

## BACKGROUND INFORMATION

*Intergovernmental Relations Secretariat - Office of the Premier*

### CONFIDENTIAL ADVICE TO THE PREMIER

**PREPARED FOR:** Premier John Horgan  
**MEETING:** Meeting with the Prime Minister  
**ISSUE:** Housing

#### **KEY POINTS:**

- There is no higher priority among British Columbians right now than housing affordability.
- We appreciate your government's development of a National Housing Strategy with funding. British Columbia was one of the first provinces to sign a bilateral agreement under the National Housing Strategy.
- In February, the B.C. government issued Homes for BC: A 30-Point Plan for Housing Affordability. The 30 actions are broadly grouped into those addressing supply, demand and better housing security. We are working our way through implementing these actions and tracking the results.
- Through this plan, the Government of BC is making a historic investment in housing and will work with partners to build 114,000 new units of affordable housing. The funding under the National Housing Strategy will help us achieve this goal.

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- Governments cannot address housing affordability without harnessing the private market.

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we have taken some steps to increase and expand the foreign buyers' tax, but we are also now working to better understand suspected problems with money laundering and tax avoidance. Staff from BC, Canada and CMHC are scheduled to meet in September on money laundering and the housing market. We would like to thank Canada for working with us on this issue.

## BACKGROUND INFORMATION

### *Intergovernmental Relations Secretariat - Office of the Premier*

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- We are partnering with First Nations and Indigenous groups to provide affordable housing. The Building BC: Indigenous Housing Fund facilitates the construction and operation of 1,750 units of social housing for Indigenous people on or off reserve. Funding is application-based so can be used wherever the need is greatest.

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#### **BACKGROUND:**

##### **National Housing Strategy Funding**

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

##### **Human Rights Based Approach to Housing**

- During the consultations on the National Housing Strategy,

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



## BRIEFING NOTE FOR INFORMATION

**Date:** August 15, 2018  
**Prepared For:** Honourable Selina Robinson, Minister of Municipal Affairs and Housing  
**Title:** BC Energy Step Code Implementation

### SUMMARY:

- **Local government interest in the BC Energy Step Code is growing, and in line with the 2017/18 and 2018/19 implementation forecasts in the ministry service plan.**
- **Local governments are working with industry in their jurisdictions, and following the implementation guidance in the BC Energy Step Code best practices guide.**
- **The Building and Safety Standards Branch is highly encouraged by progress to date, and will continue to work with the Energy Step Code Council to support implementation efforts.**

### BACKGROUND:

The BC Energy Step Code came into force April 7, 2017 as an optional energy-efficiency compliance path within the British Columbia Building Code.

Builders have had the option of building to the requirements of the BC Energy Step Code since it came into force. Since December 15, 2017, local governments have had the option of requiring or providing incentives for builders to build to the BC Energy Step Code. The December 15, 2017 date corresponds with the end of the two-year transition period that brought section 5 of the *Building Act* into effect. The BC Energy Step Code provides local governments with a consistent approach if they wish to enforce energy-efficiency requirements that exceed those in the base British Columbia Building Code.

In the ministry service plan, a key strategy to reach Goal 5 (improved health, safety, accessibility and energy efficiency outcomes for buildings and technical systems) concerns supporting successful local government implementation of the BC Energy Step Code, with forecasts as follows:

Performance Measure	2017/18 Forecast	2018/19 Target	2019/20 Target	2020/21 Target
Number of local governments referencing the Energy Step Code in bylaws and policies	5	20	40	60

The 2017/18 forecast has been met and take up of the BC Energy Step Code is on track to meet the 2018/19 target of 20 local governments.

Local governments intending to implement the BC Energy Step Code are asked to follow guidelines outlined in a best practices guide prepared August 2017. Guidelines include notifying the Province when they initiate stakeholder consultation, and again when they ratify a bylaw, policy or program referencing the BC Energy Step Code. As of July 31, 2018, 30 local governments had advised the Province they were consulting on the BC Energy Step Code. Of the 30, 14 have ratified a policy, program or bylaw, or have a Council-approval strategy in the implementation phase.





## DISCUSSION:

The majority of consulting local governments are in the lower mainland and southern Vancouver Island regions. Other active regions include the Okanagan where 7 local governments (Kelowna, Lake Country, Peachland, Penticton, Summerland, Vernon, and West Kelowna) are consulting; and the Kootenay region where Kimberley and Sparwood are providing incentives for voluntary compliance with the BC Energy Step Code. Over time, the number and geographic distribution of consulting jurisdictions is expected to grow.

The 3 north-shore communities in Metro Vancouver (City of North Vancouver, District of North Vancouver and District of West Vancouver) are aligning their approaches to create a consistent regulatory environment for builders who work across municipal boundaries. A similar coordinated approach is being explored by some local governments within the Capital Regional District and other regional districts.

Many local governments are providing incentives and other supports to help industry transition to the BC Energy Step Code. For example, the cities of New Westminster and Richmond have spent significant resources and time on industry training and capacity building. Working with local builders, designers, architects, engineers and other stakeholders, they have built knowledge and capacity in areas such as high-performance building envelopes and air barriers to support market transformation. Local governments have also hosted workshops and facilitated knowledge transfer profiling leading local building construction. FortisBC energy utility incentives are available for voluntary compliance with the BC Energy Step Code. Some local governments are offering building permit rebates (e.g., Comox Valley Regional District) and/or rebates on the cost of retaining an energy advisor and completing airtightness testing (e.g., Victoria). This reduces the financial risk for builders and supports capacity building as the industry transitions to performance-based energy efficiency codes.

The Energy Step Code Council received an implementation update at their June 2018 meeting. No significant concerns about the pace or approach to implementation were raised by Council members. The Building and Safety Standards Branch will continue to monitor uptake and work with the BC Energy Step Code Council to assess if industry and other affected stakeholders feel the pace of implementation is in keeping with their capacity to respond.

See Appendix 1 for a full list of local governments consulting on, or referencing, the BC Energy Step Code.

## FINANCIAL IMPLICATIONS:

- None

## Appendixes:

### 1. Local Government Implementation of the BC Energy Step Code

#### PREPARED BY:

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#### APPROVED BY:

Andrew Pape-Salmon, Acting Assistant Deputy Minister  
Office of Housing and Construction Standards

Jacqueline Dawes, Deputy Minister

#### DATE APPROVED:

August 1, 2018

August 15, 2018



## Briefing Note on BC Energy Step Code Implementation

### Appendix 1:

### Local Government Implementation of the BC Energy Step Code

#### Local Governments Consulting on the BC Energy Step Code

The following local governments submitted an initial notification form by July 31, 2018, indicating they have started to consult on the BC Energy Step Code (listed by date of submission of their form):

1. City of Richmond - June 16, 2017\*
2. City of North Vancouver - July 4, 2017\*
3. City of Campbell River - July 10, 2017
4. City of Duncan - August 24, 2017
5. District of North Vancouver - September 1, 2017\*
6. City of Victoria - September 27, 2017\*
7. District of Saanich - September 27, 2017
8. Comox Valley Regional District - October 3, 2017\*
9. District of North Saanich - October 4, 2017
10. Resort Municipality of Whistler - October 5, 2017
11. District of West Vancouver - October 24, 2017\*
12. Township of Langley - November 7, 2017
13. District of Squamish - November 9, 2017
14. City of New Westminster - November 28, 2017\*
15. City of Surrey - December 7, 2017\*
16. City of Kelowna - January 22, 2018
17. City of Penticton - January 27, 2018
18. City of Burnaby - March 1, 2018
19. City of Kimberley - March 12, 2018\*
20. City of Vernon - March 19, 2018
21. Village of Belcarra - March 27, 2018
22. District of Peachland - March 28, 2018
23. District of Oak Bay – April 11, 2018
24. City of West Kelowna – April 12, 2018
25. District of Sparwood – April 23, 2018\*
26. District of Summerland – June 5, 2018
27. District of Lake Country – June 7, 2018
28. City of Nanaimo – June 25, 2018
29. City of Kamloops – July 17, 2018
30. District of Central Saanich- July 17, 2018

\* Denotes the 14 local governments listed above that have established or ratified a bylaw, policy or program that references the BC Energy Step Code as explained below.



## Local Governments Referencing the BC Energy Step Code

The following 14 local governments have established or ratified a bylaw, policy or program that references the BC Energy Step Code, or have a Council-approved framework for the BC Energy Step Code that is in the implementation phase (denoted by \*\*). Listed by regional district.

- Capital Regional District
  - City of Victoria (city-wide requirements effective November 1, 2018)\*\*
- Comox Valley Regional District (incentive program effective January 1, 2018)
- Strathcona Regional District
  - City of Campbell River (incentive program effective April 1, 2018)
- Metro Vancouver Regional District
  - City of North Vancouver (city-wide requirements effective December 15, 2017)
  - District of North Vancouver (city-wide requirements effective July 1, 2018)
  - District of West Vancouver (city-wide requirements effective July 1, 2018)
  - City of Richmond (city-wide requirements effective September 1, 2018)
  - City of New Westminster (city-wide requirements effective late-2018)\*\*
  - City of Surrey (city-wide requirements effective April 1, 2019)\*\*
  - Township of Langley (city-wide requirements effective January 1, 2019)
- Squamish-Lillooet Regional District
  - District of Squamish (city-wide requirement effective July 1, 2018)
  - Resort Municipality of Whistler (city-wide requirement effective January 1, 2019)
- Regional District of East Kootenay
  - City of Kimberley (incentive program effective January 1, 2018)
  - District of Sparwood (incentive program effective May 2018)





## BRIEFING NOTE FOR DECISION

**Date:** August 28, 2018

**Prepared For:** Honourable Selina Robinson, Minister of Municipal Affairs and Housing (MAH)  
Honourable Jinny Sims, Minister of Citizens' Services (CITZ)

**Title:** BC Assessment Authority (BCA) Data Access Policy

**Issue:** Obtain Ministerial direction on BCA's Data Access Policy to ensure it aligns with Government's Open Information and Open Data Policy Initiative.

### RECOMMENDED OPTION:

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### BACKGROUND:

#### *Assessment Roll Data*

BCA generates 94 percent of its funding from a province-wide property tax levy. The remaining revenue comes from other sources including the licensing of assessment data (\$4M/year).

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BCA assesses over two million properties annually and has one of the largest databases in Government. BCA's data is considered high value by Government, the public, the real estate, housing and technology sectors for decision-making and commercial purposes.

Currently, the general public can access individual property assessment data online without a charge. However, access to high value, raw bulk downloadable BCA data has a cost.

#### *BC Assessment's Current Data Policy*

BCA's Board approved its Data Access Policy and Conditions of Access for Specialized Users in July 2016 and recently revised it in June 2018.

The purpose of BCA's Data Access Policy is to provide a consistent basis for managing access to BCA data for both assessment and non-assessment purposes. It includes a sliding fee rate depending on the number of folio records and data details required.

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Currently, Ministries can obtain data at no cost from BCA if MAH deems the request is associated with Government priorities.

Other provinces with province-wide assessment organizations also license data for a fee. Ontario, for example, collects an estimated \$10-12M in annual license fees.

#### *Province's Open Data Initiative*

In 2011, Government launched the Open Data Policy to increase engagement with citizens and to enable individuals and organizations to transform data and information into tools and applications to create innovative solutions to challenges in BC.



Data published under the Open Data Policy uses the Open Government Licence – British Columbia (OGL-BC), which enables free and unfettered use of the data for any lawful purpose.

While the Open Data Policy applies to core ministries, it can be extended to Crowns through mechanisms including the letter of expectations.

In 2016 the Province's DataBC program commissioned a report on the potential economic value of BC's property sector data.

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Canada is currently lagging in the development of tech-enabled change in the real estate sector. The existence of highly controlled access to listing and sales information has been cited as a reason why real estate technology platforms, similar to Zoopla or Zillow, have not emerged in this country.

There is pressure to create a more competitive and open marketplace for real estate data in Canada. In 2016 the Competition Tribunal found the Toronto Real Estate Board had engaged in anti-competitive acts by restricting access to historical sales data.

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## DISCUSSION:

The total direct revenue generated by BCA's data sales is relatively low compared to the potential value of property data. This suggests alternate approaches would create greater value for BC's economy, in addition to contributing to market transparency.

BCA has provided some copyright data to the Province's DataBC program for use in location services applications and has provided historical trend data as open data. BCA has not yet released its key property data sets due to revenue and privacy concerns.

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Typically open data releases represent a subset of the originating database.

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<sup>1</sup> The Economic Value of Open Data in the Property Sector of British Columbia, Thomas Townsend, prepared for Labour Market and Information Division, which included the DataBC program, Ministry of Jobs, Tourism and Skills Training, June 2016





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**FINANCIAL IMPLICATIONS:**

BCA received \$4.2M in revenue for 2017 (out of \$97.2 million in total revenue) from data access services.

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**OPTIONS:**

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Ministry of  
Municipal Affairs  
and Housing

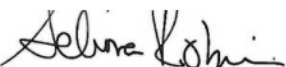
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**RECOMMENDATION:**

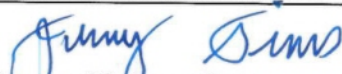
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**NEXT STEPS:**

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Honourable Selina Robinson

September 6, 2018  
Date

  
Honourable Jinny Sims

Sept 18, 2018  
Date

**PREPARED BY:**  
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Jacqueline Dawes, Deputy Minister  
Ministry of Municipal Affairs & Housing  
Jill Kot, Deputy Minister  
Ministry of Citizens' Services

**DATE APPROVED:**  
August 1, 2018  
August 28, 2018



## BRIEFING NOTE FOR DECISION

**Date:** August 30, 2018

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

**Title:** West Coast Express s.13,s.16

**Issue:**

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### RECOMMENDED OPTION:

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### BACKGROUND:

The West Coast Express (WCE) is a Monday to Friday commuter rail service operated by TransLink during peak morning and evening periods between downtown Vancouver and downtown Mission. Mission is located in the Fraser Valley Regional District, outside of TransLink's operating and taxation area. Mission has paid for a portion of the service since its inception in 1995. Currently, Mission pays for its share of WCE service based on an agreement with TransLink that started in 2011.

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TransLink reports that the direct operating costs for WCE increased from approximately \$17 million in 2011 to \$21 million in 2016. TransLink says that annual ridership originating from the Mission station decreased from 300,000 to 178,000 over the same period, while estimated Mission fare revenues dropped from \$1.85 million to \$1.72 million.

Mission also helps fund TransLink's #701 bus route, which links Mission with the Coquitlam Central Station and the Evergreen Line. Mission's share of the annual cost is approximately \$150,000. This arrangement follows Mission's previous cost-sharing agreement with TransLink for a 'TrainBus' service linking Mission and Vancouver, which ended in 2016 with the opening of the Evergreen Line.

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**DISCUSSION:**

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**FINANCIAL IMPLICATIONS:**

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**OPTIONS:**

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**RECOMMENDATION:**

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**APPROVED (recommended option) / NOT APPROVED**

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

Honourable Selina Robinson

September 7, 2018

Date

**PREPARED BY:**

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Jacqueline Dawes, Deputy Minister

**DATE APPROVED:**

Jodi Dong OBO  
August 27, 2018

August 30, 2018





## BRIEFING NOTE FOR INFORMATION

**Date:** August 30, 2018

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

**Title:** GST on Rental Housing Investment

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

### SUMMARY:

- **BC wants to work with the federal government to support the construction of new rental housing.**

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### BACKGROUND:

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

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

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

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

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

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

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



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

## DISCUSSION:

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

BC wants to work with the federal government to create that conditions that support the construction of new market rental housing by private developers. As part of this,

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

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PST is currently charged on some of the inputs to a construction project (mainly materials and tools, plus some other items).

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A consultant's review of available information on this topic found that PST accounts for roughly 2-3% of all project construction costs (all costs excluding land). According to Landlord BC, GST accounted 6% of all hard costs and 4% of hard and soft costs combined (this figure has not been verified). All project costs are passed along to the eventual tenant through higher initial rents; as determined by market conditions and constructions costs.

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## APPROVED BY:

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Jacqueline Dawes, Deputy Minister

## DATE APPROVED:

August 30, 2018

August 30, 2018