and the *Manufactured Home Park Tenancy Act* (MHPTA) to provide stronger protections for renters. The RTA allows landlords to raise the rent once per year during a tenancy by an amount calculated in accordance with the Residential Tenancy Regulation (“the annual rent increase”). The previous formula was equal to the inflation rate plus 2 percent. Under the Manufactured Home Park Tenancy Regulation, the previous formula was the same but also includes a “proportional amount” which allows landlords to pass through certain costs to tenants. In 2017 and 2018, the annual allowable increase was 3.7 and 4.0 percent respectively. For 2019, the annual rent increase at the previous formula was announced at 4.5 percent, this was the largest increase since 2004.

The Rental Housing Task Force is undertaking a comprehensive review of British Columbia’s (BC) tenancy laws including the system of rent control. During the consultation process, the task force heard concerns from landlords about changes to tenancy laws that could impact their ability to recover costs, and tenant concerns about ongoing affordability challenges, particularly in low vacancy rental markets like the Lower Mainland and Victoria.

The task force provided government with a preliminary recommendation. They recommended the Ministry amend BC’s rent control provisions by removing the 2 percent component from the rent increase formula, and for government to consult with landlord groups on additional rent increases for eligible expenses not covered under the new formula.



A meeting has been scheduled with RTB staff and Landlord BC on October 11th to receive their initial feedback on what should be included.

DISCUSSION:

While tenants are concerned that large standard rent increases are eroding rental housing affordability, landlords wanted to preserve the current formula and are concerned about increasing maintenance and ownership costs. LandlordBC has stated the problem with basing a rental rate increase on the Consumer Price Index (CPI), is that the rental market is not based on CPI. The items outlined by Landlord BC do result in a higher increase than CPI each year.

LandlordBC has developed a paper that explores the rental building expenses versus the RTA maximum allowable rent increase. In their analysis Landlord BC states that the operating costs of maintaining a rental unit exceeds the allowed rent increase. They state the compound annual maximum allowed rent increase has been only 3.2 percent from 2009 to 2018, while the total rental operating expenses for 2009-2018 have increased over 7.6 percent per year. What is not included is the turnover rate – where landlords could reset rents to address any cost pressures.

LandlordBC believes government has not taken the appropriate time to study the impact the change to the rent increase formula will have.

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Manitoba and Prince Edward Island (PEI), Ontario and Quebec have some form of rent control/regulation. Manitoba and Ontario both based their rent increase formula on CPI. In PEI, the rate is established by order of the Regulatory and Appeals Commission in consultation with landlords and tenants. In Quebec, a landlord can ask for a rent increase that is just and reasonable once per year, however a tenant can dispute the amount if it does not reflect the increase in the landlord's costs.

The approach for the Rental Housing Task Force has been to find the balance between the needs of the tenants to find affordable housing and the ability for landlords to make the necessary repairs and maintenance. The Rental Housing Task Force has recommended giving landlords the ability to apply for additional increases if the maintenance and other costs they have incurred are higher than can be accommodated through existing rent. This is similar to the models Ontario and Manitoba follow. The Residential Tenancy Branch will work closely with landlord and tenant groups on expanded criteria under which a landlord could apply for an additional rent increase to reflect the costs of maintaining their rental properties.

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BRIEFING NOTE FOR INFORMATION

Date: October 17, 2018

Prepared For: Honourable Selina Robinson, Minister of Municipal Affairs and Housing
Honourable Claire Trevena, Minister of Transportation and Infrastructure
Honourable Jinny Sims, Minister of Citizens' Services

Title: Homeless Encampment Update

Issue: The encampment response strategy in development, as part of the Homelessness Action Plan

Briefing Date: October 18, 2018

SUMMARY:

- Homeless encampments are increasing in number and size, and becoming entrenched in communities where activism is a component – such as Saanich, Nanaimo and Maple Ridge.
- The Province responds to encampments on a case-by-case basis, which is more and more challenging as the complex needs, resources and legal approaches vary from camp to camp.
- This takes up important resources that could be directed to affordability and long-term housing solutions.
- We want to be able to prevent encampments and have adequate interim shelter options while longer-term housing is being developed.
- We are proposing a coordinated provincial response to encampments based on four focus areas: Coordination, Engagement and Management, Encampment Closure and Transition, and Prevention and Best Practices
- This encampment response strategy fits within the Homelessness Action Plan and the funding focus includes expanded interim shelter options, rent supplements and outreach as well as a coordination role led by the Ministry of Municipal Affairs and Housing.
- This coordination role will streamline decision-making and legal approaches to encampment response to consider consistency, charter rights and future legal proceedings.

BACKGROUND:

Encampments in 2018

During the spring and summer months, when the weather improves and winter shelter spaces close, we traditionally see an increase in people experiencing homelessness. We see more camping in parks and public spaces, as well as the establishment of encampments.

In 2018, we have seen that increase and the establishment of large encampments on Vancouver Island – as well as the moderate growth of a camp in Maple Ridge that started about 17 months ago.

Ministry staff have monitored encampments since the spring and estimate more than 600 people experiencing homelessness stayed in more than a dozen of these encampments.

The three main encampments in Saanich, Nanaimo and Maple Ridge are distinct with different populations with different needs. They do share some common concerns such as fire safety risks, illicit drug use and a lack of shelter options in their respective municipalities – including community and municipal resistance to the development of housing options.



Each camp also has a coordinated group of advocates and community members helping with various aspects – some, on the ground supplies, others communications and legal supports. They have social media pages and stage events.

The current status of these camps:

- Nanaimo: The city was granted a court injunction to close the camp and is considering allowing people to stay until 170 units of workforce modular supportive housing are opened at the end of November.
- Saanich: The 25 people in the core roving camp group were issued trespass notices Oct. 15 after moving from a private property to highway land beside the municipal hall.
- Maple Ridge: About 25 people will move into newly opened modular and shelter spaces. The City is hoping to move towards encampment closure this winter. There are about 80 people at this location.

The Ministry of Transportation and Infrastructure have provided the Ministry of Municipal Affairs and Housing (MAH) staff with a list of encampments on its lands throughout the province, which include bylaw and trespass responses to 120 people at 44 sites.

Ministry of Municipal Affairs and Housing staff are also in contact with enforcement and compliance staff from the Ministry of Forests, Land and Natural Resource Operation, and Rural Development to share best practices and aligned response to encampments.

Response to the encampments has been dependent on ownership of the land, municipal participation, the level of concern from local authorities and capacity of local service providers. MAH and BC Housing have provided consistent response expertise and outreach.

BC Housing's Housing Action Response Team has been particularly effective in coordinating swift on-site outreach in collaboration with local service providers such as police, fire, health authorities, non-profit housing providers, social assistance staff and others.

Encampment Legal Context

British Columbia courts recognize a limited and qualified right to seek temporary overnight shelter under section 7 of the Charter, which guarantees the right to life, liberty and security of the person.

The primary body of case law relates to municipal lands mainly held as parks. Courts have held that, in the absence of alternative shelter being available, individuals can seek overnight shelter in designated municipal parks. The Courts have so far rejected claims to daytime or continuous occupation of government owned lands. They have also rejected the argument the government has a positive right to pay for and provide housing or shelter under the Charter.

To date, there has been no definitive ruling on the question of whether the right to seek shelter in municipal parks applies to Provincial Crown lands of any kind.

DISCUSSION:

Encampment Response Strategy



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The provincial position is that encampments or tent cities are not a suitable alternative to housing. A rapid provincial response to encampments is possible but quick closure is not necessarily realistic. Once an encampment is established and resources are focused on the response, the only way to achieve encampment closure is by voluntary agreement with campers or a lengthy court process.

The encampment response strategy works to prevent camps from becoming entrenched and new ones from forming. This includes engagement and best practice resources, with particular attention to places where community resistance to social housing is an issue.

Legal Considerations

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The recognition of a limited right to seek overnight shelter has resulted from a balancing by the courts of public uses of public property as compared to the needs of the homeless. The greater the number of alternative shelter options available, the more courts are likely to allow the Province to prevent overnight sheltering.

Whatever the type of lands, the Province and its agencies should be seen to apply any enforcement powers in an even-handed way. This means that homeless individuals should be able to access public amenities on the same terms as every other citizen.

FINANCIAL IMPLICATIONS:

Yes; preliminary costing is underway within the framework of the Homelessness Action Plan.

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