

From: ["Mochrie, Paul" <Paul.Mochrie@vancouver.ca>](mailto:Paul.Mochrie@vancouver.ca)
To: ["Direct to Mayor and Council - DL"](#)
CC: ["City Manager's Correspondence Group - DL"](#)
Date: 2/25/2021 1:45:36 PM
Subject: City of Vancouver Written Submission to the 2021 Federal Pre-Budget Consultations
Attachments: Letter to Christia Freeland and Mona Fortier.pdf
Written Submission for Pre-Budget Consultation.pdf

Dear Mayor and Council,

Please find attached the City's submission to the federal government as part of their consultations ahead of the 2021 budget which is expected this Spring.

As per the consultation guidelines we put forward six recommendations (listed below) which reflect the priorities of Council and aligns with FCM's recommendations for the green and inclusive recovery, [Building back better together](#).

Overarching all of these recommendations is the urgent need for senior levels of governments to recalibrate and strengthen the current fiscal arrangements that leaves cities vulnerable now, and in preparation for future crises. Consequently, we have requested that the federal government extend the Safe Restart funding into 2021 and 2022.

Recommendations:

1. That the government expedite and enhance the National Housing Strategy with an expanded focus on a capital repair strategy of privately-owned SROs as well as increase and expand investments in the Rapid Housing Initiative and Reaching Home programs.
2. That the government commit to a federal/provincial/regional (40%/40%/20%) cost-sharing agreement to fund the business case for the completion of the Broadway Subway line to UBC.
3. That the government declare a national health emergency and provide Section 56(1) exemptions from the *Controlled Drugs and Substances Act* to allow for the simple possession of illicit substances for personal use within municipal boundaries.
4. That the government support municipal climate change targets and adaptation initiatives by accelerating the transition to clean energy, funding repairs and supporting energy retrofits for existing affordable housing buildings, and investing in nature-based solutions, water quality protection, habitat and biodiversity, and access to green spaces.

5. That the government contribute to the renewal and expansion of civic infrastructure such as community centres and community spaces.
6. That the government take meaningful steps towards reconciliation with Indigenous peoples, including the immediate passage of Bill C-15, *An Act respecting the United Nations Declaration on the Rights of Indigenous Peoples*.

If you have any questions please reach out to tobin.postma@vancouver.ca

Best,
Paul

Paul Mochrie (he/him)
Acting City Manager
City of Vancouver
paul.mochrie@vancouver.ca



The City of Vancouver acknowledges that it is situated on the unceded traditional territories of the xʷməŋəm (Musqueam), lúwú 7mesh (Squamish), and səliwətał (Tseil-Waututh) Nations.



MAYOR KENNEDY STEWART

February 19, 2021

Honourable Chrystia Freeland
Deputy Prime Minister and Minister of Finance
House of Commons
Ottawa, ON K1A 0A6

Honourable Mona Fortier
Minister of Middle Class Prosperity and Associate Minister of Finance
House of Commons
Ottawa, ON K1A 0A6

Sent via e-mail: chrystia.freeland@canada.ca; mona.fortier@canada.ca

Dear Minister Freeland and Minister Fortier,

RE: City of Vancouver Submission to the 2021 Pre-Budget Consultation

In response to your request for submissions for smart, targeted investments to jumpstart the country's economic recovery, please find our submission to the Standing Committee on Finance for its 2021 Pre-Budget Consultations.

Cities are central partners in Canada's pandemic response and recovery, and it is in this spirit of partnership that I am confident that Vancouver will successfully recover from the pandemic with new programs and improved infrastructure that will make us more socially, environmentally and economically resilient in the event of future crises.

We have identified shovel-ready and shovel-worthy recommendations that will create quality jobs and address pressing challenges such as nature-based solutions, clean energy and climate resilience, tackling the opioid overdose crisis, increasing public transit, and providing affordable, safe homes and welcoming community facilities.

At the forefront of these issues is addressing current and future funding challenges. While all levels of government are duly focused on immediate needs and getting Canadians through this pandemic, we must seriously recalibrate and strengthen the current fiscal arrangements that leaves cities vulnerable now, and in preparation for the next big crisis.

Consequently, we are urging your government to extend Safe Restart funding into 2021 and 2022 to mitigate the financial fallout for local governments arising from the pandemic. The City appreciates the \$16.3 million funding from the initial Safe Restart Agreement that the federal government provided in partnership with the Province of British Columbia. However, the Province's decision to use an adjusted per capita allocation formula resulted in a significantly lower amount being allocated to the City relative

to other major Canadian cities (on a per capita basis) and to our overall funding shortfall. Our finances in 2020 included a projected \$85 million in reduced revenue at year-end. A significant funding gap still exists even after implementing \$64 million in salary cost mitigations through temporary layoffs and furloughs and \$16 million in non-salary cost mitigations in 2020, and drawing down \$34 million from our revenue stabilization reserve to offset the 2020 budget shortfall.

More significantly, our 2021 budget reflects a \$60 million revenue shortfall as well as significant additional costs to provide services within the provincial guidelines. To balance the 2021 budget we have reduced our staffing levels from the 2020 budget levels, including our public safety and other core services areas. Even with that reduction we are projecting \$57 million will be required. Given the risk to our reserve levels (significant draw down for 2020/21 to close the funding gap) and uncertainty related to the 2022 recovery, we would request additional restart funding to fill this gap in 2021.

Furthermore, the funding pressures caused by the COVID-19 pandemic resulted in the City scaling back and/or postponing \$254 million of capital projects. These type of job-creating infrastructure projects can be a key driver of Canada's recovery and are crucial to improving the well-being, equity and resilience for the community as a whole.

The federal-Vancouver partnership has never been more important, and we look forward to continued conversations on these and other important matters, in order to provide innovative programs and services to improve the lives of Vancouver residents and help Canada build back better as we know that cities are, and will continue to be, key engines of economic growth.

I would like to thank you for considering our budget recommendations, and your government's leadership in navigating and mitigating the health and economic crisis brought by the COVID-19 pandemic.

Sincerely,



Kennedy Stewart
Mayor, City of Vancouver

Attachment

Written Submission for the Pre-Budget
Consultations in Advance of the Upcoming
Federal Budget
February 2021

By: City of Vancouver

List of Recommendations

Recommendation 1:

That the government expedite and enhance the National Housing Strategy with an expanded focus on a capital repair strategy of privately-owned SROs as well as increase and expand investments in the Rapid Housing Initiative and Reaching Home programs.

Recommendation 2:

That the government commit to a federal/provincial/regional (40%/40%/20%) cost-sharing agreement to complete the Broadway Subway line to UBC.

Recommendation 3:

That the government declare a national health emergency and provide Section 56(1) exemptions from the *Controlled Drugs and Substances Act* to allow for the simple possession of illicit substances for personal use within municipal boundaries.

Recommendation 4:

That the government support municipal climate change targets and adaptation initiatives by accelerating the transition to clean energy, funding repairs and supporting energy retrofits for existing affordable housing buildings, and investing in nature-based solutions, water quality protection, habitat and biodiversity, and access to green spaces.

Recommendation 5:

That the government contribute to the renewal and expansion of civic infrastructure such as community centres and community spaces.

Recommendation 6:

That the government take meaningful steps towards reconciliation with Indigenous peoples, including the immediate passage of Bill C-15, *An Act respecting the United Nations Declaration on the Rights of Indigenous Peoples*.

Recommendation 1:

That the government expedite and enhance the National Housing Strategy with an expanded focus on a capital repair strategy of privately-owned SROs as well as increase and expand investments in the Rapid Housing Initiative and Reaching Home programs.

The City recognizes and is grateful for the federal government's historic investments over the last five years to tackle housing affordability across the country. Unfortunately, Vancouver's housing market continues to be one of Canada's least affordable for low and middle-income earners. Homelessness and housing instability, particularly for renters, remains at a crisis level with the results of the 2020 homeless count identifying 2,095 individuals experiencing homelessness in Vancouver. Additionally, the survey reported that there continues to be an overrepresentation of respondents experiencing homelessness in Vancouver who identify as Indigenous.

To address the ongoing housing crisis, the City would like to see the National Housing Strategy (NHS) enhanced in the following ways:

- Accelerate the timeline for committing unused NHS funding to projects;
- Fast-track approvals for projects that have already been submitted; and
- Increase the flexibility of NHS programs to accommodate a wider range and scale of cost sharing proposals.

Implementing these recommendations will increase the City's ability to take advantage of funding from the NHS to address our most pressing non-market housing needs.

Furthermore, the City is requesting that the Federal Government partner with the City and the Province in a renovation rehabilitation assistance program (RRAP) for private-sector SROs, an important part of the low-income housing stock in the region. This \$120 million matching federal commitment would be used to renovate private-sector SROs in return for the owner signing an agreement to be responsible for the maintenance of the building to a specified standard and to an agreed rent structure to ensure affordability is maintained. This funding would be used to renovate and rehabilitate over 1,300 rooms, improving living conditions for low-income residents.

Vancouver is grateful for the federal government's ambitious commitment to end chronic homelessness and the \$51.5 million we received from the \$1 billion federal-municipal Rapid Housing Initiative (RHI).

Vancouver is also grateful for the federal government's commitment to protect vulnerable populations through the \$600 million Reaching Home (RH) program and the \$6.5 million we have received as part of this program. This funding has enabled the City to provide vital services to the city's vulnerable populations, many of whom have been disproportionately impacted by COVID-19.

While both of these historic and direct commitments to municipalities have had a significant impact in Vancouver, we are asking that the federal government scale up and expand the scope for these investment programs in Budget 2021 to achieve our shared goal of ending chronic homelessness.

Recommendation 2:

That the government commit to a federal/provincial/regional (40%/40%/20%) cost-sharing agreement to complete the Broadway Subway line to UBC.

Completing Broadway Subway Rail Connection

The UBCx Line is a critical piece of regional infrastructure that will provide significant benefits to many existing and new transit riders. It will also link one of Metro Vancouver's largest job and innovation centres at the University of British Columbia (UBC) with the rest of the region. Extensive analysis and modeling predict ridership on the Millennium Line segment from Arbutus to UBC to be higher than the entire Millennium Line today (119,000 riders by 2045). It is estimated that the project will create well in excess of 13,000 person-years of employment, with many new jobs, on an accelerated timeline, in place within three years.

The UBCx project will also remove over 2,000 peak-hour auto trips from the road network, reduce the total distance travelled by vehicles by nearly 2.4 billion kilometres over a 30-year lifecycle and reduce local air contaminants and lifecycle GHG emissions by over 300 kilotonnes.

Total funding required to complete the business case is in the range of \$60 million (\$25 million for the first phase of the reference case, and an additional \$35 million for project procurement). Cost-sharing for large-scale transit infrastructure projects typically follow a 40 percent Federal, 40 percent Provincial and 20 percent regional formula. We are advocating for a similar formula with project partners to fund the UBCx business case.

Future Permanent Transit Fund (PTF)

For several years, the City, along with TransLink and the Mayors' Council on Regional Transportation has been calling for a Permanent Transit Fund to give the Metro Vancouver region the long-term predictability needed to plan the future of our transit network. We welcome the February 10, 2021 sustainable transit funding announcement from the Government of Canada, which outlined a commitment of \$14.9 billion for public transit over the next eight years, including permanent funding of \$3 billion per year for Canadian communities beginning in 2026/27. This type of funding and support from senior government will have a positive impact on advancing the region's vision for public transportation.

Continued expansion of transit services, including planning costs, will be needed to ensure Metro Vancouver's post-pandemic economy remains competitive with cities across North America and around the world. Further funding is required to support region-wide fleet electrification through zero emission buses to ensure that the region's greenhouse gas (GHG) emissions from transportation meet national and global reduction targets. There is an opportunity for senior government to continue supporting our regional transit system through a second phase of COVID relief funding to run for an additional year.

Active Transportation

While public transit is integral to affordable living in our region, senior government support must also enable TransLink to continue planning active transportation and new mobility concepts to ensure the next generation of projects are ready to proceed, once the region's economy has recovered. Increased funding for active transportation infrastructure will also extend the reach of transit service by providing lower-cost options for residents to access daily needs and economic opportunities. We are seeking funding and partnership opportunities to expand the region's municipal cost-sharing programs for

walking and cycling, as well as bus speed and reliability improvements; all of which are programs that have been continually oversubscribed for numerous years.

Recommendation 3:

That the government provide Section 56(1) exemptions from the *Controlled Drugs and Substances Act* to allow for the simple possession of illicit substances for personal use within municipal boundaries.

Despite the significant expansion of addictions treatment and harm reduction programs across the country over the past decade, stigma continues to drive people to use substances alone in private residences, elevating their risk of death.

Decriminalization under a section 56(1) exemption will help municipal governments, health officials, and law enforcement break down the stigma associated with substance use, and represents a crucial next step in building a response that is proportionate to the scale of the British Columbia's public health emergency. By reducing the stigma that prevents people from reaching out for help, a section 56(1) exemption will assist us to optimize pathways to treatment and supports. As Indigenous people are disproportionately affected by the emergency, this exemption would also advance our collective efforts at health equity.

The City of Vancouver requests that the exemption apply to any adult 19 years or over within our municipal border as defined in section 6 of the Vancouver Charter. As many people at risk are polysubstance users, it is important that the exemption decriminalize personal possession of all controlled substances. The City accepts our Chief Medical Health Officer's (CMHO) recommendation against implementing new administrative sanctions or mandatory treatment orders that some countries have used to replace criminal penalties, but will work with health officials to proactively offer voluntary access to treatments and supports to those at risk.

Funding to the Substance Use and Addictions Program (SUAP)

The purpose of the City of Vancouver's proposed Peer Overdose Prevention Project is to provide peer-led in-reach and outreach overdose prevention and harm reduction services at three Downtown community centres and Oppenheimer Park to people who use drugs and are at risk for overdose death. It would involve recruiting and training peers to act as community outreach support, providing education, information and referrals during facility opening hours. The City has submitted an application to the SUAP for funding the estimated project costs of \$332,000/year, over two years (2021-2023).

Recommendation 4:

That the government support municipal climate change targets and adaptation initiatives by accelerating the transition to clean energy, funding repairs and supporting energy retrofits for existing affordable housing buildings, and investing in nature-based solutions, water quality protection, habitat and biodiversity, and access to green spaces.

Energy Retrofits

In 2019, Vancouver City Council declared a climate emergency and since then staff have been working to ramp up Vancouver's ambitious climate actions and embed an equity framework that prioritizes vulnerable communities within those plans.

However, municipalities need further support and leadership to achieve deep, long-term reductions in GHG emissions. For this reason, we urge the federal government to consider establishing a national energy-guide rating system for single-family houses. This would provide home owners with customized information on the best energy efficiency opportunities for their home and would also establish a common compliance foundation for jurisdictions like Vancouver aiming to regulate GHG emissions for existing houses.

Currently, the owners of rental buildings are not taking advantage of government and utility incentives for energy upgrades because the value of the incentives and the energy upgrades reduces their capital cost allowance. The Canada Revenue Agency could address this issue by altering the tax code to exempt the value of energy and seismic upgrades thereby reducing the allowable building depreciation that can be claimed by a building owner each year (the capital cost allowance).

Nature-based Solutions

The City of Vancouver is very pleased that your government is considering integrating nature-based solutions including natural assets and green rainwater infrastructure within its infrastructure funding and enabling programs. We fully support efforts made to create new flexible funding streams that support green infrastructure, clean waters and climate resiliency, all while directly benefitting local communities.

We are ready to begin investing in nature-based solutions but are not able to make these investments in our communities as quickly as is needed without senior government funding.

Investments in green rainwater infrastructure in the public and private realms provide multi-functional, impactful infrastructure that yields many co-benefits for communities related to reducing pollution discharge to water bodies, climate mitigation and adaptation, access to nature, as well as enhancing habitat and biodiversity in our urban areas. Vancouver's Rain City Strategy also presents a strategic opportunity to support the green economy, while aligning water management and natural systems with outcomes related to equity and reconciliation.

While programs such as the Disaster Mitigation Fund (DMAF) have been valuable in helping Canadian municipalities protect their neighbourhoods in the face of new climate extremes, we understand the existing \$2 million program is almost fully committed. Programs such as this are vital to advancing deployment of nature-based infrastructure. We ask that you re-evaluate the project value minimum thresholds for the remainder of the current DMAF program and in developing new funding programs. This will allow municipalities to apply for a variety of projects such as the ones listed below.

The following list are projects requiring further external funding:

- a) *St. George Rainway*: Community-Initiated Blue-Green System Corridor: Total project cost is \$3.8 million. The design phase (\$0.3 million) is ready to begin in 2021; with the construction phase (\$3.5 million) set to commence in 2022/23.
- b) *Alberta Street Blue-Green System and Columbia Park*: Total project cost is \$18.9 million. The design phase (\$1.9 million) will be ready to begin in 2021, and the construction phase (\$17 million) is scheduled to commence in 2023/24.
- c) *Citywide Sewer and Rainwater Management Plan (SRMP)*: Total project cost is \$9.4 million. Phase I (\$2.8 million) is ready to begin in 2021; with Phase II (estimated \$6.6 million) ready to commence soon after in 2022.

Recommendation 5:

That the government contribute to the renewal and expansion of civic infrastructure such as community centres and community spaces.

Community and cultural facilities support the health of our communities and contribute to the economic and environmental well-being of Vancouver. Having a place to learn new skills, connect with friends and neighbours, and participate in activities is more important than ever as communities plan for COVID-19 recovery.

Vancouver is growing steadily, with 5,000 to 6,000 new residents per year, and this growth requires new infrastructure and facilities to maintain an acceptable level of service for residents and businesses. Priorities include renewing and enhancing community and cultural facilities across the city, and providing more spaces for childcare and early childhood education. All infrastructure projects will be built to maximize energy efficiency in alignment with the City's climate emergency response.

Below is a list of civic infrastructure projects in progress, and estimated cost and completion date for each.

- a) *Sunset Seniors Centre*: Total project cost is \$13.7 million. The project planning for the seniors centre is complete. Senior government funding is required for the project to be constructed. In October 2020, the City submitted an application to the Investing in Canada Infrastructure Program - British Columbia - Community, Culture and Recreation Infrastructure.
- b) *Britannia Community Centre (phase 1)*: Total project cost is \$100 million. Currently in the planning/scoping phase. Construction forecasted to start in 2025.
- c) *Ray-Cam Community Centre*: Total project cost is \$50 million. Currently in the planning/scoping phase. Construction forecasted to start in 2024.
- d) *Marpole-Oakridge Community Centre and Outdoor Pool*: Total project cost is \$54 million. This project involves the renewal and expansion of an existing community centre and the provision of a new outdoor pool. Currently in the detailed design phase. Construction forecasted to start in 2023.
- e) *Marpole Civic Centre Library and Social/Cultural Facility*: Total project cost is \$80 million. Currently in the planning/scoping phase. Construction forecasted to start in 2024.

Recommendation 6:

That the government take meaningful steps towards reconciliation with Indigenous peoples, including funding local governments as they engage with First Nations to implement UNDRIP, and the immediate passage of Bill C-15, *An Act respecting the United Nations Declaration on the Rights of Indigenous Peoples*.

In 2014, the City of Vancouver designated itself a City of Reconciliation, and we are constantly seeking ways to deepen our commitment to reconciliation through meaningful and tangible actions.

The City understands the process of reconciliation in Canada will be long-term, generational work. However, reconciliation cannot move forward until the federal government affirms into law, the rights of Indigenous peoples as identified in the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). We know the federal government takes seriously the responsibility of building new relations with Indigenous peoples based on mutual understanding and respect, and it is based on this understanding that we encourage the federal government to expeditiously pass Bill C-15, in order to begin that challenging work of:

- a) aligning all federal laws with UNDRIP
- b) implementing an action plan to achieve the objectives of UNDRIP

- c) providing clear guidelines and frameworks for municipal and regional governments to operate within

With the understanding that deep and meaningful engagement will require a sustained effort, we ask that the federal government provide an annual financial contribution to support engagement initiatives with x^wməθkwə́yəm (Musqueam), Sk̓wx̓wú7mesh (Squamish), and sə́l̓l̓wətəł (Tseil-Waututh) Nations and Vancouver's Urban Indigenous communities.