



BRIEFING NOTE FOR INFORMATION

Date: April 16, 2019
Prepared For: Kathryn Krishna, Deputy Minister
Title: Defining Highest and Best Use (HBU)
Issue: Approaches to determining actual value for property and the application of the principle of HBU.
Briefing: April 18, 2019

SUMMARY:

- **Highest and Best Use is a principle of property appraisal that is applied internationally and is the current or future use of a property that would result in the highest sales value.**
- **The value of a property at its Highest and Best Use is the market value of the property for assessment purposes.**

BACKGROUND:

Defining Highest and Best Use

When approaching the valuation of property for assessment purposes, a fundamental question arises: “why would any rational person sell their property for less than it is worth in its best use, yielding its highest value”?

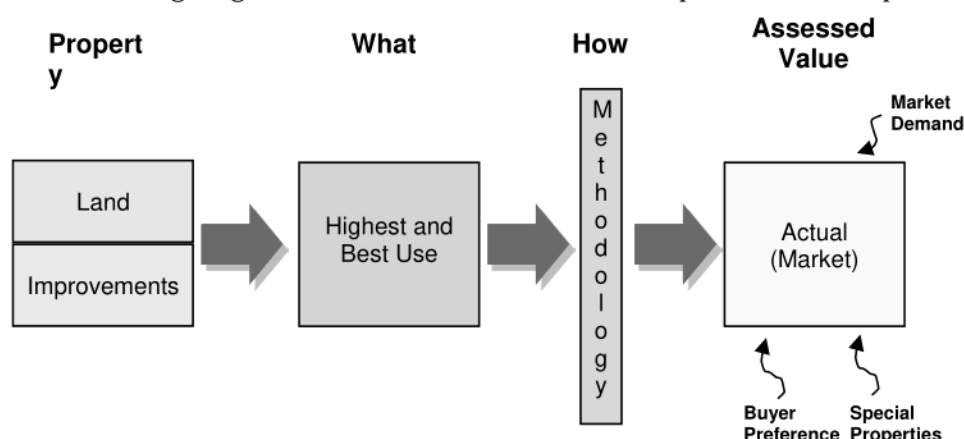
The concept of “highest and best use” is one of the most important and least understood principles in real estate and drives the determination of its value. Highest and best use is defined as, that use, from among reasonably probable and adequately supported alternative uses, which is legally permissible, physically possible, financially feasible and, results in the highest value.

How BC Assessment Assesses Property

BC Assessment (BCA) is directed by the *Assessment Act*, section 19 (1), to determine property values by determining actual or market value. Actual value is simply market value as of July 1 of the preceding year. Market value is the price that a property might reasonably be expected to realize, when sold by a willing vendor to a willing purchaser, if a reasonable amount of time is allowed. The *Act* does not prescribe the application of the highest and best use principle, but it is a broadly applied General Appraisal Principle that is a fundamental concept in property valuation. It is a form of common law but has been supported in many jurisdictions through the legal and appeal process.



The following diagram demonstrates the assessment process and the production of assessed values:



Property – is both land and improvements (buildings, roads, services etc.).

What is assessed – the property in its highest and best use.

How it is assessed – appropriate valuation methodology is applied.

Assessed Value – the actual or market value determined by application of the valuation methodology to value the highest and best use state of the property.

Other market influences – may influence a buyer to pay a premium over calculated actual value for a property.

Appraisers, both private and public, use a number of approaches to develop market value estimates including:

- **cost approach** – estimate of how much it would cost to reproduce or replace improvements;
- **income approach** – value is directly related to the income the property can generate; and,
- **direct comparison approach** – value can be determined by actual sales of similar properties

See Appendix 1 for an overview and description of these valuation methodologies.

Most property in British Columbia is assessed using one of the above noted approaches and based on the analysis and consideration of their highest and best use. Some exceptions to this include specific legislated properties (farms, ski hills, port lands, BC Ferry Services, railways, pipeline, utilities and major industrial), designated heritage properties and section 19 (8) residential property (where same owner has held property for at least 10 years).

DISCUSSION:

Property is always valued on the basis of its highest and best use, which may or may not be its present use. Land value is based on the highest and best use of the property as if vacant and ready for development to that use. Improvements are valued according to how they contribute to, or detract from, the value of the land. The highest and best use must occur within the reasonably near future and can't be remote or speculative. This includes the reasonable probability of a change in zoning or other land use regulations.

If the ultimate highest and best use will not occur within a 50% probability in the reasonably near future, then the property must be valued on an interim highest and best use.



In determining highest and best use, the appraiser considers the most probable use of the property which would return the highest value taking into consideration the following factors.

What is Legally Permissible

Legally permissible uses are normally defined by current zoning and other land use regulations. Some types of land use restrictions, such as easements, are relatively permanent. Zoning restrictions, on the other hand, can change depending on who is sitting on the local government council.

The city or Official Community Plan determines overall land use goals and policies. Zoning ordinances and subdivision by-laws implement the general plan. In addition, planning commissions, review boards and public agencies often have the authority to attach a wide variety of permit conditions.

A surveyor may uncover encroachments or boundary line problems which could affect the legal use of the property. On some properties, others may claim “prescriptive rights” or “squatters rights” through long-term use or adverse possession.

What is Physically Possible

There’s a lot of truth to that old real estate saying about “location, location, location.” Every site has physical characteristics which determine its highest and best use. Some properties have value-enhancing views and frontages. Other properties are limited by poor access, steep topography or unstable soil. The site may have poor drainage and require an expensive type of septic system. It may be in the path of urban growth or in the middle of nowhere.

Sometimes the positive and negative attributes must be balanced. For example, an ocean front property may have geologic problems which require special foundation work, but the value of the ocean frontage may be worth the expense.

What is Financially Feasible

Financial feasibility is based on supply and demand; finding out who the competition is and who are the potential buyers, tenants and customers. This often requires extensive market research and the accurate prediction of trends.

Franchise operations such as McDonald’s and Tim Horton’s have made a science out of location studies. They know exactly who their customers are. They analyze traffic patterns and study community age and income profiles. Successful businesses even know what side of the street to be on (donut shops on the way to work, liquor stores on the way home). They don’t locate anywhere by accident.

What Results in the Highest Value

For income property, figuring out the highest rate of return might involve studying several alternatives and design configurations. These kinds of studies help determine such things as the optimum number of units in a motel or apartment building and what sort of rents and rates can be charged.

Even when building, if you over-improve for the neighbourhood, you may put more money into the house than you would get if you sold it. If you under-improve, you may not be creating the highest value. In arriving at the highest best use determination, other factors may also be considered.

Remodel, Expand, Convert or Demolish



With careful research and analysis, it's possible to come up with some idea of the highest and best use for bare land. But for improved property, you often must decide whether to remodel, expand, convert or demolish.

Consider, for example, an older, run-down, single family house in an area zoned for commercial use. If there is more demand for residential than commercial use, it may pay to remodel the house and rent it out. If the residential demand increases, it may pay even more to expand the rental to a duplex. As commercial demand increases, you might get more rent money by converting the house into office space. But when the demand for conventional retail buildings becomes high enough, it's time to demolish and rebuild.

Interim and Ultimate Highest and Best Use

Properties often have an interim highest and best use because there may not be a ready market for the ultimate highest and best use.

For example, if a 10-acre parcel is zoned R-1, the ultimate highest and best use would be single-family homes on one-acre lots. However, there may already be hundreds of one-acre lots on the market and little or no demand for them. Therefore, the only buyers will be those who are willing to speculate on the property's future worth, and land speculators don't generally pay top dollar.

Across Canada, the following provinces have also adopted the principle of highest and best use as a foundation for property assessment: Alberta, Ontario, Quebec, Newfoundland, Prince Edward Island.

In British Columbia, the principle has been further defined through the appeal process.

In an appeal before the Property Assessment Appeal Board (*Quon v. Area 10* (2005 PAABBC 20050714)), the Board heard evidence in a case regarding a property that the Assessor valued on the basis that its highest and best use was for two, single-family lots, rather than the current use of one single-family home. In its decision, the Board agreed with the assessor stating that:

...a property's market value should be determined based on its highest and best use (i.e., its most profitable legal use), even if there is no intention to develop to this higher use. The underlying principle could be simply stated that you cannot hide a jewel by treating it as a plain stone – the property must be valued as if used to its full potential.

In another case (*L R Crosby v. Area 19* (2005 PAABBC 20050869)), the Board, in its written decision, stated that the Appraisal Institute of Canada's definition of the use of the highest and best use analysis method is:

that reasonably, probable and legal use of vacant land or an improved property which is physically possible, appropriately supported, financially feasible, and that result in the highest value.

FINANCIAL IMPLICATIONS:

Highest and Best Use valuations can result in increased property assessments which may also result in increases to property taxes.

Provincial revenues from property taxes (e.g School Tax) may increase accordingly.

CONCLUSION:

The principle of highest and best use in the valuation of real estate is broadly applied across Canada and the internationally. To ensure that this principle is applied equitably and consistently in British Columbia, BCA provides appraisers and assessors with a strong body of knowledge and case examples.



Property appraisal is not a science and there are many aspects of the assessment process which have subjective components or discretionary influences, which can lead to disagreement regarding a property assessment. The market place for property, the ultimate determiner of market value, is also volatile and depends on many subjective factors, as well such as supply and demand for particular properties, personal preferences of the buyers, the dynamics of a “hot” real estate market, financial market behaviours and broader economic influences. There is, therefore, no purely empirical method for determining property assessments. Some degree of certainty in assessments is produced through discussion, consensus, appeal decisions and case law.

Attachment:

1. Overview and Description of the Three Approaches to Determining Actual Value

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APPROVED BY:

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DATE APPROVED:

April 14, 2019
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ATTACHMENT 1

The following is an overview and description of the three approaches to determining actual value.

Cost Approach:

This approach employs a method of estimating how much it would cost to reproduce or replace a building or other improvement, less an amount for depreciation. The cost approach is most often used when the property being appraised is new or nearly new and where there are no comparable sales on which to determine market value. This is also the case where the improvements are unique or specialized and there are no comparisons readily available in the marketplace.

The steps in applying the cost approach include:

- estimating the site value (land and site improvements) through review of comparable sales;
- estimating the cost of replacing the existing building with one of similar usefulness (reflecting current building design and materials); and
- deducting all sources of depreciation, including physical deterioration ("wear and tear" on a building) and functional and economic obsolescence. Functional obsolescence is the reduced ability of the building to perform the function it was originally designed and built for. Economic obsolescence refers to external forces that affect the ability of the buildings to continue to perform, including changes in transportation corridors, new types of building design demanded by the market, etc.

Income Approach

This approach is based on premise that the value of the property is directly related to the income that it will generate. The income approach is generally used for properties that produce a rental income from single or multiple tenants such as rental apartment buildings, hotels, office buildings, and other revenue generating properties.

The steps in applying the Income Approach are to determine the stabilized, net-operating income by:

- estimating potential gross income from all sources;
- deducting an allowance for vacancy and bad debts; and
- deducting all direct and indirect operating expenses.

The resulting net-operating income is capitalized by a market rate, which reflects the property type and effective date of valuation, to produce an estimate of overall property value.

To determine the potential gross income, the appraiser determines market rents by analyzing rents in both the property being assessed and in comparable properties in the neighbourhood. The appraiser makes allowance for vacancy and collection loss.

To determine the effective gross income, the appraiser deducts operating expenses. Generally accepted appraisal practice does not include mortgage interest in determining operating expenses, since these vary greatly from property to property.

The appraiser determines the capitalization rate by analyzing sales (comparing net operating income to sale price) in the same market to determine rates of return. The capitalization rate will vary, depending on the attractiveness of a property as an investment, income risks and physical factors.

Direct Comparison Approach



The Direct Comparison Approach is based on the premise that the value of a specific property is set by the price an informed purchaser would pay for a comparable property, offering similar desirability and usefulness.

This requires an understanding of all market variables, including location, property size, physical features and economic factors. Assessors may make adjustments, if required. For example, if an analysis of a property sold in May indicated that the overall market price for similar properties has moved as of July 1 the previous year, an adjustment would reflect the sale price as of last July 1. Since the real estate market changes, the adjustment process is an important part of developing market-value indicators.

The process of identifying and analyzing comparable property sales is repeated until a satisfactory range of value indicators for the subject property is established



INFORMATION BRIEFING NOTE

Date: April 23, 2019
Prepared For: Kathryn Krishna, Deputy Minister, Ministry of Municipal Affairs and Housing
Topic: Monthly PT Infrastructure Teleconference

KEY MESSAGES:

- B.C. is partnering with the federal government on transit projects through the Investing in Canada Program (ICIP), the previous stand-alone Public Transit Infrastructure Fund (PTIF), and through the final phase of the previous federal program, the Building Canada Fund (BCF).
- Transit projects remain key to meeting transportation needs across the province.
- Particularly in the growing Metro Vancouver region, projects which help reduce congestion and get people and goods moving faster, are critical to unlocking our economic growth, while making communities more affordable, accessible and clean.
- B.C. is appreciative of the substantial funding for the Lower Mainland, enabling the Broadway Subway project to get underway.
- In response to the recent shift in priorities expressed by the Mayors' Council, the Province looks forward to engaging with Canada on the proposed extension of SkyTrain toward Langley, a shift from the previously supported Surrey LRT project, once we receive a business case from the region.
- B.C. looks forward to continuing our work with the federal government and delivering projects within federal timelines and budgets.

BACKGROUND:

The Ministry of Transportation & Infrastructure (TRAN) is the primary provincial liaison with the federal government on infrastructure funding agreements related to transit, along with the Ministry of Municipal Affairs and Housing (MAH) on TransLink investments.

There have been three major funding agreements:

1. Investing in Canada Infrastructure Program (2018-2027), which provides \$2.7B federally to the Public Transit Infrastructure Fund;
2. The Public Transit Infrastructure Fund (2016-2019), \$460M in federal funding; and
3. The Building Canada Fund (2010-2019) with two final projects forecast to be completed in January.

Funding Summary - TransLink:

Currently, the Province and Canada are funding rapid transit in Vancouver and Surrey including Broadway Subway and Surrey -Newton-Guilford Light Rail Transit (SNG LRT) *(since canceled and is being replaced with the Surrey to Langley SkyTrain (SLS) Project)* and the Expo Millennium Upgrade Program (EMUP) as part of Phase Two of the Mayors' Council Ten-Year Vision.

TransLink intends to s.13



Broadway Subway Project (BSP):

The BSP with an estimated budget of \$2.83 billion will be funded and delivered by the Government of B.C., with contributions from the Government of Canada and the City of Vancouver. The project will be delivered under the Community Benefits Agreement. The funding breakdown for Phase Two is:

- Government of Canada: \$888.4 million
- Government of British Columbia: \$1.82 billion
- City of Vancouver: \$99.8 million (in-kind land contribution)

A request for qualifications (RFQ) was issued in February 2019 and will close this month with Construction expected to begin in 2020 and service commencing in 2025. It is estimated that this project will result in 7,190 direct jobs and 5,270 indirect jobs and support economic and urban development within the region.

Surrey Rapid Transit:

In response to the City of Surrey's council, the Mayors' Council suspended the previously supported LRT project, and is proceeding with planning and project development for SkyTrain on Fraser Highway in Surrey.

On announcement of the suspension and possible cancellation of the Surrey LRT project, ^{s.13;s.16}
s.13;s.16

Both the Province and TransLink will be the major funders for the assets they will own. Currently, TransLink is directing most of its funding towards rapid transit in Surrey, and B.C. is directing most of its share of funding to the Broadway Subway. Rapid transit in Surrey, with \$1.58B of approved funding in Phase Two of the Vision, is currently funded by TransLink, with contributions from the Government of Canada and the City of Surrey.

TransLink estimates a 2025 completion date for a Fraser SkyTrain line terminating at either Fleetwood or Clayton Heights, using the remaining \$1.58B of the original \$1.65B in project funding, which includes ICIP funding, for Surrey rapid transit.

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TransLink will present their preliminary findings to the Mayors' Council in June, 2019 including project scope, cost and draft scheduling. TransLink is working toward submitting a final business case for senior government approval in early 2020, at which time costs will be more accurate.

Expo Millennium Upgrades Project (EMUP):



EMUP comprises of the acquisition of 203 new SkyTrain cars, a new vehicle storage facility, expansion of the existing maintenance facility, as well upgrades to and expansion of power, communications and other systems at an estimated cost of about \$1.3B. A project application was requested by TransLink in 2018 and the federal approval (dated March 8th), has granted less than requested; 36% of eligible costs to a maximum of \$493.3 million versus the 40% of \$504 million requested.

Other TransLink projects include upgrades to and expansion of SkyTrain stations, transit facilities, and bus reliability infrastructure at an estimated cost of up to \$400M.

Future Projects:

Vancouver is advocating for SkyTrain from Arbutus to the University of British Columbia. s.13;s.17
s.13;s.17 Funding commitments from federal, provincial and regional governments would be required before a project could proceed.

In addition, Simon Fraser University is advocating for a high-speed gondola from Production Way SkyTrain in Burnaby to the top of Burnaby Mountain, to replace current bus services and thereby increase capacity, improve reliability, and reduce GHG emissions. The estimated cost for the preferred alignment s.13
s.13;s.17 A decision on implementation has not been made nor has funding been identified.

Highway 16 Electrification and Expanded Cellular Coverage:

Minister Simms (Citizen Services) has submitted a request by letters to Minister Bains (Minister of Innovation, Science and Economic Development) and Minister Jordan (Minister of Rural Economic Development) on February 4th and April 1st respectively seeking a federal contribution to the project. s.13

Project to address the gap in cellular coverage along Hwy 16 between Prince George and Prince Rupert resulting in increased safety and economic benefits. 30% of area has no coverage. Smithers to Prince Rupert section has bulk of the gap. CITZS is working to coordinate with BC Hydro (poles & power); Telus & Rogers (cellular repeaters); MOTI (location of poles in hwy corridor).

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Other items that may be raised:

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Ministry of
Municipal Affairs
and Housing

□ s.13

Attachment:

1. Draft Agenda for Minister's Conference Call on June 6, 2019

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DATE APPROVED:

April 24, 2019



ATTACHMENT 1: Draft Agenda for Minister's Conference Call on June 6, 2019

**Federal-Provincial-Territorial
Ministers' of Infrastructure Teleconference
Agenda**

June 6, 2019

11:00 a.m. – 12:30 p.m., EDT

Time	Item	Lead
10 min	Opening Remarks and Introductions <ul style="list-style-type: none"> Roll call Overview of Agenda Update on IBA Enhancements 	Minister François-Philippe Champagne and Minister John Streicker
50 min	Overview of Progress, Outcomes and Priorities <ul style="list-style-type: none"> Progress report: investments and outcomes under the Investing in Canada Plan to date PT roundtable on forward priorities and realizing outcomes under the Investing in Canada Infrastructure Program Future opportunities to advance priorities 	Minister Francois-Philippe Champagne All Ministers
20 min	Senior Officials Committee Report to Ministers <ul style="list-style-type: none"> Update on working group priorities since Halifax, ongoing work and future priorities (e.g., Climate Lens, Community Employment Benefit) Roundtable discussion, reaction and guidance on future work 	Minister John Streicker with Presentation by Officials [TBC]
10 Min	Closing Remarks	Minister François-Philippe Champagne and Minister John Streicker



BRIEFING NOTE FOR DECISION

Date: January 15, 2019

Prepared For: Jacqueline Dawes, Deputy Minister of Municipal Affairs and Housing

Title: 2019 UBCM Convention Hotel Accommodations

Issue: Pre-approval is required to enter into contracts with select hotels in downtown Vancouver for a hotel room block for both the Ministry of Municipal Affairs and Housing (MAH), the Ministers' Offices (MO) and provincial staff, for the 2019 UBCM Convention (Convention) given the limited availability of reasonable hotel room rates for the week of September 22 – 27, 2019.

RECOMMENDED OPTION:

- s.13

BACKGROUND:

In previous years, MAH recommended assorted hotel arrangements for staff attending the Convention in Vancouver, dependent upon what was the most cost-effective option. In 2017, MAH secured a small hotel room block in Vancouver for MAH staff only (including the MOs and MAH GCPE).

For several years, it was standard practice for MAH not to secure a hotel accommodations block on behalf of government since it was more economical for provincial staff to independently arrange their own hotels at the government rate (MAH provided the provincial Business Accommodation Listing link to the provincial ministries, agencies, commissions and corporations to enable them to find the best government rate). Previously, there was also no capacity from MAH staff for the necessary support to organize hotel room blocks on behalf of government.

However, downtown Vancouver hotels now routinely face a massive influx of visitors during the week of the Convention, and additionally this year, there is a "World Sleep 2019" convention occurring the same week and taking place at the West VCC. There is also an Elton John concert occurring the weekend prior to the Convention. Most hotels are no longer offering the government rate during this time. Hotels are also setting sharp rate increases in anticipation of demand.

MAH staff have contacted a large assortment of hotels near the VCC, to inquire about best available rates as well as room availability. Government rate is either not offered or has been increased. Several hotels indicate no availability for the week of the Convention; other hotels are offering a significantly higher rate (\$399 - \$700+) when booking individual rooms.

Some hotels in Vancouver are only offering government rates or reasonable rates with hotel contracts that stipulate meeting a certain number of hotel room nights. With these agreements, the rate per night drops significantly from the individual night rates (shown above) to the group rates ranging from \$255 – \$349.

To receive the group rates, s.13

s.13

(for most hotels the required number is 90 percent of the agreed upon nights, called the "attrition rate"). See Fiscal Implications section for risk mitigation approach.



The Convention in 2018 took place in Whistler, British Columbia.

For the 2018 Convention, a hotel room block was organized on behalf of government for two reasons: one, the discount the Westin Hotel provided for all Ministers' meeting spaces, and two, due to limited accommodations in Whistler, it saved government staff time and costs by having it centrally organized.

For the hotel room block in Whistler, 402 nights were booked and used. 190 of those nights were from MAH staff and 212 from the Premier's Office, various MOs, and other ministry staff. Due to limited capacity and the high demand for room nights, additional hotel room blocks were set up with two other hotels to accommodate staff needs. These additional low-risk (no financial penalties) room blocks had an uptake of 122 nights booked and used by provincial government staff. Even with the additional room blocks added, MAH could not accommodate the entire demand for hotel rooms.

In Vancouver, s.13
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Each year in October, UBCM sends out a notification to all UBCM delegates and others on their newsletter distribution list (e.g. Ministers, provincial government staff) advising of their hotel room blocks and rates. All UBCM's hotel room blocks historically sell out quickly and are now sold out for the 2019 Convention.

DISCUSSION:

This year, to help receive a more reasonable hotel room rate, MAH has explored s.13
s.13

Given the costs and limited availability of hotel rooms near the VCC, MAH staff have used the following principles for recommending a hotel block booking for the 2019 UBCM Convention:

- Best rate with hotels in reasonable vicinity to the VCC;
- Located in a safe area and walkable to the VCC (10-20 minutes walking distance); and
- Least amount of risk to MAH to secure a limited number of hotel rooms on behalf of the Province that can be easily managed by MAH staff (given limited capacity). Least amount of risk is an attainable amount of hotel room nights with limited risk for them remaining not booked.

FINANCIAL IMPLICATIONS:

Government rate is either not offered or has been increased during the 2019 UBCM Convention week. Several hotels indicate no availability for the week of Convention. At best, reasonable rate is being sought by way of hotel agreements for a certain number of hotel rooms.

Currently, hotel contracts are being negotiated for rates of \$255 and \$349 with the availability of 440 room nights. MAH would need to book a minimum of 286 room nights to avoid financial penalties. s.13
s.13

Booking instructions that will be sent out to government with the hotel options, will require government staff to provide a non-refundable first night deposit when making their reservations and will also require

full pre-payment, 30 days before reservation date. This ensures that staff make fixed reservations^{s.13}

OPTIONS:

1. s.13

2.



Ministry of
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and Housing

Next Steps

s.13

RECOMMENDATION:

- s.13

APPROVED (recommended option) / NOT APPROVED

Jacqueline Dawes, Deputy Minister

January 15, 2019

Date

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DATE APPROVED:

January 7, 2018

Rob Fraser OBO
January 15, 2018



BRIEFING NOTE FOR INFORMATION

Date: April 15, 2019
Prepared For: Kathryn Krishna, Deputy Minister
Title: 2019 UBCM Convention – MAH Roles and Responsibilities
Briefing: April 17, 2019

SUMMARY:

- **Every year the Local Government Division (LGD) successfully manages the provincial government's involvement in the Annual UBCM Convention (Convention).**
- **The Convention is the keystone formal event in the Province's relationship with local governments and UBCM First Nations members (delegates).**
- **The Convention is UBCM's event and Annual General Meeting, and the Province is invited to participate – it provides significant opportunities to showcase Provincial initiatives of interest to delegates and to hear from delegates.**
- **The MAH Minister has a very active, key role at Convention and all cabinet ministers and ministries participate. The Premier has an important presence as well, attending individual meetings alongside his cabinet colleagues, giving a keynote speech, and hosting the Provincial reception.**
- **Managing this is a significant undertaking that involves MAH staff in various roles not only at Convention, but in the pre-planning and post-Convention follow-up.**
- **Planning is well underway with upcoming decision points for the Deputy Minister and/or Minister.**
- **The Operations and Client Relations Unit (OCRU) in the LGD is the coordinating hub for Convention.**

BACKGROUND:

This year's Convention will be held September 23 – 27, 2019 in Vancouver. UBCM Convention is held every second year in Vancouver. In other years, it is held in either Victoria or Whistler.

The Convention is the keystone formal event in the Province's relationship with local governments and UBCM First Nations members (Gingolx Village, Gitlaxt'ammiks Village, Huu-ay-aht First Nations, Nisga'a Village of Gitwinksihlkw, Nisga'a Village of Laxgalts'ap, Splat'sin First Nation, Tsawwassen First Nation, Uchucklesaht Tribe and Sechelt Indian Government District). Only UBCM First Nations members typically attend UBCM Convention – all BC First Nations are invited to attend the First Nations', Leaders' Gathering, a separate event to be held in November of each year.

Convention provides opportunities for the Province to showcase its policy initiatives and articulate its priorities for local governments, while also hearing from/consulting with local governments and the UBCM Executive on their priorities.

There is a significant Provincial presence in the form of meetings with local government elected and non-elected officials and UBCM First Nation members (delegates), and participation in pre-conference sessions,



forums, workshops and clinics and Cabinet Town Halls. Typically, the UBCM Convention attracts approximately 1,900+ delegates.

The MAH Minister, as Minister responsible for local government, is host Minister and has several speaking opportunities throughout Convention week including her main address, participating on a Cabinet Town Hall, and meeting between 55 – 60+ delegates. MAH staff support the Minister's role at Convention.

The Deputy Minister and program ADMs (LGD/Office of Housing Construction Standards [OHCS]) support the Minister throughout Convention week, and in particular, attend the Minister's meetings with delegates throughout the week. A staff scribe takes notes at these meetings noting any actions items. The meeting notes inform the Minister's post-Convention letters to delegates acknowledging the meeting and any follow-up. They are also consolidated into the Minister's post-Convention meetings matrix to record the topics, track the action items and assess the themes arising from the meetings.

MAH, through LGD's OCRU, is responsible for the overall coordination of the provincial government's involvement at Convention held each September and works closely with the Premier's Office staff who coordinate the Premier's and other cabinet ministers' meetings at Convention. This involves coordinating the Premier's and the Minister's Convention communications regarding their online meeting request processes and ensuring deadlines are in sync, organizing joint delegate meetings between the Premier, the Minister and/or other cabinet ministers, confirming Cabinet Town Hall themes and format, and managing any priorities, issues, logistics or information sharing that arises.

OCRU staff are the main provincial liaison and communication point for Convention information and work with other partners such as the Premier's Office staff, MAH Minister's Office, MAH GCPE and GCPE Centre, all Minister's Offices and ministries, and interested provincial agencies, commissions and corporations (e.g. RCMP), CivicInfo BC and UBCM staff. MAH also plays an integral role in the coordination and securing of logistics and venue planning.

DISCUSSION:

As the Ministry is responsible for coordinating the provincial government's involvement at Convention, MAH staff's accountabilities are diverse and significant ranging from pre, during and post-Convention activities (Appendix 1).

The Minister has a very full agenda at Convention supported by the Deputy Minister, ADMs and MAH staff (Appendix 2).

There are multiple communication and decision points in the lead up to Convention for both the MAH Minister and Deputy Minister (Appendix 3).

Attachments:

1. MAH Accountabilities Pre, During and Post-UBCM Convention
2. Minister's Roles and Responsibilities (including DM, ADMs and MAH staff)
3. Key Dates Prior to UBCM Convention

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DATE APPROVED:

April 15, 2019
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APPENDIX 1: MAH Accountabilities Pre, During and Post-Convention

- Pre-Convention venue planning, facilities management, logistics, and securing hotel room blocks (DM approval complete) and meeting space on behalf of Government as applicable – this also includes securing a MAH and GCPE staffroom at Convention and is supported onsite by MAH Information Systems Branch technical staff as computers and printers are used daily onsite (e.g. Minister's Reception Desk, MAH GCPE/GCPE Centre staff, Provincial Appointments Desk, MAH staffroom);
- s.13
- Coordinating and managing the Minister's Meetings process and UBCM Convention Week agenda in liaison with Minister's Office staff, the Premier's Office staff and UBCM. The Minister not only receives more meeting requests than her schedule allows s.13 but will receive requests for joint meetings with the Premier and/or other cabinet ministers as well as several invitations for speaking engagements and events. s.13
- Managing the process and scheduling delegate meetings with provincial staff from Ministries, Agencies, Commissions and Corporations (MACCs) – this includes staffing the Provincial Appointments Desk at Convention where the meetings take place. Provincial staff meeting requests can still be requested during Convention at the Provincial Appointments Desk. s.13
- s.13 There is a Cabinet Ministers' Reception Desk at Convention for managing these meetings.
- Pre-Convention communications and activities (e.g. briefings/materials for the MAH Minister, Cabinet, and Government Communications and Public Engagement (GCPE), and informing MACCs of Convention preparations and activities);
- During Convention, conducting daily briefings, supporting Minister's meetings with delegates, managing the Provincial Appointments Desk and supporting delegates meeting with MACCs, monitoring UBCM resolutions and debates, undertaking issues management and troubleshooting on behalf of MAH and the provincial government; and
- Post-Convention activities including managing timely Minister's correspondence and follow-up with delegates and other ministries; coordination of the provincial responses to UBCM Resolutions; s.13 post-Convention review; and planning for the next Convention.



APPENDIX 2: Minister's Roles and Responsibilities

At Convention the Minister: (a Ministerial Assistant (MA) always attends with the Minister):

- Attends the UBCM Executive Dinner (Minister, MA, DM, LGD ADM and Director, OCRU, by invitation only): Sunday evening.
- Receives daily early morning briefings (MAs, DM, LGD/OHCS ADMs, LGD Strategic Advisor, MAH GCPE, Director, OCRU).
- Meets with delegations (approximately 55 – 60+ meetings): Monday through Thursday, and Friday morning (MAs, DM, LGD/OHCS ADMs, Scribe – to take notes at all meetings).
- Provides remarks at four community forums (e.g. Small, Mid-Sized, Large, and Electoral Area Communities Forum) and presents Local Government Leadership Academy Awards: Tuesday morning (DM, LGD ADM, Director OCRU).
- Provides remarks at the Municipal Insurance Association AGM: Tuesday afternoon (DM, LGD ADM, Director OCRU).
- Attends the UBCM Welcome Reception: Tuesday evening (DM, ADMs, Strategic Advisor).
- Participates in the Opening Procession: Wednesday morning (Minister – DM, LGD ADM, Director OCRU).
- Addresses the Convention: Wednesday afternoon^{s.13}
- Participates in a Cabinet Town Hall: Wednesday afternoon (DM, LGD ADM, Director OCRU, MAH GCPE).
- Attends BC Reception: Wednesday evening (all provincial staff welcome).
- Attends Delegates Luncheon: Thursday noon (Minister and MA).
- Attends the UBCM Reception and Banquet: Thursday evening (Minister and MA) –^{s.22}
s.22
- Attends the Premier's Speech: Friday morning^{s.13}
- The Minister may also receive several invitations for other speaking engagements and events^{s.13}
s.13 and provides remarks
at a number of forums, workshops and clinics.

Post-Convention:

- Post-Convention Minister's meeting follow up matrix recording and tracking any action items arising out of the meetings and provided to the Minister's Office for information.
- Minister's follow-up letters are drafted based on a template and scribe notes, which are sent to delegations (drafted by MAH staff for Minister's approval).
- s.13
- Coordinating on behalf of Government, the cross-ministries' Post-Convention follow up matrix of the actions arising from the Premier's and all Cabinet Ministers meetings and provided to the Premier's Office for information (typically over 650+ meetings with delegates including MAH).



APPENDIX 3: Key Dates Prior to UBCM Convention

UBCM's Deadlines = Green (Dates confirmed for 2019 where known)

s.13

April 29

UBCM opens public Call for Proposals

s.13

June ^{s.13}

Premier's letter to local governments outlining online process to request meetings with the Premier/other Ministers

June

MAH Minister's letter to local governments outlining online process to request meetings with the Minister and process for requesting meetings with provincial staff (in sync with Premier's letter)

s.13

Deadline for workshop and clinic proposals received by UBCM (*DM MAH received government approval for provincial list of workshops and clinics prior to this date*)

s.13

July 24

UBCM informs workshop and clinic proponents of results

s.13

Mid-August

Premier's Vancouver Office and MAH confirms Ministers' meetings with delegates

s.13



Ministry of
Municipal Affairs
and Housing

s.13

September 23 to 27 UBCM Convention Week



BRIEFING NOTE FOR INFORMATION

Date: January 3, 2019

Prepared For: Jacqueline Dawes, Deputy Minister of Municipal Affairs and Housing

Title: Cannabis Private Retail Licensing - Update

Issue: An update on the status of the provincial and municipal licensing process (including license and application fees) with respect to private non-medical cannabis (cannabis) retailers.

SUMMARY:

- **Provincial referrals to local governments for provincially-issued retail cannabis licenses, as well as municipal business licensing of such locations, are underway across the province.**
- **Municipal business licensing and application fees (license fees) vary widely across the province.**
- **In most communities, cannabis license fees range between \$1,000 to \$5,000. s.13**
- **One noteworthy exception is the City of Vancouver where the annual licensing fee for cannabis retailers is \$31,824. This is significantly higher than other retail licensing fees in the City of Vancouver and is reportedly currently the highest cannabis license fee in the province.**

BACKGROUND:

The Liquor and Cannabis Regulation Branch (LCRB) regulates the non-medical cannabis industry in British Columbia (BC) and is responsible for issuing private cannabis retail store licenses (retail licenses). The retail licenses authorize a stand-alone retail storefront where cannabis and cannabis accessories may be sold. Cannabis must not be sold at the same location as liquor and/or tobacco. The LCRB has established an online application portal through which prospective BC cannabis retailers (cannabis retailers) may apply for a retail license. Retail license applications are referred to local governments for their review and recommendations.

There is no provincial cap on the number of retail licenses issued; however, one licensee can only hold or have interest in a total of eight retail licenses. Local governments have the authority to limit the number of retail licenses permitted within their jurisdictions; they may also elect not to allow the retail sale of cannabis. Currently, LCRB has issued three retail licenses, including one in the City of Vancouver where the store will open on January 5, 2019.

The Province has a team of 44 special constables around the province to investigate unlicensed cannabis retail stores. The unit is part of the Ministry of Public Safety and Solicitor General. Illegal cannabis retailers who do not come into compliance, either by obtaining a provincial retail license or by ceasing their operations, may be subject to enforcement action, which can include seizure of product, administrative monetary penalties and/or prosecution. Enforcement will be shared between police agencies and different levels of government including local governments (e.g. municipalities enforcing their own business licensing or zoning rules).

In addition, the Compliance and Enforcement Program for licensees at LCRB reduces cannabis-related threats to public safety and promotes voluntary compliance with provincial cannabis laws. LCRB conducts education sessions with new licensees and regularly inspects establishments.



DISCUSSION:

Provincial Retail License and Application Fees

LCRB charges an application fee of \$7,500, which includes the security screening and financial integrity check. Once licensed, cannabis retailers will also pay an annual provincial licensing fee of \$1,500.

Municipal Cannabis Business Licensing and Application Fees

Municipalities may charge business licensing and application fees (license fees) within their jurisdictions. These license fees may be used to cover increased policing and bylaw enforcement costs and administrative costs. Such fees may be imposed on businesses regardless of whether they have obtained another type of permission from another government (e.g. LCRB retail licence). Additionally, both municipalities and regional districts may charge fees for other permissions that a cannabis retailer may require (e.g. rezoning application).

s.13

The Regional District of Central Okanagan is currently the only RD that has business licensing authority because it was part of a pilot project a few years ago. Individual RDs currently may request business licensing authority under s.296 of the *Local Government Act*.^{s.13}

s.13

Cannabis license fees across communities in BC are reported to range widely (see Appendix 1). In most communities, cannabis license fees range between \$1,000 to \$5,000. There is one noteworthy exception in the City of Vancouver where the annual licensing fee for cannabis retailers is \$31,824. This is significantly higher than other retail licensing fees in the City of Vancouver and has been reported to currently be the highest cannabis license fee in the province.^{s.13}

s.13

There are a large number of communities (especially smaller ones) that have not amended their business licensing bylaws to include a special category for cannabis retailers. For example, in Kimberley, where the first provincial retail license was issued, only a normal municipal retail business fee was charged. Similar positions have been taken in Fort St. John, Hudson's Hope, Tumbler Ridge, Chetwynd and Courtney. In other communities, specifically higher fees are charged for cannabis retailers (e.g. Victoria).

Whether or not a fee, such as a business licence fee, is within the scope of authority of a local government is ultimately a decision for the courts if the fee is challenged. Fees (as opposed to taxes) must bear some



connection to the costs of providing the service – in regard to business licensing, such costs could include bylaw enforcement as well as other related matters.

s.13

Cannabis retail licenses application status

As of December 18, 2018, 3 retail licenses have been issued by LCRB, with a further 2 imminently ready for issuing. 184 retail license applications are complete and accurate, and are with local governments for review and recommendations. 133 retail license applications are incomplete and currently being reviewed by LCRB.

s.13

FINANCIAL IMPLICATIONS:

- None

Appendix:

1. Reported Municipal Business License and Application Fees

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APPROVED BY:

Nicola Marotz, Executive Director
Governance and Structure Branch
Tara Faganello, ADM
Local Government Division

DATE APPROVED:

January 3, 2019

January 3, 2019



APPENDIX 1
REPORTED MUNICIPAL BUSINESS LICENSE AND APPLICATION FEES

City	Annual Fee	Application Fee
Campbell River	\$2,500.00	-
Chilliwack	\$10,000.00	-
Dawson Creek	\$2,500.00	\$100.00
Esquimalt	\$2,000.00	-
Kamloops	\$5,000.00	\$1,600
Nelson	\$2,500.00	-
North Vancouver	\$3,691.00	-
Penticton	\$5,000.00	-
Port Alberni	\$550.00	-
Pouce Coupe	\$2,500.00	-
Prince George	\$1,000.00	-
Squamish	\$5,000.00	-
Vancouver	\$31,824.00	\$56
Vernon	\$2,000.00	\$5,000.00
Victoria	\$5,000.00	-

(Merrit Herald, November 15, 2018 <https://www.merrittherald.com/council-sets-revenue-neutral-cannabis-business-license-fee/>)



BRIEFING NOTE FOR INFORMATION

Date: May 27, 2019

Prepared For: Kaye Krishna, Deputy Minister of Municipal Affairs and Housing

Title: School Site Acquisition Charges (SSAC)

Issue: s.13

Meeting With: Scott MacDonald, Deputy Minister, Ministry of Education, on May 28, 2019 AND a potential topic at the DMC Capital on May 31, 2019.

KEY MESSAGES:

- s.13
-
- **Municipal Affairs and Housing (MAH) staff are prepared to assist the Ministry of Education in developing a plan to research, gather, and review information over a reasonable period of time. And, s.13 determine a logical course of action for the Province. This would also require time for meaningful and thoughtful engagement with the Union of BC Municipalities (UBCM).**
- **The other consideration for MAH is the through the Development Approvals Process Review the Development Cost Charges and Community Amenity Contributions have come up as an area for further review, although that would be a longer-term project. s.13**

s.13

BACKGROUND:

There are approximately 60 school districts located throughout British Columbia providing primary and secondary education. As education is under Provincial purview, most of the operating and capital costs for these districts come from transfers from the Ministry of Education (MoEd). Twelve of these 60 districts (located in high-growth areas) have an additional capital financing tool called a School Site Acquisition Charge (SSAC), which was first established in 1995 (Refer to Appendix 1).

A SSAC is a charge levied on new residential development to pay for a portion of the land acquisition costs of new schools specifically to service future population growth. SSACs are not for land acquisition relating to current population needs (i.e. current school site needs), nor are SSACs for school buildings or school operations. These other costs are covered through provincial transfers.

SSACs are determined by a complex formula that involves about a dozen input variables. Some of the variables (like growth projections and land costs) are at the discretion of the school district (in consultation with local stakeholders) and other variables are set through provincial policy and legislation. Most of the provincial variables focus on limiting the maximum amount of SSACs to avoid imposing additional costs on new development.

While SSACs are managed by the various school districts and the MoEd, the legislation governing SSACs is found within the *Local Government Act* (because local governments collect SSACs on behalf of school



districts). s.13
s.13

On March 5, 2019, staff from MoEd met with staff from the MAH regarding SSACs. s.13
s.13
s.13

1. **65% assist factor** – whereby 65% of the costs of new school site acquisitions (to service future growth) are born by the Province (through transfers), and the remaining 35% are born through SSACs. s.13
s.13 This assist factor is set in statute (s.575(1) of the *Local Government Act*) but may be amended by regulation under s.581(d)(i) of the *Local Government Act*.
2. **Maximum SSAC for each category of residential development** – Despite the formula for determining SSACs, the School Site Acquisition Charge Regulation (BC Reg 17/2000) sets the maximum SSAC charge (per residential dwelling unit) for each class of residential development (e.g. low-density development and medium density development). The maximum charge is a fixed and absolute limit on the SSAC; it is not tied to any other variables in determining the SSAC like land costs or projected community growth.

s.13

DISCUSSION:

In prior emails, MAH staff stated that, while they were happy to assist MoEd staff, s.13
s.13

s.13; s.17

Regarding the **maximum SSAC for each category of residential development**, this is set by a regulation that was designed to place an absolute dollar limit on the SSAC. This achieves two things:

1. It provides greater **predictability** for local governments and developers on the absolute amount of the SSAC, and



2. Having a fixed limit reduces the need for **provincial oversight** in the SSAC calculation. For example, there is no fixed limit on municipal development cost charges (which similar to SSACs but used for municipal infrastructure like water and sewer). s.13
s.13

s.13



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and Housing

s.13

FINANCIAL IMPLICATIONS:

s.13

Appendix:

1. s.13

PREPARED BY:

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APPROVED BY:

Tara Faganello, Assistant Deputy Minister
Local Government Division

DATE APPROVED:

May 24, 2019

Page 33 of 70

Withheld pursuant to/removed as

s.13



BRIEFING NOTE FOR INFORMATION

Date: January 15, 2019
Prepared For: Jacqueline Dawes, Deputy Minister
Title: Provincial Interim Disaster Recovery Framework
Issue: Approval of the Provincial Interim Disaster Recovery Framework

SUMMARY:

- **The development of the Interim Provincial Disaster Recovery Framework is being led by Emergency Management BC (EMBC).** s.13
s.13
- **Under the Interim Framework, EMBC will act as the provincial coordinating body for recovery and will work with ministries to coordinate the recovery through four sectors: People and Communities; Economic; Environment; and, Infrastructure. MAH has been identified as having a role in both the Infrastructure as well as People and Communities sectors.**
- **Financial support for recovery efforts can be delivered through a variety of sources (e.g. ministry voted appropriations) and existing programs (e.g. Disaster Financial Assistance).** s.13
s.13

BACKGROUND:

In October 2018, the government approved endorsement of the United Nation's Sendai Framework for Disaster Risk Reduction¹. s.13
s.13

LGD (Planning Land Use Management and Local Government Infrastructure Finance branches), Office Housing and Construction Standards and BC Housing were consulted in the development of this Interim Framework. Local governments (e.g. Grand Forks) and First Nations (e.g. Ashcroft IB) with recent disaster recovery experience and stakeholders (First Nations Health Authority) were also consulted.

s.13

¹ The Sendai Framework lays out a shared responsibility model that acknowledges the need to build an inclusive, all-of-society approach that not only strengthens a coordinated emergency management structure across BC but also increases resilience for individuals and communities by preventing and reducing disaster risk. This framework recognizes the Province has the primary role to reduce disaster risk and the responsibility should be shared with all other stakeholders including local governments, First Nations communities, the private sector and the individual.



The Interim Framework and the information collected during its development s.13
s.13

DISCUSSION:

The Interim Framework establishes provincial roles and responsibilities, accountability, and coordination and provides guidance on funding, implementation, and recovery monitoring as it relates to short, medium and long-term recovery. It also outlines integration and leveraging of expertise and resources of all levels of governments, Non-governmental Organizations (NGOs) and private stakeholders.

Under the Interim Framework, EMBC will act as the provincial coordinating body for recovery operations to support communities and will work with ministries to coordinate the recovery sectors (People and Communities; Economy; Environment; and, Infrastructure) through a Provincial Recovery Task Force. The recovery sectors and their associated functional areas are outlined in Attachment 1. The alignment of ministries, Crown agencies, NGOs and other agencies to these four sectors is shown in Attachment 2.

Each of these sectors will have an Assistant Deputy Minister (ADM) responsible for overseeing the recovery strategies within these sectors. These sectors could also be mirrored at the community level for ease of coordination and support; however, this would be dependent on capacity at the community level.

To leverage existing operational and governance structures, the interim disaster recovery structure will align with the BC Emergency Management System (BCEMS)². There are five levels of coordination identified in BCEMS from the senior provincial leadership level to the local level (also see Attachment 3):

- Ministries and Deputies Emergency Council (MD-EC)
- Assistant Deputy Ministers Emergency Council (ADM-EC)
- Provincial Emergency Coordination Centre (PECC)
- Provincial Regional Emergency Operations Centre (PREOC)
- Emergency Operations Centre (EOC)

To ensure leadership and coordination of provincial recovery efforts, the MD-EC and ADM-EC will be activated, as and when needed, to provide direction to a Provincial Recovery Task Force. The decision to activate a Task Force will be made by MD-EC when an emergency event has had a severe impact to a community or region and significant medium to long-term recovery efforts are anticipated.

DMCEM and ADMCEM are expected to operationalize and serve as the core group for the MD-EC and ADM-EC, with additional Deputy Ministers and ADMs added as necessary. The Interim Framework includes an overview of the various responsibilities for the above groups. For example, ADMCEM/ADM-EC is expected to provide executive level policy decisions and recommendation on complex response and recovery issues to the MD-EC. The PECC is expected to establish and implement provincial priorities and objectives in a significant emergency management event.

Financial requirements for recovery are determined through various short, medium and long-term needs assessments. Funding for recovery efforts can be delivered through a dedicated recovery budget that is

² This provincial emergency management structure is activated following an emergency or disaster that requires coordination of provincial emergency management activities and/or has created a request for support from a local authority or another ministry.



established at the outset of an emergency event and the potential funding sources are also identified. It does not appear that new funding sources or requests are included as part of the Framework.

Attachments:

1. Sector Descriptions and Functional Areas
2. Agency and Organization Alignment with Recovery Sectors
3. Provincial Emergency Management Governance Structure

PREPARED BY:

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Planning and Land Use Management Branch
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APPROVED BY:

Jessica Brooks, Executive Director
Planning and Land Use Management Branch
Tara Faganello, Assistant Deputy Minister
Local Government Division

DATE APPROVED:

Lee Nicol OBO
January 14, 2019

January 14, 2019



Attachment 1: Sector Descriptions and Functional Areas

Sectors	People and Communities	Economic	Environment	Infrastructure
	The social sector considers the impacts an event has on the physical, mental and social wellbeing of the population. This sector primarily concerns health and safety, mental health, community psychosocial well-being, and interim housing.	The economic sector considers the impacts an event has directly and indirectly on the local economy. This sector primarily concerns small, medium, and large enterprise, tourism and cultural livelihood, agriculture, and the broader economy.	The environmental sector considers the impacts an event has on the environment, and steps needed to re-establish the environment to a healthy state while mitigating long term impacts. This sector primarily concerns land degradation and contamination, biodiversity and ecosystem impacts, and natural resource damage/loss.	The infrastructure sector considers the impacts an event has on both private and public physical infrastructure, including critical infrastructure such as utilities, and transportation. This sector primarily concerns residential and commercial buildings, utilities, and infrastructure planning.
Functional Areas	Housing and Accommodation	Business Continuity	Natural Resources	Critical Infrastructure
	Psychosocial Support	Agriculture	Pollution and Decontamination	Housing and Accommodation
	Health and Well-Being	Tourism	Cultural Assets	Public and Commercial Buildings and Assets
	Community Engagement	Economic Development	Debris Management	Disaster Financial Assistance
	Unmet Needs Committee	Cultural Livelihood		Transportation



Attachment 2: Agency and Organization Alignment with Recovery Sectors

	People & Communities	Economy	Environment	Infrastructure
Advanced Education, Skills and Training	✓			
Agriculture		✓		
Children and Family Development	✓			
Citizens' Services	✓			
Education	✓			
Energy, Mines, and Petroleum Resources		✓		
Environment			✓	
Forests, Lands, Natural Resource Operations and Rural Development		✓	✓	
Health	✓			
Indigenous Relations and Reconciliation	✓			
Jobs, Trade, and Technology		✓		
Labour		✓		
Mental Health and Addictions	✓			
Municipal Affairs and Housing	✓			✓
Public Safety and Solicitor General	✓			
Social Development and Poverty Reduction	✓			
Tourism, Arts, and Culture		✓		
Transportation				✓
Non-Government Organizations	✓	✓	✓	✓
Crown Corporations	✓	✓	✓	✓
Regional Authorities	✓	✓	✓	✓
Local Authorities	✓	✓	✓	✓
First Nations	✓	✓	✓	✓



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Attachment 3: Provincial Emergency Management Governance Structure

s.13



BRIEFING NOTE FOR INFORMATION

Date: March 29, 2019

Prepared For: Kaye Krishna, Deputy Minister, Municipal Affairs and Housing

Title: Bill 15

Issue: To discuss Bill 15 (*Agricultural Land Commission Amendment Act, 2019*) changes affecting local governments and proposed communication of Bill 15 changes to local governments

Meeting With: Ministry of Agriculture on March 29, 2019:

- Wes Shoemaker, Deputy Minister
- James Mack, ADM, Agriculture Science and Policy;
- Lorie Hrycuik, ED, Agriculture Science and Policy;
- Arlene Anderson, Manager, Legislation, Agriculture Science and Policy

KEY MESSAGES:

- We would like to better discuss impacts for the Minister of Municipal Affairs in situations such as this one to inform AGRI's understanding of the relationship the Minister maintains with UBCM. s.13
- We understand that AGRI staff has been in contact with UBCM staff following introduction of Bill 15 and intends to reach out to UBCM again to further discuss the amendments.
- We support AGRI's interest in communicating with UBCM and local governments about the intention of the Bill 15 amendments. We would appreciate hearing more about AGRI's plans to engage local governments:
 - Bill 15 was introduced on March 7, 2019, and contained amendments that would prevent private land owners from bringing applications to remove parcels from the ALR.
 - This Bill has direct impacts on local government in that a private land owner would now be required to work with the local government having jurisdiction where the land is located, and the local government would have to bring the application on the private landowner's behalf.
 - While consultation with local governments is not a legal requirement under the *Community Charter* unless local government legislation is being amended, the principles of provincial – local government relations enshrined in that Act establish the provincial intent that consultation with the Union of BC Municipalities (UBCM) take place on matters of mutual interest directly affecting local governments, such as this.
 - s.13



BACKGROUND:

Bill 15, *Agricultural Land Commission Amendment Act*, 2019 was introduced on March 7, 2019. The proposed amendments will prevent landowners from applying *themselves* to exclude land from the Agricultural Land Reserve (ALR). Private applications to exclude land from the ALR will now have to be brought forward by the local government having jurisdiction over the subject land.

Ministry of Agriculture (AGRI) staff advise that the amendments also preserve the ability of local governments to apply in relation to land owned by the local government to be excluded from the ALR and to put forward large “block applications” consistent with local government planning processes (see discussion below).

In addition, the amendments remove the authority of the Agricultural Land Commission (ALC) to delegate authority in relation to exclusion applications to a local government. AGRI staff advise that only the Regional District of Fraser Fort George had this delegated authority, and is aware of its removal.

There has been significant media and political attention to this issue.

s.13

Local Government Impacts

s.13



Ability for LGs to remove private land from the ALR (District of Kent)

s.13

The ALC will continue to consider municipally-led future oriented “block applications” in conjunction with broad long-term planning processes that reflect community interests and growth needs. This is an existing ability within the legislation and is unchanged. “Block applications” allow for large blocks of land to be excluded from the ALR pursuant to long-term development consistent with community planning processes. These blocks may contain private land but as they are larger and planned they do not contribute to the concern that is expressed around small individual parcels being excluded (“swiss cheese” effect).

Additionally, local governments will continue to be able to bring exclusion applications for *municipally* held land for things such as schools or hospitals or recreation facilities.

AGRI Next Steps

AGRI staff contacted UBCM (Gary MacIsaac) following introduction to discuss Bill 15. Discussion centred on the fact that UBCM had not been consulted. AGRI staff also advised UBCM that it intended to send out a communication to all local governments to provide information on the changed provisions in relation to exclusions of land from the ALR. UBCM declined to send out this information for AGRI. AGRI has a number of options to send out this information directly and was going to be determining its next steps on mode of communication.

AGRI staff intend to reach out to UBCM again to follow up on this conversation. AGRI staff have also indicated that they would be providing MAH staff with an opportunity to review the letter to local governments prior to sending it out.

AGRI passed two bills to amend the ALCA. Bill 15 is the second and followed 2018’s Bill 52. s.13

Consultation

Because Bill 15 does not amend local government legislation, there is no specific statutory (*Community Charter* s.276) requirement to consult. However the *principles* of the provincial local government relationship enshrined in the Community Charter clearly define the provincial intention that consultation take place on matters of mutual interest directly affecting local governments, such as this.

The *Agricultural Land Commission Act* (ALCA) amendments (in Bill 52 and the current Bill 15) were also in response to the recommendations of an Independent Commission review process of the governance of the ALC which included a consultation process and an interim report.

s.13



s.13

Note that AGRI staff has over the past 2 years been working to develop relationships with MAH staff and had been in contact with MAH staff in the development of the earlier Bill 52 amendments to the ALCA as well as on recent regulations dealing with cannabis production / greenhouses in the ALR.

s.13

PREPARED BY:

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APPROVED BY:

Tara Faganello, Assistant Deputy Minister
Local Government Division

DATE APPROVED:

March 29, 2019

BRIEFING NOTE FOR INFORMATION

Date: May 10, 2019

Prepared For: Kathryn Krishna, Deputy Minister

Title: UBC Stadium Neighbourhood Plan and First Nations Consultation on Land Use Plan

Issue: Consultation with Musqueam and other First Nations is required on the consequential amendments to the UBC Land Use Plan required to support the proposed Stadium Neighbourhood Plan.

Meeting With: University of British Columbia on June 28, 2019:
Adriaan De Jager, Associate VP, Government Relations & Community Engagement
Michael White, Association VP, Campus and Community Planning
Robin Ciceri, VP, External Relations

SUMMARY:

- **UBC is developing the Stadium Neighbourhood Plan for an area on the southwest part of UBC's Point Grey Campus. The area is home to the aging Thunderbird Stadium and is currently relatively undeveloped.**
- **For the Plan to take effect, consequential amendments to UBC's Land Use Plan (LUP) (analogous to a municipal Official Community Plan) would be needed.**
- **Power to adopt UBC's LUP and amendments rests with the Minister following June 2010 changes to the Municipalities Enabling and Validating Act No.3 (MEVA). Approval is through a Ministerial Order.**
- **Under MEVA, the Minister must consult with the Minister of Advanced Education and Skills Training (AEST) before deciding to adopt or reject LUP amendments.**
- **The Minister's approval role triggers the Crown's duty to consult with First Nations whose asserted areas of interest lie within UBC.**
- **The Land Use Plan amendment also requires a public hearing (and the Provincial approval).**

s.13

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BACKGROUND:

Stadium is UBC's next neighbourhood to be developed and is one of eight neighbourhoods identified in the UBC Land Use Plan. The proposed Stadium Neighbourhood Plan will trigger amendments to the LUP which include updating the neighbourhood boundary (to reflect the new location of the stadium) and changing building heights and densities.



The proposed plan would see an estimated 1.5 million square feet of new residential development, along with some commercial and community spaces, greenways and parks, centered on a new stadium. Residential units would be spread across towers of various sizes, with several potentially reaching over 30 stories. The intent is that 40 percent of the new units would be a mix of rental for the general market and rental restricted to UBC faculty, staff and students.

The LUP amendment requires a public hearing and Provincial approval. s.13
s.13

DISCUSSION:

As with other similar regimes where the Minister has an approval role of this nature (for example, the Islands Trust OCPs), the Crown's duty to consult with First Nations is triggered where the proposal has the potential to adversely affect Aboriginal rights, including Aboriginal title.

s.13;s.14

Along with Stadium Neighbourhood Plan s.13
s.13

Musqueam is the First Nation closest to UBC and has taken the greatest interest in developments there s.13
s.13;s.16

PREPARED BY:

Kris Nichols, Manager
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APPROVED BY:

Tara Faganello, Assistant Deputy Minister
Local Government Division

DATE APPROVED:

May 3, 2019



BRIEFING NOTE FOR INFORMATION

Date: May 3, 2019
Prepared For: Kathryn Krishna, Deputy Minister
Title: Green Stream – Electricity Program
Issue: DM discussion regarding Investing in Canada Infrastructure Program (ICIP) Green Stream – Electricity Program.

SUMMARY:

- **The Electricity Program within the ICIP Green Stream is an important component of ICIP investment strategy.**

s.13

KEY MESSAGES

Prince George to Terrace Capacitor Project

- **I understand your team has been working closely with ours on the next BC Hydro project under this program – the Prince George to Terrace Capacitor Project which will help electrify the Northwest, in particular the Highway 16 corridor from Prince George to Terrace.**

○ s.13

- **You have our Ministry's support for this project** s.13
s.13

Project Approval Protocols

- **Given the collaborative nature of the ICIP, and the fact that the Ministry of Transportation and Infrastructure (TRAN) and MAH are the signatories to the agreement, a protocol for project approvals was established and circulated to ensure due process is followed on all project submissions and requests to TB.**
- **Our teams have worked closely together to successfully achieve federal approval of the Peace Region Electricity Supply Project (PRES),** s.13
s.13
-



s.13

○

○

s.13; s.16

BACKGROUND:

The ICIP Green Stream is broken into the following sub-streams by the federal government:

1. Environmental Quality – focused on water, wastewater, storm/rain water, and solid waste.
2. Adaptation, Resilience and Disaster Mitigation – federal directive to focus on flood mitigation
3. Climate Change Mitigation

The Province chose to create the following two programs under the Climate Change Mitigation sub-stream:

1. Electricity Program – made of three BC Hydro projects for a total of \$265M federal contribution, BC Hydro contributes the matching 50% of another \$265M.
 - Peace Region Electricity Supply (PRES) project – max federal contribution of \$127.05M
 - Prince George to Terrace Capacitor Project (PGTC) – max federal contribution of \$132.95M
 - BC – Alberta intertie project – max federal contribution of \$5M
2. CleanBC Communities Fund – focused on advancing innovated clean energy alternatives.

There was significant collaboration and effort put into allocating the limited funds available in the Green Stream against competing priorities – initially there was over \$2 billion of provincial priorities competing for \$900 million.



There were 10 ministries involved in determining the ICIP allocations subsequently confirmed and approved by Treasury Board. Those ministries were:

1. Transportation and Infrastructure
2. Municipal Affairs and Housing
3. Environment and Climate Change Strategy
4. Energy, Mines and Petroleum Resources
5. Public Safety and Solicitor General – Emergency Management BC
6. Forests, Lands, Natural Resource Operations and Rural Development
7. Tourism, Arts and Culture
8. Citizen Services
9. Agriculture
10. Indigenous Relations and Reconciliation

Additionally, external stakeholders such as the Union of BC Municipalities were consulted

Approval Protocol

s.12;s.13

DISCUSSION:

Engagement Protocol

Infrastructure Canada has made it clear their preference is to limit the number of provincial points of contact to the two signatories of the agreement, MAH and TRAN. This ensures consistency in information flow and reduces chances for the signatories of the agreement to be left out of critical discussions or decisions. At certain times it makes sense for non-signatories to engage directly with INFC, as was the case in the approval process for the PRES project. However, critical information flow needs to be through the signatories.



This engagement protocol is maintained through all Streams of the ICIP, not just the Electricity Program. This protocol is practiced with ENV and the CleanBC Communities Fund, as well as with Emergency Management BC (EMBC) and the Flood Protection Program under the Adaptation, Resilience and Disaster Mitigation Sub-Stream (this program has yet to receive provincial TB approval).

The engagement protocol has been working well and from a staff level there have been no issues.

It is important to maintain the protocol when arranging meetings with the federal government, to ensure the signatories of the agreement are informed of potential discussions and decisions that may occur. Additionally, if engaged early, the signatories can help facilitate successful outcomes of such meetings and reduce the possibility of undue missteps.

Electricity Program Next Steps

s.12;s.13;s.16

FINANCIAL IMPLICATIONS:

- None to MAH

Attachments:

1. s.12;s.13
- 2.
- 3.
- 4.

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APPROVED BY:

Tara Faganello, Assistant Deputy Minister
Local Government Division

DATE APPROVED:

May 3, 2019

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s.12; s.13

Page 55 of 70 to/à Page 56 of 70

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s.12; s.13; s.16

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Withheld pursuant to/removed as

s.13



MEETING BRIEFING NOTE

Date: May 10, 2019

Prepared For: Kathryn Krishna, Deputy Minister of Municipal Affairs and Housing

Title: Architectural Institute of British Columbia

Issue: Recognizing Registered Interior Designers in British Columbia's (BC) Building Regulatory System

Meeting With: Mark Vernon, CEO, Architectural Institute of British Columbia, May 15, 2019

KEY MESSAGES:

- **The Ministry appreciates the important role that architects have, as Registered Professionals, in ensuring public safety and public confidence in the built environment.**
- **We are seeing increasing demand to "right-size" the regulatory system, to address emerging disciplines such as interior designers and energy advisors, especially as we develop policy and regulation for existing buildings.**
- **The Ministry sees AIBC as a key partner in ensuring that any changes to the regulatory system improve public safety and confidence.**

BACKGROUND:

The Architectural Institute of British Columbia (AIBC) regulates the profession of architecture in British Columbia (BC) and plays a foundational role in the building regulatory system. Alongside Professional Engineers, Architects are considered "Registered Professionals," responsible for ensuring that the design and construction of buildings meets the requirements of the BC Building Code. Only Registered Professionals can sign Letters of Assurance, which are the legal documents that specify which professionals take responsibility for the proper design and construction of buildings.

Under section 743 of the *Local Government Act*, Registered Professionals can certify that drawings and specifications for buildings satisfy provincial building regulations, such as the BC Building Code. Where local governments and regional districts rely on this certification, they are immune from liability related to non-compliance of the building.

There are no other professionals or disciplines, other than architects and engineers, who may use and sign Letters of Assurance, or provide legal immunity to local governments and regional districts through the certification of drawings and specifications.

DISCUSSION:

Since 2017, the Building and Safety Standards Branch has been meeting with AIBC, the Interior Designers Institute of BC (IDIBC), and the Ministry of Advanced Education, Skills and Training (AEST) to respond to requests from IDIBC to have a regulated scope of practice, either independently or within the architectural discipline. The attached briefing notes summarize the issues specifically related to IDIBC.



The Building and Safety Standards Branch identified to AEST, AIBC, and IDIBC in a March 2019 meeting that the increasing complexity of building regulations, and specifically work on the regulation of alterations to existing buildings, is increasing pressure on the regulatory system to provide for some “right-sizing” for regulated work. In practice, this likely means defining some classes of persons, such as interior designers, who would be permitted to sign Letters of Assurance for a limited scope of work (e.g. interior renovations). AIBC has expressed support for this work in principle and has requested involvement in further discussions.

s.12;s.13

Attachments:

1. Registered Interior Designers – Building Regulatory System – October 2018
2. Interior Designers – Right to Practice – December 2017

PREPARED BY:

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APPROVED BY:

Gord Enemark, A/Assistant Deputy Minister
Office of Housing and Construction Standards

DATE APPROVED:

May 10, 2019



ATTACHMENT 1

BRIEFING NOTE FOR INFORMATION

Date: October 19, 2018

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

Title: Registered Interior Designers – Building Regulatory System

Issue: Recognizing Registered Interior Designers in British Columbia's (BC) Building Regulatory System

Meeting With: Georgi-Anna Sizeland and Susan Steeves, Co-Chairs, Regulatory Process Committee, Interior Designers Institute of British Columbia on October 22, 2018

SUMMARY:

- **The Ministry of Municipal Affairs and Housing supports the Ministry of Advanced Education, Skills and Training in evaluating the appropriate role for qualified interior designers within the building regulatory system.**
- s.13
- **A meeting between the Ministers of Municipal Affairs and Housing and Advanced Education, Skills and Training is recommended to consider how legislative, regulatory, and non-regulatory responses to the Interior Designers Institute of BC's concerns might fit within any new legislation governing registered professions in BC.**

BACKGROUND:

Registered Interior Designers (RIDs) are members of the Interior Designers Institute of BC (IDIBC). Under IDIBC's bylaws, RIDs are required to maintain qualification requirements that include graduation from an accredited university degree program, completion of internship, passing a standardized North American exam, carrying professional and liability insurance, adherence to a code of ethics and standards of practice, and participating in continuing education. Registered Interior Designers are highly qualified professionals who design functional, sustainable, healthy, and safe building interiors.

Interior Designers Institute of BC has long been lobbying the Province to recognize RIDs as registered professionals and has raised the following concerns to various levels of government:

- interpretation of the *Architects Act*, as it applies to the BC Building Code and the publication of the Architectural Institute of BC's practice Bulletin 31 (Buildings Requiring the Services of an Architect);
- their inability to independently provide interior design services without the oversight of a registered Architect; and
- direct limitations under the current regulatory system create significant financial challenges for independent interior designers' small businesses.

In July 2018, IDIBC submitted a white paper titled "Recognizing Registered Interior Designers in BC's Regulatory System" (Appendix 2) to the Ministry of Municipal Affairs and Housing and the Ministry of Advanced Education, Skills and Training (AEST).



DISCUSSION:

Interior Designers Institute of BC's white paper identifies aspects of BC's building regulatory system that obstruct RIDs from providing the services for which they are qualified:

- absence of a defined scope of practice for interior construction and renovations, with a corresponding right to practice, within a professional statute such as the *Architects Act* or a standalone practice act;
- absence of recognition within the BC Building Code's professional design and review requirements as registered professionals (currently defined as an Architect or Engineer) who can sign the Letters of Assurance, required by local governments to issue building permits; and,
- increasing local governments' reliance on registered professionals to reduce liability and manage risk of enforcing the BC Building Code.

Further, IDIBC's white paper recommends legislative changes, within the purview of AEST, and supporting regulatory and non-regulatory changes and actions, within the purview of the Ministry of Municipal Affairs and Housing, to address the issues.

s.12;s.13

s.13

Attachments:

1. Information Briefing Note: Interior Designers – Right to Practice – December 2017
2. Recognizing Registered Interior Designers in BC's Regulatory System: White Paper

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Greg Steves, Assistant Deputy Minister
Office of Housing and Construction Standards

Jacqueline Dawes, Deputy Minister

DATE APPROVED:

October 18, 2018

October 18, 2018



ATTACHMENT 2

CLIFF #231737



BRIEFING NOTE FOR INFORMATION

Date: December 13, 2017

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

Title: Interior Designers – Right to Practice

Issue: The Interior Designers Institute of British Columbia (IDIBC) is seeking a statute for qualified interior design practitioners to submit and secure building permits within their scope of practice.

SUMMARY:

- The practice of interior design is unregulated in British Columbia, resulting in inconsistent application of the British Columbia Building Code and, in some cases, unnecessary duplication of professional services and increased costs.
- s.12;s.13

- A joint meeting between the Interior Designers Institute of BC (IDIBC) and the two Ministers of Municipal Affairs and Housing and Advanced Education would be beneficial.
- The Building and Safety Standards Branch intends to explore and form recommendations on this issue in 2018 with the Ministry of Advanced Education, Skills, & Training, and with representatives from the Architectural Institute of BC (AIBC) and the IDIBC.

BACKGROUND:

The Interior Designers Institute of BC is an association of interior design practitioners. The IDIBC is registered as a society and has more than 500 members, over 200 of who have qualified for the right to the exclusive use of the title "Registered Interior Designer (RID)". Qualification requirements include graduation from an accredited university degree program, completion of internship, passing a standardized North American examination, carrying professional and liability insurance, adherence to a code of ethics and standards of practice, and participation in continuing education.

The IDIBC argues that the effective practice of Registered Interior Designers is negatively impacted by:

- Unrestricted use of the title "Interior Designer" by persons lacking education, experience, and professional codes of ethics and standards of practice.
- Uncertainty and, in most cases, denial of the ability of RIDs to work independently on tenant improvements in existing buildings and renovations in complex buildings due to ambiguous code language which leads to inconsistent application of British Columbia Building Code requirements with respect to the role of registered professionals (i.e. architects).

Other provincial jurisdictions addressed these concerns by defining, scoping, and regulating the practice of interior design within statutes.



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DISCUSSION:

The IDIBC asserts that defining, scoping, and regulating the practice of interior designers within a statute would, along with supporting changes in the British Columbia Building Code, mitigate the negative impacts outlined above. Regulatory options would include the creation of a standalone practice Act for interior designers, or the insertion of suitable language within an updated *Architects Act*.

Representatives from the two affected Ministries have met with IDIBC representatives and with representatives from the AIBC to explore the option of amending the *Architects Act*. All parties have expressed an interest in moving forward.

The Ministry of Municipal Affairs and Housing can provide support to this initiative by changing the British Columbia Building Code to acknowledge a limited scope of practice for qualified interior designers, in alignment with potential amendments to the *Architects Act*. The code's professional accountability documents, called Letters of Assurance, could be amended, through consultation with the AIBC and other stakeholders, to reflect the code change. These code amendments would bring certainty to the RID profession that has been acknowledged by the Building and Safety Standards Branch, but has not been resolved, since the introduction of Letters of Assurance within the building code in 1992.

s.13

FINANCIAL IMPLICATIONS:

Defining, scoping, and regulating the practice of interior design may avoid unnecessary duplication of professional services, reducing costs to the building industry and consumers.

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Jacqueline Dawes, Deputy Minister

DATE APPROVED:

December 12, 2017

December 13, 2017



BRIEFING NOTE FOR INFORMATION

Date: April 24, 2019
Prepared For: Kathryn Krishna, Deputy Minister
Title: City of Vancouver and Other Local Governments
Issue: Working together with Local Governments on the issue of renovictions

SUMMARY:

- **Renovictions continue to be an important issue, especially in the Lower Mainland.**
- **The Residential Tenancy Branch (RTB) is working closely with local governments to provide additional clarity on the existing provisions in the *Residential Tenancy Act* (the Act).**
- **We will also continue to look for opportunities to improve the Act to provide greater protections for renters in British Columbia (BC).**

BACKGROUND:

"Renoviction" is a term used in BC to describe an eviction that is carried out to renovate or repair a rental unit. While landlords in BC can end a tenancy to renovate or repair a rental unit, there are strict requirements that must be met.

1. the landlord must have the necessary permits and approvals before giving notice
2. the landlord must intend, in good faith, to renovate or repair the rental unit
3. renovations or repairs must be so extensive they require the rental unit to be vacant
4. the only manner to achieve that vacancy is by ending the tenancy

Misunderstandings about the requirements have allowed some landlords, particularly in communities where prices are skyrocketing, to use these sections of the Act to evict tenants in bad faith.

In response, changes were made to the Act in May 2018 to provide stronger protections for tenants facing eviction for renovation or demolition by:

- Providing tenants with more time to find alternate housing if their landlord ends a tenancy to demolish or renovate a unit;
- Providing tenants with more time to dispute a notice to end a tenancy for demolition, conversion or renovation;
- Increasing the amount of compensation, a landlord must pay a former tenant for a bad faith eviction; and
- Including a right of first refusal for tenants who are evicted because of renovation or repair, to enter into a new tenancy agreement at a rent determined by the landlord in buildings with 5 or more rental units

City of Vancouver staff presented to the Rental Housing Task Force last summer on several issues including renovictions. Taking further action against renovictions is among the 23 recommendations of the Rental Housing Task Force.



Until legislative changes can be contemplated, RTB is working to ensure that local governments understand the existing provisions and have the support they need to address renovictions within their community.

DISCUSSION:

s.13;s.14;s.16



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s.13

FINANCIAL IMPLICATIONS

- None

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DATE APPROVED:

March 16, 2019

March 20, 2019



BRIEFING NOTE FOR INFORMATION

Date: April 10, 2019
Prepared For: Kaye Krishna, Deputy Minister of Municipal Affairs and Housing
Title: Cannabis
Issue: Production of Cannabis in Homes

SUMMARY:

- **Legal home cannabis production that is limited to four plants and relies on common home gardening practices does not pose a health and safety risk.**
- **The use of industrial lights, hydroponic equipment, or fertilizers in a home may create a health or safety risk and falls outside the assumptions of building and safety standards.**
- **Buildings that require remediation or renovation after legal or illegal cannabis cultivation are required to be repaired in compliance with the BC Building Code as well as gas and electrical safety regulations.**
- **Landlords and strata corporations have the authority to restrict home cultivation of cannabis.**
- **Local governments have the authority to enforce the BC Building Code for renovations of existing buildings. In addition, local governments across the province have adopted local bylaws to address the public safety inspection and remediation of residential drug cultivation.**

BACKGROUND:

On October 17, 2018, non-medical cannabis was legalized under the federal *Cannabis Act* and section 14 of the provincial *Cannabis Control and Licensing Act*. British Columbia's (BC) Ministry of Public Safety and Solicitor General is leading BC's response to federal cannabis legalization and has established a Cannabis Legalization and Regulation Secretariat.

Under the *Cannabis Control and Licensing Act*, a resident in a dwelling unit, is permitted to grow four cannabis plants.

The BC Building Code establishes minimum standards for the design and construction of new buildings, as well as the alteration, repair or demolition of existing buildings.

Local governments have the authority to enforce relevant parts of the BC Building Code at the time of renovations, and to provide local oversight to ensure that the building meets minimum health and safety requirements.

In addition to BC Building Code requirements, local governments across the province have adopted local bylaws to address the public safety inspection and remediation of residential drug cultivation. In order to do so, local governments rely on their general authorities under local government legislation, for example, the authority to deal with nuisances or to address public health and safety issues. While many of these bylaws contain similar provisions, including prohibitions, remediation requirements, and penalties, some have incorporated unique components.



Examples include:

- Among others, the District of Kent, and cities of Abbotsford, Chilliwack, Delta, New Westminster, Port Coquitlam, Surrey, and White Rock, all have bylaws that are intended to address the damage and health concerns associated with residential drug production.
- The City of Chilliwack and District of Kent have nearly identical bylaws, both of which outline the responsibility of residential property owners to inspect premises subject to a tenancy agreement at least once every three months. These bylaws also outline the duty to report the discovery of an illegal residential grow operation within 24 hours to the city and require that homeowners take necessary actions to bring the property into bylaw compliance within two months.
- The cities of Abbotsford, Surrey, and White Rock each have a professional cleaning requirement and require written proof from a certified individual to ensure that the building is free of pesticides, fertilizers, toxic chemical contamination, moulds, or fungi.

In summary, these tools available to local governments are effective in addressing local concerns with respect to remediation of residential drug cultivation.

Risks of illegal home cultivation or the use of industrial equipment or fertilizers for legal home cultivation include:

- mould in buildings because of inadequate ventilation and moisture management;
- improper electrical installation and associated fire hazards;
- hazards related to the use of pesticides and fertilizers;
- and, break-ins and thefts.

Changes to the *Residential Tenancy Act* and the *Manufactured Home Park Tenancy Act* around growing and smoking of recreational cannabis came into force when non-medical cannabis was legalized:

- Existing tenancy agreements are deemed to include a “no-grow” clause.
- All existing tenancy agreements are considered to include a term prohibiting growing cannabis (meaning to cultivate, propagate, or harvest) in or on the residential rental property, or the common areas of a manufactured home park and outdoor areas of a manufactured home site unless:
 - the tenant is authorized under applicable federal law to grow medical cannabis, and
 - the tenant is in compliance with the requirements under that law; or
 - the tenancy agreement specifically allows growing.

The *Residential Tenancy Act* currently allows landlords to identify terms in the rental agreement that restrict certain behaviours (e.g., no smoking, no pets). The *Residential Tenancy Act* also allows landlords to evict tenants for cause. Cause includes things such as: causing damage to the landlord's property; putting the landlord's property at significant risk.

No changes are required for the *Strata Property Act*. Strata corporations already have the ability, by a three-quarter vote of owners, to pass a strata bylaw to limit or ban smoking, including smoking



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within strata lots and to address other cannabis-related activity. Strata corporations can also address cannabis smoking through existing “nuisance” strata bylaws.

BC’s Ministry of Environment and Climate Change Strategy has air quality regulations, legislation and programs to assist local governments with managing outdoor air quality.

DISCUSSION:

The risks associated with legal home cultivation of cannabis are not considered significant, unless industrial practices, equipment, or fertilizers are used. The BC Building Code adequately addresses the risks related to smoking, as well as conventional home cultivation of plants. However, industrial equipment or materials such as high-intensity lighting, hydroponic equipment, or fertilizers may exceed the design assumptions of the BC Building Code and may present a health and safety risk as a result.

s.13

FINANCIAL IMPLICATIONS:

- None

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