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Subject: Federal Budget 2016 Summary

Dear Mayor & Council, and the Corporate Management Team:

Please find below a high-level summary of the 2016 Federal Budget released today in Ottawa- from a national and Vancouver perspective.

Also below for your reference is a copy of the City of Vancouver's News Release in response to the budget, and a copy of the Mayor's Statement on behalf of the Mayors' Council on Regional Transportation.

We look forward to working with the federal government closely over the coming weeks and months to discuss specifics of how to implement the commitments in the 2016 budget, and to continue to move key Vancouver economic, environmental and social policies and projects forward together.

Patrice Impey
Acting City Manager

Local Infrastructure

- Budget 2016 increases the federal contribution to a minimum of 50 percent of total eligible costs for projects funded under the new Public Transit Infrastructure Fund and Clean Water and Wastewater Fund.
- Eligible costs expanded to include design, engineering, and other planning costs not currently eligible for federal funding.
- Maintains removal of mandatory P3 screen, allowing municipalities to determine the best procurement model for their local realities.

Public Transit

- \$3.4 billion in new dedicated funding over three years, as part of a first phase to upgrade and improve transit systems - the first phase of a 10-year plan to invest in cost-effective, sustainable, integrated transportation networks.
- Funding will be allocated to municipalities based on ridership rather than by population.
- The federal government will fund up to 50 per cent of eligible costs including repair and refurbishment of existing systems and planning for expansion projects.
- Accelerated design, implementation and construction work for new large-scale projects such as new light rail transit in Greater Vancouver and Ottawa.

Transportation

- \$3.3 million to study VIA high speed rail, Windsor-Quebec City.
- support for Automobile Innovation Fund, including development of more connected vehicles.
- enhanced rail safety, \$143 million over 3 years.
- improved motor vehicle safety, \$7.3 million over 2 years, including development of a regulatory framework for emerging technologies such as automated vehicles.

Affordable Housing

- Reallocates \$30 million over two years, starting in 2016-17, to maintain rent-geared-to-income for low-income households living in social housing affected by the expiry of social housing operating agreements \$1.278 billion for the next two years for increased funding through the Investments in Affordable Housing Initiative (\$504 million over two years), increasing affordable housing for seniors (\$200 million over two years), energy and water efficiency retrofits of existing social housing units (\$574 million)
- Increased funding for the Homelessness Partnering Strategy (\$111.8 million over two years) and new funding for the construction and renovations of shelters and transition houses for victims of family violence (\$89.9 million over two years)
- Commitment to engage housing stakeholders in a long-term National Housing Strategy.

Affordable Housing Vancouver

- The level of investment and actions identified in the federal budget for existing affordable housing is an indication of how important the Federal Government sees the existing affordable stock. It represents a departure from previous government policy and budgets and will support low income and working households to stay and thrive in Vancouver.
- The City of Vancouver welcomes the signal from the Federal Government to involve Housing stakeholders in creating a long-term National Housing Strategy. This is long over-due and a very exciting shift towards action and investment in affordable housing.
- It is great to see a focus in the budget on social infrastructure needs for Aboriginal community and First Nations. The City is working with our Aboriginal partners on new housing projects and so these would be a key priority for the City of Vancouver in taking up any Federal money for new projects.
- The creation of an innovation fund for new Rental Housing (\$85.7 million over the next 2 years) directly administered by CMHC, to encourage the private sector to deliver affordable rental housing, is a very positive step and will enhance the City's efforts to incentivize the creation of new market rental through its Rental 100 program.
- The Federal Government has clearly maintained their commitment to addressing homelessness through Housing First initiatives and the signal that they will support new shelters for victims of family violence is a positive move that will help our Citizens in difficulty.

Other Social Infrastructure

- Development of a National Early Learning and Childcare Framework.
- Canada 150 the federal government work with partners to ensure that all Canadians will have the opportunity to participate in local, regional, national and international celebrations.

Green Infrastructure

- \$2 billion over four years in a dedicated Clean Water and Wastewater Fund for immediate improvements to water distribution and treatment, including upgrades required to meet federal wastewater regulations.
- \$212 million to upgrade the Lions Gate Wastewater Treatment Plant to make it resilient to climate events and improve water treatment for residents of the District of West Vancouver, the City of North Vancouver and the District of North Vancouver.
- The federal government will fund up to 50 per cent eligible costs for projects under the Clean Water and Wastewater Fund.
- \$518 million for climate change mitigation and adaptation infrastructure projects.

- An investment of \$125 million over the next two years toward the Green Municipal Fund administered by FCM, to provide grants and loans to communities to improve community sustainability and environmental performance
- \$75 million to FCM to deliver climate change mitigation and adaptation programming for municipalities, building resilient, sustainable communities

Electric Vehicles & Vehicles Vancouver

- \$2 billion over two years, beginning 2017-2018, to establish Low Carbon Economy Fund - could be used for EV support.
- Accelerated Capital Cost Allowance rates for EV Charging and electrical energy storage; EV charging will be first, with largest allowances to high-powered EVs.
- Notes that pricing carbon will be key element in climate goals, no details, but will be part of the \$2.9 billion over 5 years for climate / air quality issues.
- Electric Vehicle/Alternative Technology funding: \$62.5 million over 2 years: \$14 million in 2016-2017, \$49 million in 2017-2018, EV charging, natural gas and hydrogen refuelling stations including demonstration projects.

Green Buildings Vancouver

- Social housing retrofits and renovations - \$573.9 million over two years, starting in 2016-17—which includes improving water and energy efficiency, and reducing greenhouse gas emissions.
- Budget for green buildings and climate leadership focused on supporting Provincial action via \$2 billion Low Carbon Economy Fund (over 2 years).
- \$800 million over 4 years to Strengthen Innovation Clusters and Networks may be a very significant and critical investment in building local Vancouver industry capacity for zero emissions buildings given the urgent need to foster innovation sharing and capacity building between numerous industry players.
- \$128.8 million over 5 years specifically earmarked for energy efficiency will advance some home and building energy retrofit programs but will be dependant on alignment and commitments from the Province of BC.
- \$130 million for Clean Technology development and demonstrations may also provide opportunities to support low-carbon NEU development.

Climate Adaptation Vancouver

- Development of building codes and standards that integrate climate resiliency requirements \$40 million over 5 years starting in 2016-2017. Ready for adoption in 2020.

Public Safety

- Provide \$143 million over three years to sustain existing rail safety measures and support new investments on oversight, enforcement, better risk management, and additional support for first responders to provide better tools and information required to better protect communities.
- \$15.5 million over five years to restore funding to heavy urban search and rescue task forces in Vancouver, Toronto, Calgary, and Manitoba
- re-opening of Kits Coast Guard Base, \$23.6 million over 5 years.

City of Vancouver
News Release
March 22, 2016

City optimistic of Federal funding for housing and transit

The City of Vancouver is encouraged that today's federal budget makes significant commitments to short and long-term investments in housing, transit and social infrastructure, and Mayor Robertson and the City are reaffirming their commitment to work closely with both the provincial and federal governments to expedite projects that put this funding to use.

"In Vancouver, we face growing challenges on affordable housing and transit, and today's federal budget is a good first step towards a new partnership that will see cities and the federal government taking action on some of our most difficult challenges," said Mayor Robertson. "The commitments by the federal government to increase funding for affordable housing and homelessness programs are urgently needed given the number of residents throughout Metro who struggle to access housing. As well, federal funding for upgrading seniors' housing, co-ops and maintaining affordability will be a big boost for protecting low-income households.

"The new funding and flexibility dedicated to transit will help us get moving on improving transit in Vancouver and throughout the region, and will both grow our economy while protecting our environment. The changes the federal government has made to transit funding reflect the needs of cities across Canada and is good news for transit riders."

Benefits of the 2016 federal budget for the City of Vancouver include:

- A commitment of at least \$370 million as a down payment for transit in Metro Vancouver;
- A willingness to fund up to 50% of transit projects, instead of just 1/3rd;
- Allowing transit funding to go towards accelerating design and engineering preparations for major projects, like the Broadway Subway;
- Increased funding for the Homelessness Partnership Strategy and Affordable Housing Initiative;
- Commitment to developing a National Housing Strategy;
- Reinstating HUSAR funding to support emergency preparedness.

"We're ready to work closely and quickly with the provincial and federal governments to get these projects started in Vancouver, added the Mayor. "Housing and transit are top priorities for Vancouver City Hall and it's encouraging to see these priorities reflected in the federal budget."

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Backgrounder:

City of Vancouver Federal Infrastructure Funding Package February 2016

Key existing projects for upgrades:

3/20/2017

- Stabilizing existing affordable housing
- Green buildings and retrofits
- Renewal of community facilities
- False Creek Bridges including Burrard Bridge
- Regional and local wastewater system upgrades

Key new projects (including engineering and design work)

- Broadway Subway
- New affordable and transitional housing, including 20 sites of city land (worth \$250 million) for affordable housing
- Low-carbon energy systems
- New childcare

STATEMENT BY CHAIR OF MAYORS' COUNCIL ON 2016 FEDERAL BUDGET

VANCOUVER, March 22, 2016 - The following statement was released by Mayor Gregor Robertson, Chair of the TransLink Mayors' Council on Regional Transportation on today's release of the 2016 federal budget:

"The Mayors' Council applauds the federal government's strong budget commitment to invest in transit in Metro Vancouver. Today's budget announcements reflect the respectful partnership that has characterized relations between municipal governments and the new Prime Minister and his Cabinet.

For Metro Vancouver, the announcement of an initial investment of at least \$370 million is welcome news, and can get us going on the first phase of improving bus service and Skytrain throughout the region. This down payment signals the readiness of the Government of Canada to partner with area municipalities to immediately begin work on core elements of the Mayors' 10-Year Plan for Transportation and Transit. The commitment to contribute up to 50% of funding, instead of the dated '1/3' model, as well as to commit funding based on ridership is welcome news and will only serve to speed up these urgent investments in transit, provided we can get certainty from the province.

As well, the budget's commitment to provide federal funding to accelerate design and engineering work on major projects like the Broadway Subway and light-rail transit in Surrey is good news for the tens of thousands of people using transit in our region, and who desperately need expanded, more efficient service.

The Mayors' Council will be meeting with Infrastructure and Communities Minister Sohi this Thursday to discuss the details and next steps on Phase 2 of the federal government's longer-term funding plan. We are committed to working with the federal and provincial governments to make the 10-year Metro Vancouver Transportation and Transit Plan region a reality and appreciate the funding commitments the federal government is making to transit, in Metro Vancouver and throughout Canada."

TransLink is Metro Vancouver's transportation authority, which owns and operates all transit and many of the major roads and bridges in this gateway region of 2.5 million people. The 23 member Mayors' Council represents the views and interests of citizens across the region, and is chaired by Vancouver Mayor Gregor Robertson.