CITY OF
VANCOUVER

CITY CLERK'S DEPARTMENT
Access to Information

File No. 04-1000-20-2016-110

May 11, 2016

s.22(1) [redacted]

Dear s.22(1) [redacted]:

Re: **Request for Access to Records under the Freedom of Information and Protection of Privacy Act (the "Act")**

I am responding to your request of April 4, 2016 for:

Copies of the following reports provided by Katelyn McDougall, related to the entries under her name in the Mayor's Discretionary Fund for 2015:

- **Living Wage Campaign Review, Research for Council Motion**
- **Provincial Funding Review, Research for Mayor and Chief of Staff**
- **Housing Polices and Funding Research, Research for Mayor and Councillors**
- **Australia's Approach to Regulating Foreign Investment, Research for Mayor and Councillors**

All responsive records are attached.

Under section 52 of the Act you may ask the Information & Privacy Commissioner to review any matter related to the City's response to your request. The Act allows you 30 business days from the date you receive this notice to request a review by writing to: Office of the Information & Privacy Commissioner, info@oipc.bc.ca or by phoning 250-387-5629.

If you request a review, please provide the Commissioner's office with: 1) the request number assigned to your request (#04-1000-20-2016-110); 2) a copy of this letter; 3) a copy of your original request for information sent to the City of Vancouver; and 4) detailed reasons or grounds on which you are seeking the review.

Please do not hesitate to contact the Freedom of Information Office at foi@vancouver.ca if you have any questions.

Yours truly,

Barbara J. Van Fraassen, BA
Director, Access to Information
City Clerk's Department, City of Vancouver

Encl.

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Autonomy of Cities: Canada versus USA

Legislation

Municipalities in Canada are often referred to as creatures of the provinces. This is because no constitutional recognition of municipal institutions as a form of government exists. Section 92(8) of the Canadian Constitution establishes that municipal governments may be created only through provincial statute, and will be granted only those powers that the provinces wish to grant[1].

In contrast, most large American municipalities have much greater autonomy than Canadian municipalities. This is because most states have amended the state constitution to grant cities, municipalities and/or counties the ability to pass laws to govern themselves as they see fit, so long as they obey the state and federal constitutions. This amendment is often referred to as Home Rule[2].

Fiscal Authority

The power of Canadian municipalities is also limited through the means by which they can raise and spend money. Municipalities in Canada are limited primarily to raising funds through property taxes; other sources including user fees, grants and transfers payments from federal and provincial governments, investments, and miscellaneous fees from licenses, amusement taxes, permits and fines. However, these other sources account for only 21% of municipal funding on average.

In contrast, American municipalities operate within a more permissive fiscal framework, and are able to draw upon a wider array of financing mechanisms.

Table 1. Municipal Tax Revenue Share

	Canada	US
Property taxes as a share of all municipal revenue	49.5%	21%
Other taxes as a share of municipal revenue	1%	13.5%
User fees	20.2%	32.6%

Source: Canadian Federation of Municipalities (2001)

1 In British Columbia, the Community Charter establishes municipalities' fundamental powers, scope of jurisdiction and ancillary powers. However, the City of Vancouver governed by its own charter, the Vancouver Charter.
2 The remaining US municipalities derive their authority directly from the state constitutions and governed by general law charters, and thus have much more restricted jurisdiction. This is often referred to as Dillon's rule.

Table 2. Municipal Fiscal Authority of Cities

	USA	Canada
Property Tax	✓	✓
Sales Tax	✓	
Hotel/Motel Tax	✓	Some instances (rare)
Business Tax	✓	
Fuel Tax	✓	Some instances (rare)
License Fee	✓	✓
Income Tax: Individual and corporate	✓	
Development charges	✓	✓
Tax-exempt municipal bonds	✓	
Tax incentives	✓	
Grants to corporations	✓	
Borrow Money	✓	✓

Source: Canadian Federation of Municipalities (2001)

Authority Over the Minimum Wage

Legislative authority to establish a minimum wage in Canada is a shared constitutional power. Prior to 1996, the federal government set its own minimum wage rate, a single rate that was applied to all employers covered under Part III of the *Canada Labour Code*. Since that time, the federal minimum wage has been set according to the applicable provincial or territorial legislated rate for adult workers[3].

Whereas cities in the US can utilize the power of Home Rule to change minimum wage legislation[4], provincial governments across Canada must provide cities with the authority to set minimum wage standards. However, there is no indication that cities will be given this power anytime soon. Neoliberal states often decentralize political responsibility for social issues, without providing necessary resources to make change. With the minimum wage this has hindered local government's decision making power, while loading on increasingly more political responsibilities without supplementary fiscal or legislative tools. Therefore, a living wage policy in Vancouver is an alternative option that City can implement to combat inequality.

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3 http://www.parl.gc.ca/Content/LOP/ResearchPublications/prb0839-e.htm?cat=business

4 http://www.columbia.edu/cu/jlsp/pdf/Spring%202006/Dalmat_Final.pdf

References

BC Community Charter: http://www.bclaws.ca/Recon/document/ID/freeside/03026_00

Vancouver Charter:
http://www.bclaws.ca/Recon/document/ID/freeside/vanch_01

Section 92 of Canadian Constitution: http://laws-lois.justice.gc.ca/eng/Const/page-4.html#h-19

Canadian Federation of Municipalities,. Early Warning: Will Canadian Cities Compete? A Comparative Overview Of Municipal Government In Canada, The United States And Europe. Ottawa: Canadian Federation of Municipalities, 2001. Web. 23 June 2015.
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Parliament of Canada,. Federal Minimum Wage and Low-Income Workers in Canada. Social Affairs Division. October 2012.
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Darlin Dalmat,. Bringing Economic Justice Closer to Home. November 2005.
http://www.columbia.edu/cu/jlsp/pdf/Spring%202006/Dalmat_Final.pdf

BRIEFING NOTE

DATE: June 17, 2015
TO: Mayor's Office, City of Vancouver
FROM: Katelyn McDougall, Principal and Managing Director, OfCity Consulting
RE: City of Vancouver's Commitment to the Living Wage Campaign

Purpose:
The City of Vancouver has been working with different community groups to develop a strategy for implementing a Living Wage Policy. The living wage is considered to be one of the various social and economic policy initiatives that can be taken to improve the standard of living and quality of life for families and residents in the city. The City of Vancouver would be the largest living wage employer in Metro Vancouver, and the second city to commit to the policy joining New Westminster. In doing so, the city would effectively help create a larger market place for contract employers who guarantee a living wage. The notion of a living wage is also a component in Vancouver's Healthy City strategy passed unanimously by council earlier this year.

The following briefing note provides an overview of the Living Wage and the role of local government in implementing such a policy. It summarizes the key arguments that have been made, and provides information about the people directly involved with the campaign.

Background:
In contrast to a provincially legislated minimum wage, the living wage is a social and economic benchmark for ensuring employees a wage that will meet their essential daily needs. When implemented, it is a tool that enables working families to pay their expenses and lift them out of poverty. The living wage is calculated based on costs specific to individual geographic communities, so the dollar figure for the living wage varies across regions and changes overtime. Currently the living wage for the City of Vancouver is $20.68/hr[1].

The living wage is calculated using what is known as the Canadian Living Wage Framework[2]. In summary a living wage is the hourly rate of pay that enables wage earners living in a household to pay for basic expenses such as rent, food, transportation, and child care.

The living wage is considered to use a modest calculation compared to overall community standards. When calculated, it does not include factors such as;

- Saving for retirement

[1] Living Wage for Families: Living Wage Raises Again in 2015. http://www.livingwageforfamilies.ca/media/news-releases/living-wage-rises-again-in-2015-federal-policies-leave-families-struggling-to-cover-basics/
[2] Canadian Living Wage Framework. http://www.livingwagecanada.ca/files/7813/8243/8036/living_wage_full_document.pdf

- Owning a home
- Debt servicing or interest payments
- Saving for retirement or education
- Anything beyond minimal recreation
- Savings for emergencies
- Costs of caring for disabled, ill, or elderly family members

A full report, detailing the principles, rationale, methodology, data sources, and business case for the living wage calculation can be found at the Canadian Center for Policy Alternatives website[3].

The living wage reduces externalized public costs by creating healthy communities, reducing chronic stress of people living in poverty, increasing participation and engagement in community and civic life. It also contributes to developing a more vibrant local economy[4].

Local governments can help change standards within their communities. At the City of Vancouver, many unionized employees are already paid above the living wage benchmark. Therefore the focus for the City is to enhance its procurement standards. As local governments endorse the living wage campaign and sign on to becoming living wage employers, they will engage contractors who ensure a living wage rate as well. This in turn will create a marketplace for local service contractors who pay the living wage.

Living Wage Proposal Context:
The Metro Vancouver Alliance (MVA) has been one of the key organizers in advancing the living wage campaign across Metro Vancouver and in the City of Vancouver. The MVA has also been working in partnership with the larger Living Wage for Families campaign.

On October 9th, 2014 the MVA held a Municipal Election Accountability Assembly with leaders of all the major civic parties. The purpose of the Assembly was to determine the party's interest and commitment to different MVA's policy proposals. One of these proposals was a commitment to the living wage campaign. As such, the MVA asked candidates at the Assembly if they would:

1) Commit to developing a plan to make the City of Vancouver a Living Wage employer for all employees who work for the city of Vancouver and for all employees of companies who are contracted or subcontracted to work for the City of Vancouver, and;
2) Promote the Living Wage to other municipalities and employers.

At the Assembly Mayor Gregor Robertson, NPA mayoral candidate Kirk LaPointe, COPE mayoral candidate Meena Wong, and Green Party leader Councilor Adriane Carr, all committed to

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[3] CCPA. https://www.policyalternatives.ca/publications/reports/working-living-wage-2015
[4] Living Wage Hamilton http://livingwagehamilton.ca/wp/wp-content/uploads/2011/12/Living-Wage-Hamilton-Declaration-2014.pdf

developing a plan to make the City of Vancouver a living wage employer and to promoting the living wage to other municipalities and employers[5].

Social and economic inequality received considerable attention throughout the duration of the 2014 Vancouver Civic Election. Across the different party platforms, local economic development strategies and the implementation of a living wage were proposed as solutions for addressing inequality. The table below details relevant commitments and comments made by various civic parties in the 2014 election regarding the living wage or procurement standards.

Table 1. Civic Leadership and Commitment to the Living Wage Campaign

Civic Party	Relevant Platform Commitments and Comments
Vision Vancouver	• no official living wage platform • Gregor Robertson openly supports living wage, and advocating for raising minimum wage to $15/hr • increase the unbundling of contracts to allow small, local businesses increased opportunities to bid and provide services • make sure the City's procurement policy recognizes the benefit that social enterprises provide for taxpayers and the City, while maintaining that all winning bids provide top value for taxpayers and go to fully qualified companies
NPA	• no official living wage platform • Kirk LaPointe "I feel very strongly that our city's most vulnerable residents need to be better protected[6]" • would put policies in place to encourage procurement of low-risk technologies that provides opportunities for local technology companies and better services for residents
COPE	• would seek an amendment to the Vancouver Charter giving the City the power to set a local minimum wage • advocate for increasing the minimum wage to $15/hr province-wide • institute a Living Wage as the minimum standard for those directly employed by the City of Vancouver • work on model for implementing a Guaranteed Liveable Income • will not contract out any Vancouver City Services, nor enter into Public Private Partnerships

[5] Metro Vancouver Alliance: Municipal Accountability Assembly http://www.metvanalliance.org/mva_s_municipal_accountability_assembly
[6] News 1130: http://www.news1130.com/2014/10/10/vancouver-mayoral-candidates-support-living-wage-better-transit/

	● contract to those who meet the Living Wage, and meet unionization and Fair Wage requirements ● will work with other municipalities to institute a Living Wage across Metro Vancouver, lessening the chance of stores relocating to avoid paying their employees a fair wage
Green	● advocate for a $10/day childcare plan as recommended by the Coalition of Child Care Advocates of BC. ● adopt a Living Wage policy, like New Westminster did in 2011, to make Vancouver a Living Wage Employer requiring all companies contracted or subcontracted to provide services on city property pay their employees a living wage as calculated by the Living Wage for Families Campaign. ● adopt a Fair Wage Policy, like Burnaby and Toronto, promoting equality for workers by ensuring City contractors and sub-contractors are paid at least equal or greater wages to comparable City employees. ● expand partnerships with VanCity, the Vancouver Foundation and other institutions to increase year-round social enterprise jobs for those with employment barriers
OneCity	● act to start $10-a-day child care program ● foster a sustainable living wage economy ● create a critical mass of Living Wage employers by establishing a Living Wage Zone in the False Creek Flats ● would utilize business licensing and zoning measures to ensure that a Living Wage is paid to everyone involved in new construction, employees in False Creek Flat industries, and contract employees who are the most precarious workers

Post-Election Engagement
Following the Vancouver Civic Election, the Living Wage for Families Campaign has run the Adopt-a-Councillor campaign[7]. Throughout the spring of 2015, community organizers have been meeting with City Councilors to encourage the City of Vancouver to publicly announce a commitment and timeline for implementing a living wage policy.

On June 2, 2015 the Living Wage for Families Campaign held an event to discuss updates on the Adopt-a-Councillor campaign. Various community organizers discussed their experience with the living wage, and reported back on meetings held with City Councillors. Some of the organizations present included the MVA, the VPL, VGH, the BCRTA, and the UFCW. Comments

[7] Whats Happening with the living wage in Vancouver: https://firstcallbc.wordpress.com/2015/05/21/living-wage-event-june-2-whats-happening-with-the-living-wage-in-vancouver/

from the discussion have been highlighted and categorized below.

Table 2. Living Wage Highlight Discussion Points

Engagement	• accessibility of Councillors was spoken about positively overall, though many thought the City should do a better job of promoting how to engage with Councillors
Elected Officials	• Mayor Gregor Robertson seemed very supportive of the living wage policy • Councillor Meggs and Stevenson were seen as champions of the living wage, and on top of implementing a strategy by the end of 2015 • Meetings with Councillor Kerry Jang were positive • the NPA was very slow to respond and set up meetings to discuss the living wage • Adrianne Carr was contacted by email, and she ensured follow up about when implementation would happen • Councillor Deal was supportive of campaign, but not interested in meeting
Campaign	• the importance of the living wage for reducing stress, and improving quality of life • would create real, tangible benefits • will help create better family life
Implementation	• Unsure how the city would pay for new living wage contracts • Unsure about when the implementation of campaign would take place, fairly confident that it would happen by end of 2015 • Thought that City was buying time with the need to assess contracts • Important to consider auxiliary staff • Would like to see an accelerated implementation process

Living Wage Organizers
Across Metro Vancouver a diverse coalition of community partners have worked together on the living wage campaign. In developing this calculation methodology the Living Wage for Families Campaign worked with the Human Early Learning Partnership (HELP) at UBC, independent social policy consultants, Victoria Social Planning Council, the United Way of the Lower Mainland, First Call: Child and Youth Advocacy Coalition, the Canadian Centre for Policy Alternatives and the Hospital Employees Union. The methodology was reviewed by the First

Call Living Wage Roundtable, low income parents, as well as a Vancity-organized employer focus group[8].

The Living Wage for Families Campaign has been hosted by First Call: BC Child and Youth Advocacy Coalition and guided by an advisory committee, with representatives from community organizations and other partners and supporters in Metro Vancouver. The Living Wage Advisory Committee is staffed by a campaign organizer[9].

Advisory committee members represent the following organizations:

- BC ACORN
- MOSAIC
- Canadian Labour Congress
- BCGEU
- UNIFOR 111
- Canadian Centre for Policy Alternatives
- First Call: BC Child and Youth Advocacy Coalition
- Faith Engagement Project
- United Food and Commercial Workers, Local 1518
- Mount Pleasant Neighbourhood House
- BCTF
- Metro Vancouver Alliance

[8] Municipal Tookkit http://livingwagecanada.ca/files/7813/8304/9906/municipal_toolkit.pdf
[9] Staff Advisory Board http://www.livingwageforfamilies.ca/who-we-are/staff-advisory-board/

DATE: July 22, 2015
TO: Mayor's Office, City of Vancouver
FROM: Katelyn McDougall, Principal and Managing Director, OfCity Consulting
RE: The Financial Relationship between Provincial Governments and Housing Agencies in Canadian Provinces

Purpose

The following document describes the shape and scope of the provincial housing agencies whose mandate includes major Canadian cities. This documents investigates the financial relationship between these housing agencies and their provincial counterparts by reviewing the agencies' operating budgets and the amount of core funding support received from the provincial government per agency. The financial information detailed in this report has been gathered from the 2013 and 2014 Annual Reports, operating budgets, or financial statements of the individual agencies, unless otherwise indicated.

Background

Housing agencies deliver a wide range of programs and services in order address fundamental challenges in the housing market, including issues of access and supply. Programs and services address issues along the housing continuum, from emergency shelters and housing for the homeless, to transitional supportive housing and assisted living, to social housing and rental supplements, and in some cases, to homeowners at the low-end of income distribution. Housing agencies work to meet the challenges of the housing market by partnering with the private and non-profit sectors, municipalities, the Federal Government, and other provincial ministries to implement their policies and programs.

Overview of Housing Agencies Reviewed

Agency	Description	Operation/Management
BC Housing	Develops, manages and administers a wide range of subsidized housing options across the province, improves the quality of residential construction in BC, and helps to strengthen consumer protection for buyers of new homes.	The British Columbia Housing Management Commission (i.e. BC Housing) is a Crown Agency established in 1967.
Alberta Seniors	a. Ensuring Albertans of modest means have access to affordable housing that meets their basic needs b. Supporting a mix of existing and new housing options for families, individuals, seniors and Albertans with special needs c. Delivering capital grant programs to increase the Province's supply of affordable housing d. Monitoring housing agreements related	The Housing division is a ministerial division within Alberta Seniors.

	to affordable housing units e. Ensuring the operations of the 36,000 provincially-owned and/or supported social housing units are managed effectively f. Managing the delivery of rent supplement programs and other grant initiatives	
Saskatchewan Housing Corporation	Provides a range of housing programs and services for low-income households, supports the repair and improvement of existing housing, and the development of new housing for low- to moderate-income households.	Saskatchewan Housing Corporation is a Crown Corporation that was founded in 1978.
Manitoba Housing	a. Enhances the affordability of, and accessibility to, adequate housing for Manitobans, particularly those of low to moderate incomes or those with specialized needs; b. Maintains and improve the condition of existing housing stock; c. Ensures there is an adequate supply of housing stock in Manitoba; and d. Stimulates the activities of the housing market to the benefit of Manitobans as a whole.	The Manitoba Housing and Renewal Corporation (i.e. Manitoba Housing) is a Crown Corporation created by statue in 1967.
Ontario Mortgage and Housing Corporation	Carries out certain financial obligations associated with public housing and is also responsible for the administration of legacy loans that were formerly the responsibility of the OMC. Fundamentally, the Ontario Mortgage and Housing Corporation does not deliver social housing, which was devolved to municipal housing agencies (e.g. Toronto Community Housing)	The Ontario Mortgage and Housing Corporation is a classified operational agency established under the Ontario Mortgage and Housing Corporation Act. Previously the Corporation was two separate agencies: The Ontario Housing Corporation, and the Ontario Mortgage Corporation.
Housing Nova Scotia	a. Provides portfolio management to oversee the operations of 5 provincial housing authorities that deliver social housing b. Acquisition and disposal of real estate c. Land development for housing projects d. Program Delivery for a range of housing programs, including social housing, affordable housing,	Housing Nova Scotia (formerly known as the Nova Scotia Housing Development Corporation) is a Crown Corporation established in 1986.

	development of new housing, home repair, renovation, home ownership options, and support for homeless individuals	

Depth of Services Provided by Housing Agencies

Agency	Housing Units	Individuals and Households Assisted Annually
BC Housing	• Information not available	• 13,950 individuals in Emergency Shelters • 18,050 individuals in Supportive Housing and/or Assisted Living • 41,800 households in social housing • 29,960 in rent assistance
Alberta Seniors	• 36,000 units	• 65,000 households or • 100,000 individuals
Saskatchewan Housing Corporation	• Supports 24,900 Affordable/Social Rental Housing Units and 4,100 Special Care Units • SHC owns and operates 18,197 units	• Information not available
Manitoba Housing and Community Development	• Owns and Operates 14,300 housing units • Supports 3,800 additional units	• 35,500 households
Ontario Mortgage and Housing Corporation	• Information not available	• Information not available
Housing Nova Scotia	• Information not available	• 19,000 individuals

Operating Budget and Funding Analysis

Within the 2013 and 2014 financial statements of these housing agencies there are a few observable trends. The first is that funding between years remains relatively stable, as demonstrated by Figure 1 below. The largest variances are seen in Alberta Seniors[1] (which grew by 27% from $92.1 million to $116.7 million), and in Saskatchewan Housing Corporation (which shrank by 18% from $224.5 million

[1] However, it should be noted that this total operating budget reflects revenues for both seniors' and housing policies and programs.

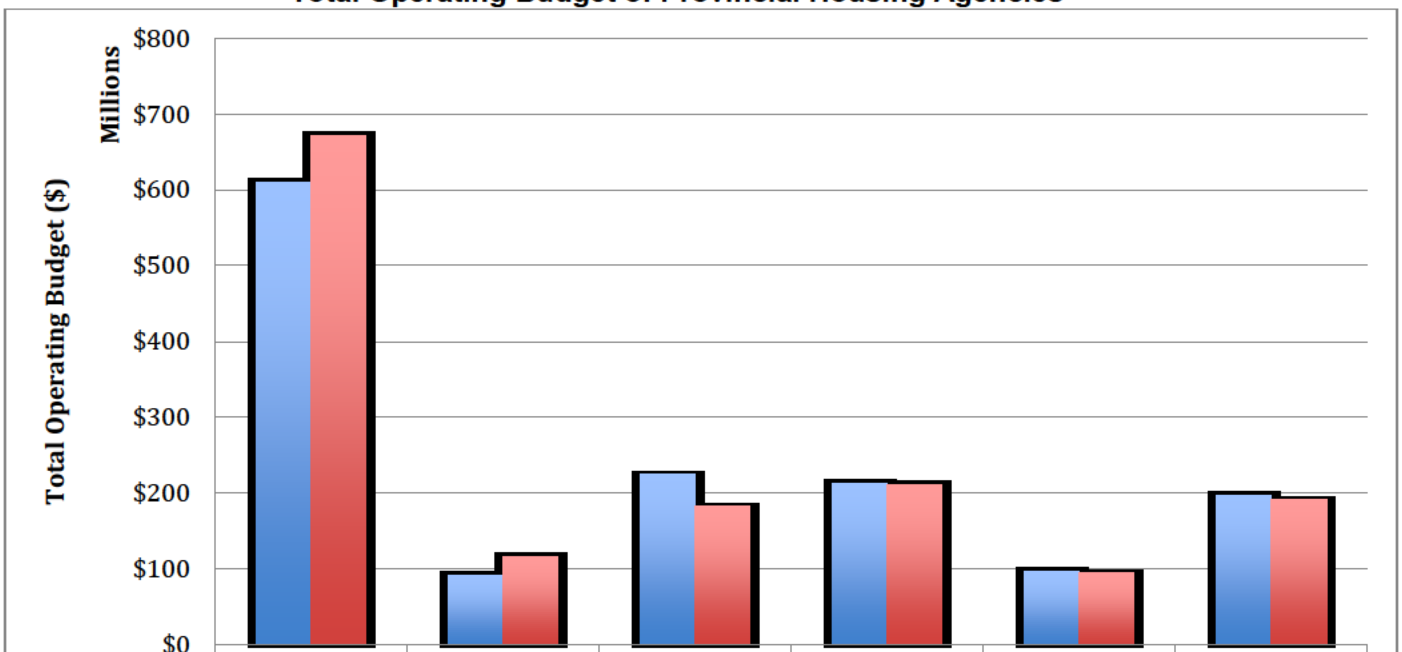
to $183.2 million). BC Housing also saw a significant increase of 10%. The remaining Housing Agencies saw small decreases to their operating budgets, between 1 and 3 percent.

Most notably, BC Housing has the largest operating budget of all provincial housing agencies reviewed. This is partially reflective of BC Housing's broader mandate and larger population relative to the Prairie and Atlantic Provinces

In contrast, the Ontario Mortgage and Housing Corporation has a surprisingly small total operating budget. This reflects the fact that in 2000, the provincial Ontario government transferred responsibility for public housing to local housing authorities governed by municipalities. As such, the total operating budget for this agency is not directly comparable to the other provinces.

Figure 1:

Total Operating Budget of Provincial Housing Agencies



	BC Housing	Alberta Seniors	Saskatchewan Housing Corporation	Manitoba Housing	Ontario Mortgage and Housing Corporation	Housing Nova Scotia
2013	$610,156,000	$92,100,000	$224,541,000	$213,232,086	$97,397,000	$197,734,253
2014	$671,707,000	$116,700,000	$183,200,000	$211,797,314	$94,628,000	$191,555,796

Note: Alberta Seniors' budget reflects revenues for both seniors' and housing policies and programs. Expenditures for housing programs and policies totaled $250.7 million for 2014/15.

Figure 2 demonstrates that there is no standard level of funding granted to these agencies by their provincial governments. The proportion of total revenues that are derived from provincial governments ranges from a low of 7% in Saskatchewan, to a high of 99% in Ontario. Notably, British Columbia receives a relatively large proportion of its total operating budget from the BC government (64% or $432.5 million).

Other sources of revenue for these provincial housing agencies include Federal Transfers and Allocations, as well as Rental Revenue from tenants (see Table 1).

Figure 2:

Provincial and Federal Proportion of Housing Revenues

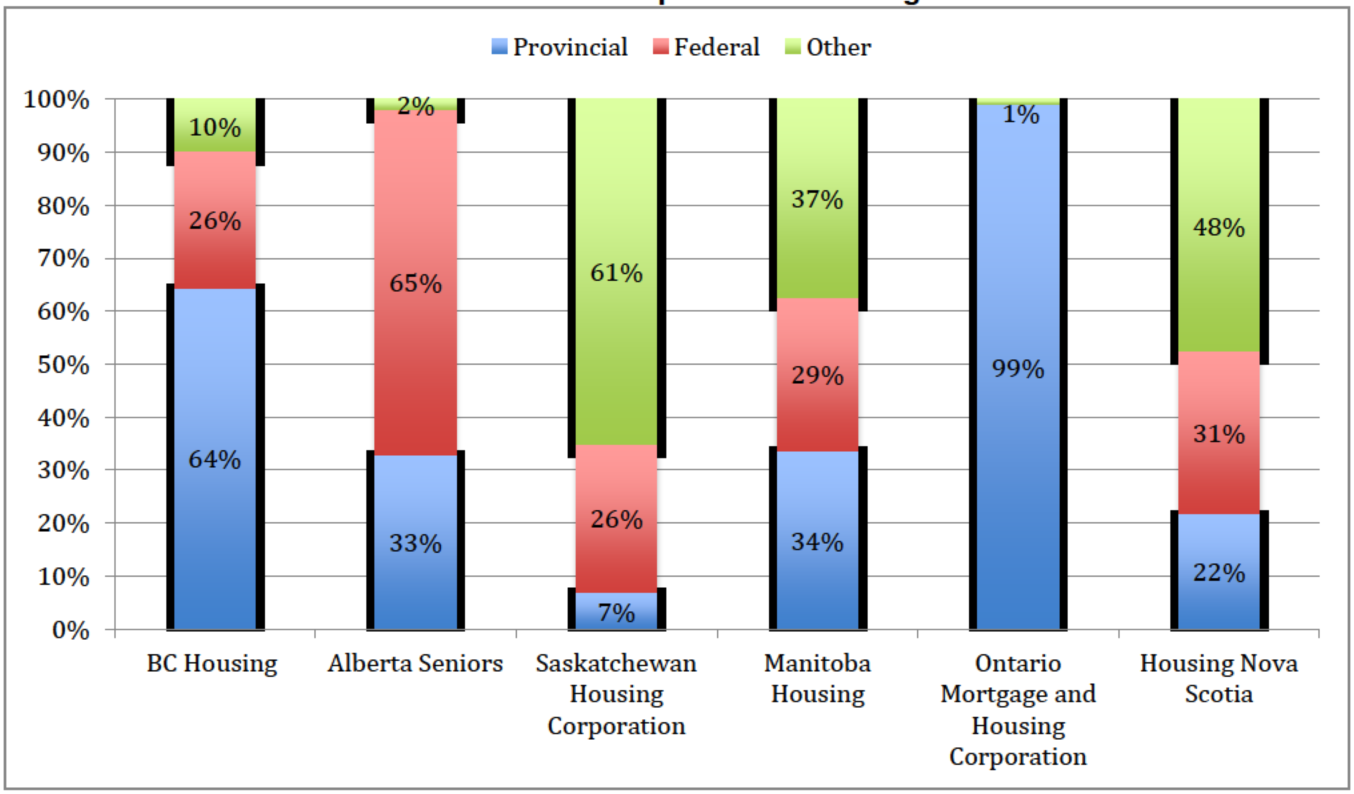


Table 1: Provincial Budgets for Housing Programs and Policies

Agency	Total Revenue ($ Millions)	Provincial (Million $) (%)	Federal (Million $) (%)	Other (Million $) (%)	Primary Sources of Other Revenue
BC Housing	$671.7	$432.5 (64%)	$173.1 (26%)	$66.2 (10%)	• Rental Revenue • Builder Licencing Fees
Alberta Seniors*	$116.7	$38.5 (33%)	$75.9 (65%)	$2.3 (2%)	• Recoveries from Housing Providers
Saskatchewan Housing Corporation	$183.2	$12.0 (7%)	$48.3 (26%)	$112.3 (61%)	• Rental Revenue
Manitoba Housing and Community Development	$211.8	$71.2 (34%)	$61.5 (29%)	$79.0 (37%)	• Rental Revenue
Ontario Mortgage and Housing Corporation**	$94.6	$93.7 (99%)	$0 (0%)	$0.8 (1%)	• Interest from Student Housing
Nova Scotia Housing Development Corporation	$191.6	$41.6 (22%)	$58.9 (31%)	$91.1 (48%)	• Rental Revenue • Interest Revenue

*Notes that this budget reflects revenues for both seniors' and housing policies and programs. Expenditures for housing programs and policies totaled $250.7 million for 2014/15.

** In 2000, Ontario transferred responsibility for public housing to local housing authorities governed by municipalities. As such, these budget figures are not directly comparable to the budgets of other province

Conclusion
Safe, secure, and appropriate housing is necessary for the health and well being of all Canadians. Continued support for housing by provincial governments is necessary in order to overcome challenges of supply and access, created by an imperfect economic market. This is especially true for low-and moderate-income Canadians, and those with multiple-barriers to housing.

The responsibility of provincial governments to provide housing follows from the Canadian Constitution (which places many of the areas critical to the operation of Canada's housing system within provincial jurisdiction), as well as the fact that housing is recognized as a basic human right.[2]

[2] As ratified in Article 25 of the United Nations' Universal Declaration of Human Rights, of which Canada is signatory.

DATE: August 8, 2015
TO: Mayor's Office, City of Vancouver
FROM: Katelyn McDougall, Principal and Managing Director, OfCity Consulting
RE: Provincial Low-Income Housing Investments made in Vancouver between 2001 and 2015

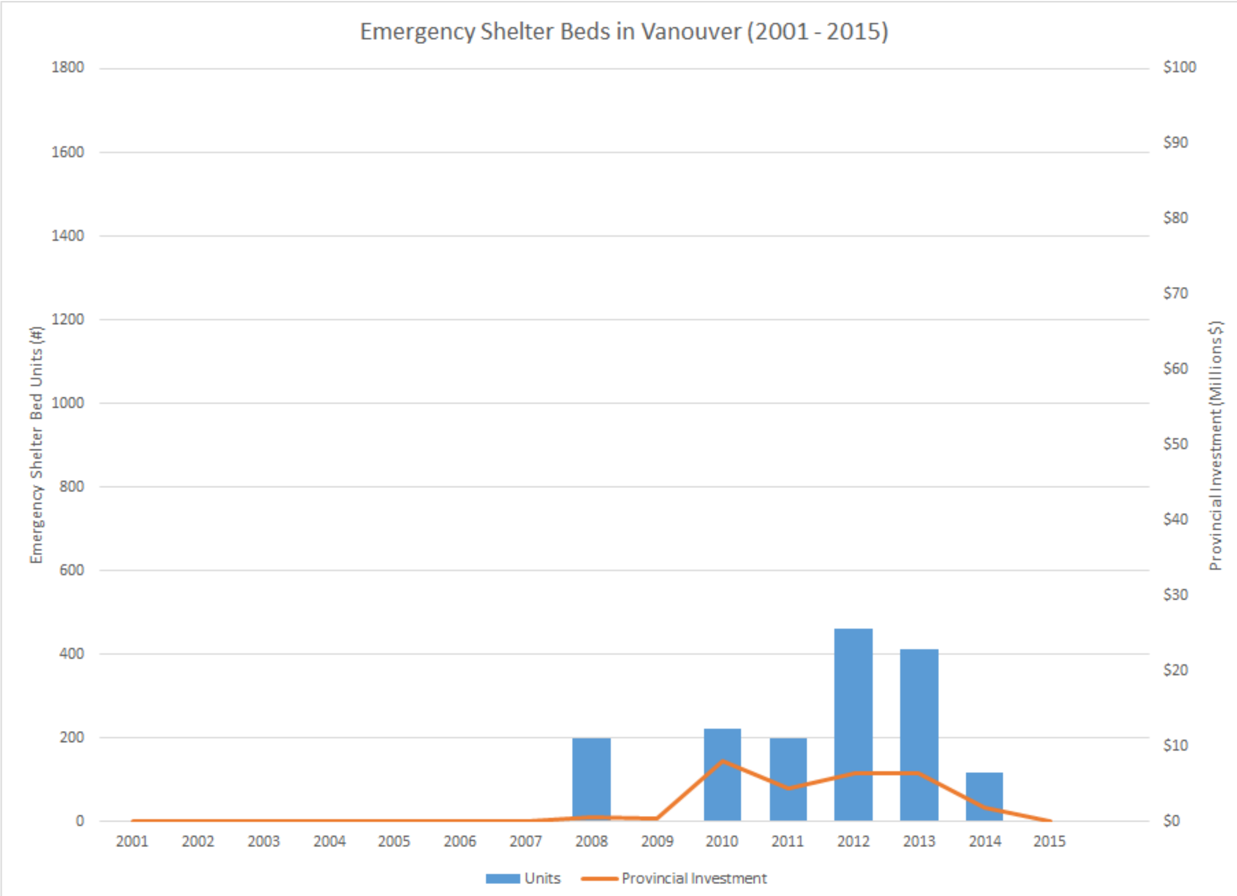
Provincial Investments in Low-Income Housing: Vancouver from 2001 to 2015

The following charts describe the number of low-income housing units built (or funded) in the City of Vancouver per year, and the amount of provincial funding (in dollars) provided for these projects between 2001 and 2015. The analysis only takes into consideration physical units built and funded, and therefore does not include information about rental assistance programs, or homeless rent supplements. This analysis focuses on low-income housing, and therefore does not including assisted living or residential care units (which are available to frail seniors and people with disabilities regardless of their income-level). The data has been collected from the BC Housing New Release Archives[1], as well as from other online media sources and official provincial documents.

Overall, it would appear that the provincial government focused on purchasing or developing Single Room Occupancy (SRO) and Supportive Housing initiatives primarily between the years 2007 to 2010, and providing funding extensions for temporary emergency shelter beds between 2010 and 2014. While these initiatives are a valuable part of the housing continuum - and the need for such housing is clear - these investments appear to have come at the expense of basic social housing investments (being for people without multiple barriers, but still with the struggle of a low income putting them at risk for homelessness).

[1] http://www.bchousing.org/Media/NR

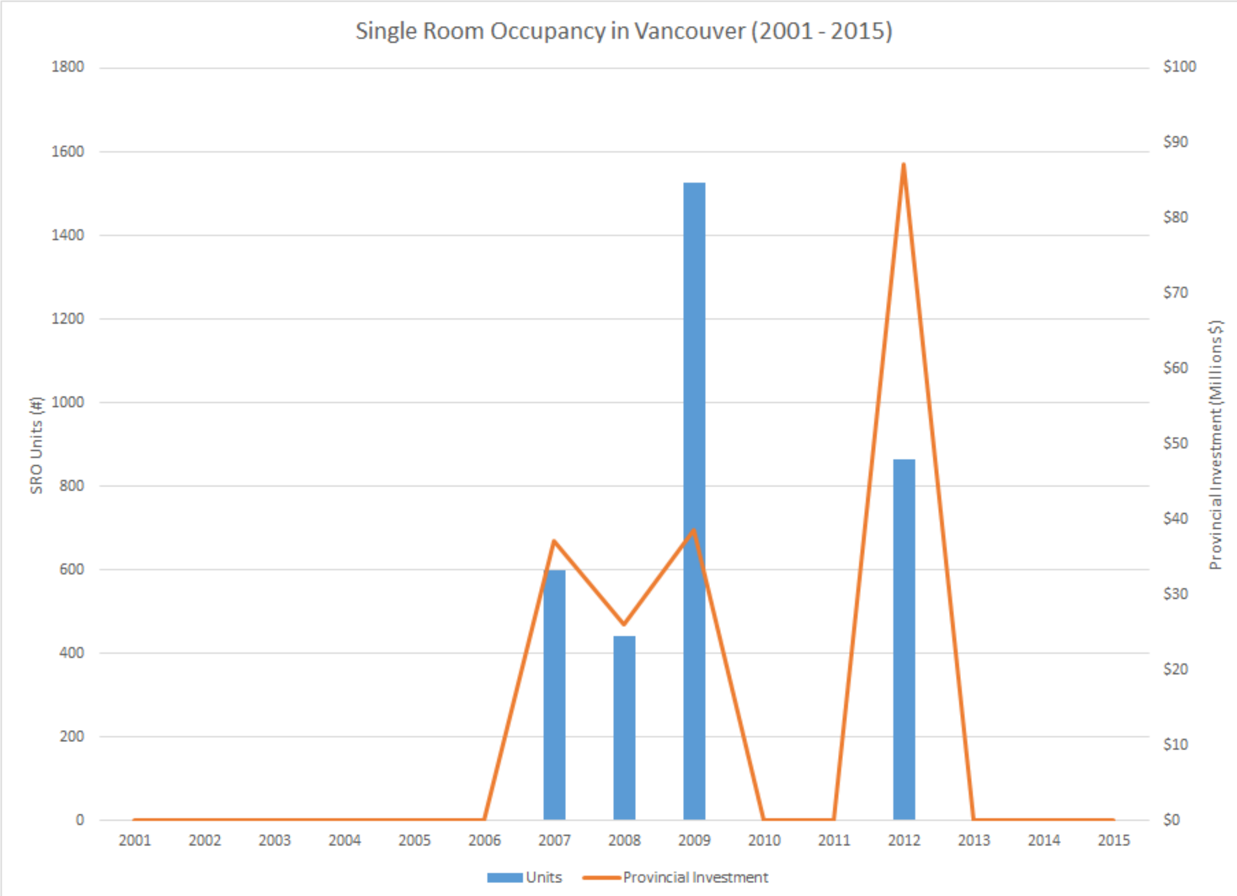
Emergency Shelter Beds



The chart above primarily depicts the total number of shelter beds in Vancouver that were provided funding (or funding extensions) by the provincial government, and should not be interpreted as depicting the creation of 'new' shelter beds. For example 2012 shows a total number of shelter beds (already in existence) that were provided funding extensions to stay open for an additional 4 to 12 months.

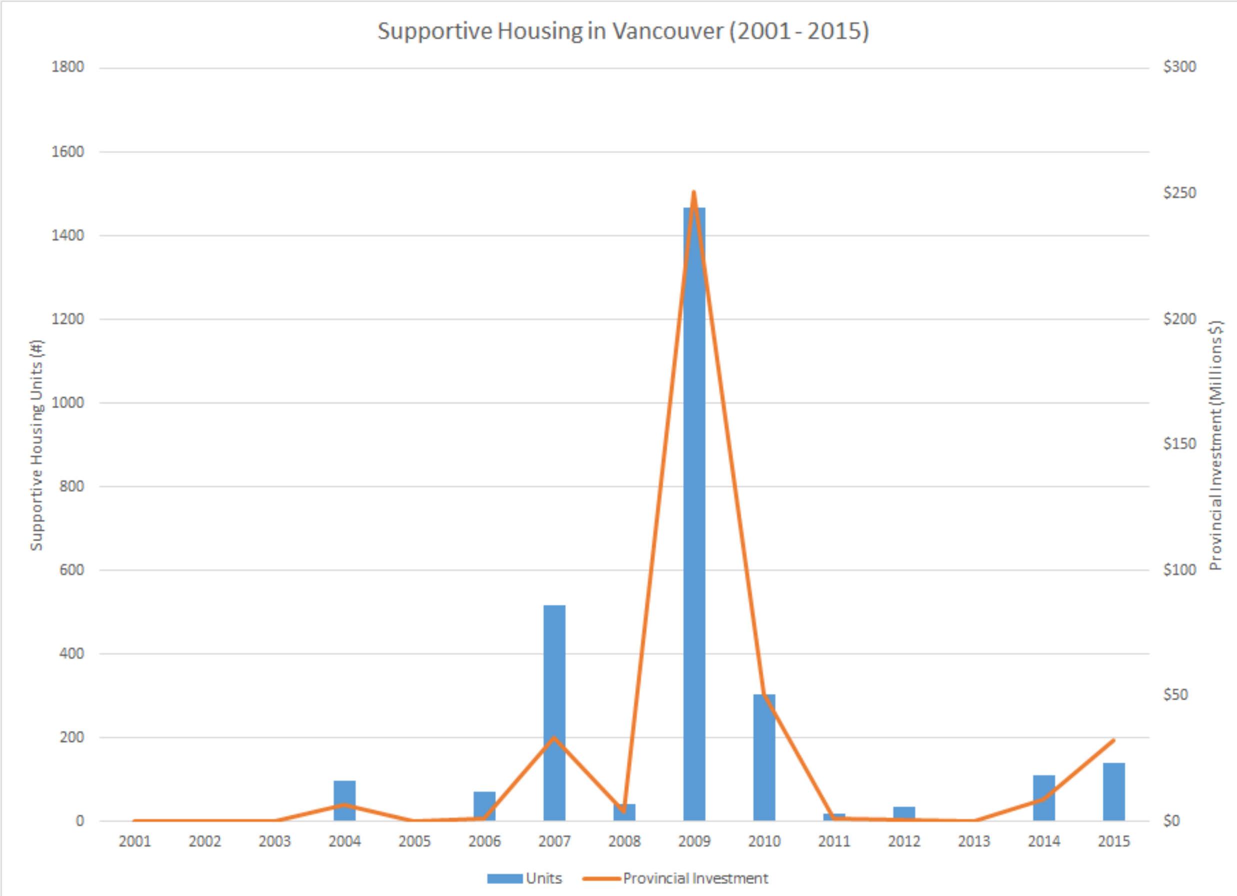
However, in 2008 BC Housing began announcing partnership(s) between the Province, the City of Vancouver and the private sector. This collaboration created up to 200 temporary shelter beds in three different locations across the city in 2008. In 2009, 100 new permanent year round shelter beds were created in part due to the funding from the province. Overall 2009 saw a net loss of 66 shelter beds in Vancouver due to the closing of Dunsmuir House (166 beds).

Single Room Occupancy



Beginning in 2007, BC Housing initiated the purchase of SRO Hotels in downtown Vancouver, with the intent to preserve and upgrade this type of affordable rental stock in Vancouver. These purchases occurred primarily between 2007 and 2009. The investment in SROs in 2009 reflects both investment in new units, as well as the renovation of existing units: specifically, $25.7 million for 382 new units, and $13 million for 1145 renovated units. In 2012, the province committed $87.3 million to have BC Housing renovate 865 SRO units in Vancouver.

Supportive Housing

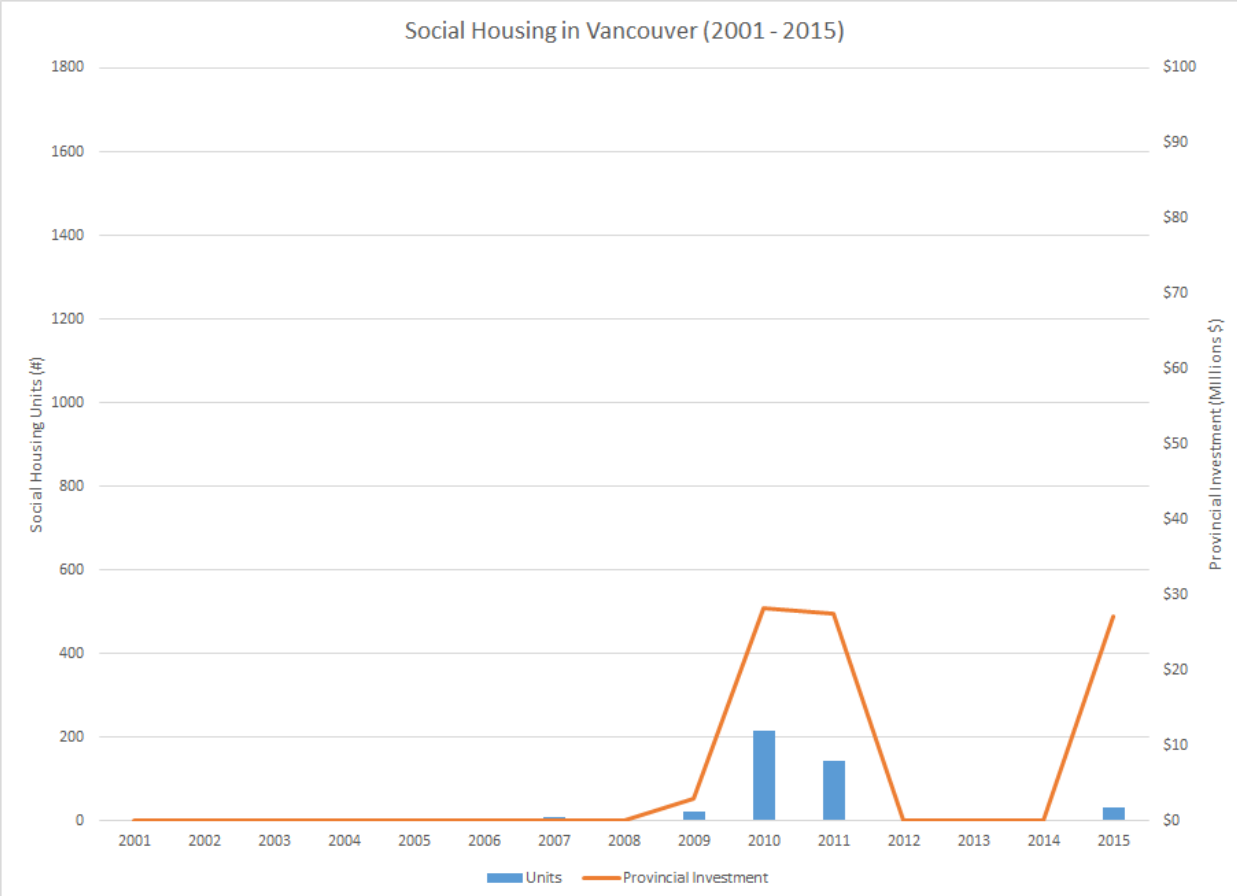


Beginning in 2007, the Province proposed to create 14 major new supportive housing sites in Vancouver, primarily targeting individuals and groups with multiple barriers. Investment in these 14 sites occurred primarily over the period from 2007 - 2010, though at least two sites are still in the early stages of development. Each individual site is associated with numerous media releases, as BC Housing made individual announcements for the proposal, funding, construction, and opening of each site. One notable exception to this pattern is the Alexander Street Community site, operated by the Portland Hotel Society. Though this site opened in November 2014, it was not associated with media updates or news releases.

The $300 million provincial investment for these 14 sites came from the sale of the 224-unit Little Mountain Site to Holborn Properties. Holborn Properties is required to replace the previous 224 units with a 234 unit site, netting the city 10 additional units. However, though this project was announced in 2007, only 51 units have been built to date.

Though the 14 sites represented the majority of investment in supportive housing, the province also initiated many smaller projects over this time period. Many of these additional projects targeted seniors and individuals with disabilities.

Social Housing



In comparison to the other types of provincial housing investments made between 2001 and 2015 in Vancouver, the investments provided for new social housing units appear to be minimal.

Social housing created between 2007 and 2011 was targeted specifically for seniors, and/or Aboriginal people. Few of the new housing units targeted families, in spite of the fact that there is a lack of supply of affordable three- and four-bedroom apartments in Vancouver. Of the 143 social housing units developed in 2011, about 48 of those units had already been proposed in 2007. Furthermore, there were no investment through 2012-2014.

Social housing is an integral component of the low-income housing continuum because it corrects for the failures of the private housing market that leaves low-income families and individuals without adequate, affordable shelter. The economics of new rental housing are challenging, and the simple fact is that low-income households do not have sufficient income to create a demand for low-cost shelter that the market can respond to. Therefore, social housing is important because it increases the stock of physically-adequate, low-cost housing, and provides these units to low-income individuals and families who cannot afford market rents.

To further articulate the province's divested interest in social housing, in 2014 Rich Coleman, Deputy Premier and the Minister of Natural Gas Development and Minister Responsible for

Housing, was quoted in a Vancouver Sun article[2] (published February 27) stating that the Province no longer had plans to invest in social housing. This article was part of a discussion regarding the City of Vancouver's plans to revitalize Hastings Street for retail, while developing new low-income housing in the neighborhood.

According to the article, Minister Coleman made the following statements are:

- When asked if the province has the money to build 4,400 social housing units in the Downtown Eastside, he said: “No, we don’t. And we don’t do housing that way anymore, either.”
- Coleman said the province’s strategy is to “diversify” the way money is spent on low-income housing, such as providing rent assistance for about 10,000 families around the province.
- “We don’t build ‘social housing’ anymore,” he said.
- “We invest in housing that is for (people with) mental health and addictions, and people that are homeless or at risk of (being) homeless."

This quote was also references in at least three other online articles[3].

[2] http://www.google.com/url?q=http%3A%2F%2Fwww.vancouversun.com%2Fbusiness%2FCity%2Bunveils%2Bbillion%2Bplan%2BVancouver%2BDowntown%2BEastside%2F9561041%2Fstory.html&sa=D&sntz=1&usg=AFQjCNHXdUK4ckADaHizX8TsQzjzXbCx9Q

[3] http://news.nationalpost.com/full-comment/brian-hutchinson-city-proposal-ignores-reality-of-vancouvers-deplorable-downtown-eastside, http://themainlander.com/2014/06/17/rent-supplements-or-social-housing-which-do-we-need/, and http://www.socialhousingbc.com/wp-content/uploads/2014/10/2014HousingActionPlanforCities.pdf

Impact of Living Wage on COV Employees and Contractors

Parks Board Employees (CUPE)

The majority of employees with the Vancouver Parks Board are eligible for pay-grades above the Living Wage as of 2015. Only the lowest pay grade (9) is below the Vancouver Living Wage, which applies to the Class No:

- Food Service Worker (1427)
- Program Assistant 1 (1428)

As of January 1, 2015, employees with pay grade 9 are compensated at $18.70 per hour for the initial 6 months of employment, and are eligible for a raise to $19.44 thereafter.

Reference:

- Collective Agreement between the City of Vancouver as Represented by the Board of Parks and Recreation and the Canadian Union of Public Employees, Local 15 – VMECW http://www.metrovancouver.org/services/labour-relations/collective-bargaining/CollectiveAgreements/Vancouver_Parks_CUPE_15-2012-15.pdf

Vancouver Fire Fighters, Local 18

As of 2011, Vancouver Fire Fighters are awarded using a pay schedule well above the LW for all positions. Most recently, the Vancouver Fire Fighter's union was award a 4.0% wage increase for the period 2012 to 2016.

The Vancouver Fire Fighter's Executive Assistant and Administrative Assistant are also currently being awarded wages above the Vancouver LW.

Reference:

- Collective Agreement between The City of Vancouver and The Vancouver Firefighters' Union, Local 18 (2010 – 2011) http://www.lrb.bc.ca/cas/WVW10.pdf
- Arbitration Agreement between the City of Vancouver and the Vancouver Fire Fighter's Union, International Association of Fire Fighters, Local 18 http://www.metrovancouver.org/services/labour-relations/AbitrationAward/Vancouver_Fire_Arbitration_Award_December_01_2014.pdf
- Collective Agreement between the International Association of Fire Fighters, Local 18 Vancouver Fire Fighters and the Canadian Union of Public Employees, Local 15 (2012-2015)
- http://www.cupe15.org/sites/all/files/IAFF%20Collective%20Agreement%202012%20to%202015.pdf

Vancouver Public Library

As of 2015, The Vancouver Public Library has the vast majority of its employees renumerated at or above the Living Wage. The exception being Shelvers (2308), who are remunerated at $16.87 per hour.

Reference:

- Collective Agreement between the Vancouver Public Library Board and the Canadian Union of Public Employees, Local 391 (2012 - 2015) http://www.vpl.ca/images/uploads/file/pdf/CA-VPL-CUPE-391-2012-2015.pdf

Vancouver Police Department

The Vancouver Police Department offers annual starting salaries in excess of the COV Living Wage, starting at $64,513 per year for Probationary Constables (2013 figure).

Reference:

- Vancouver Police Department website: http://vancouver.ca/police/recruiting/police-officers/policing.html

BRIEFING NOTE

DATE: June 25, 2015
TO: Mayor's Office, City of Vancouver
FROM: Katelyn McDougall, Principal and Managing Director, OfCity Consulting
RE: Income Inequality in the City of Vancouver

Purpose

Advocacy groups, community members, and the media have demonstrated significant interest in the state of income inequality in Vancouver in recent months. Interest has piqued in relation to reports of soaring real estate prices and a relative lack of affordable housing in the city.

This brief synthesizes current government and academic literature on poverty (i.e. low-income), income inequality and neighbourhood polarization in the City of Vancouver (COV) relative to other jurisdictions. It also draws upon academic literature to suggest the extent of wealth inequality in the COV.

Background

Key observations from this briefing note include:

- As of 2005, Vancouver CMA has the highest level of income inequality of all large Canadian cities.
- Neighbourhoods in the Vancouver CMA are increasingly polarized by incomes, though polarization is moderate compared to other large Canadian CMAs.
- Vancouver has the second highest percentage of low-income individuals as a proportion of the population, second only to Montreal.
- Increasing income inequality is linked to de-unionization, stagnating minimum wages in real terms, increases in flexible work arrangements, and decreased demand for low-skill labour.

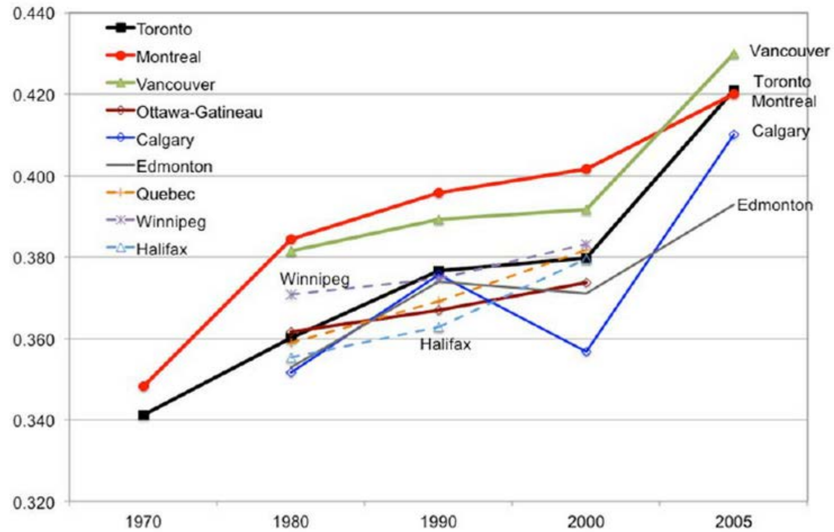
<u>Income Inequality and Neighbourhood Polarization in the Vancouver CMA</u>

Income inequality in the Vancouver CMA has been measured relative to other Canadian cities by University of Toronto researcher Alan Walks[1]. Walks' research reveals that income inequality has been increasing in all CMAs since the 1970s, and that while income inequality has historically been highest in Montreal, as of 2005, Vancouver has the highest income inequality in Canada[2].

[1] Walks, A. (2013). *Income Inequality and Polarization in Canada's Cities: An Examination and New Form of Measurement*. Toronto.

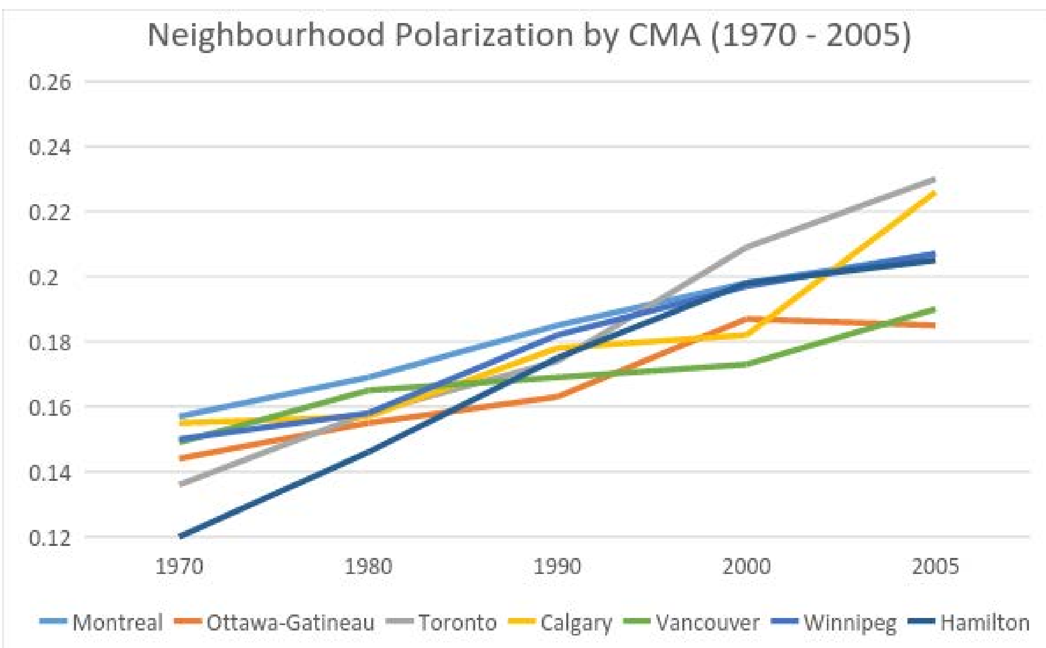
[2] Walks research measured income inequality using the Gini coefficient. The Gini coefficient takes on values between 0 and 1, where zero represents identical incomes for everyone (i.e. perfect equality) and one represents all the income accruing to only one person (i.e. perfect inequality). The OECD reports that Canada has a Gini coefficient close to the OECD average of 0.32.

Figure 7: Gini CR index of household income inequality, selected CMAs



Source: Census of Canada, Public Use Microsample Files (20% sample), various years, and 2006 hierarchical file.

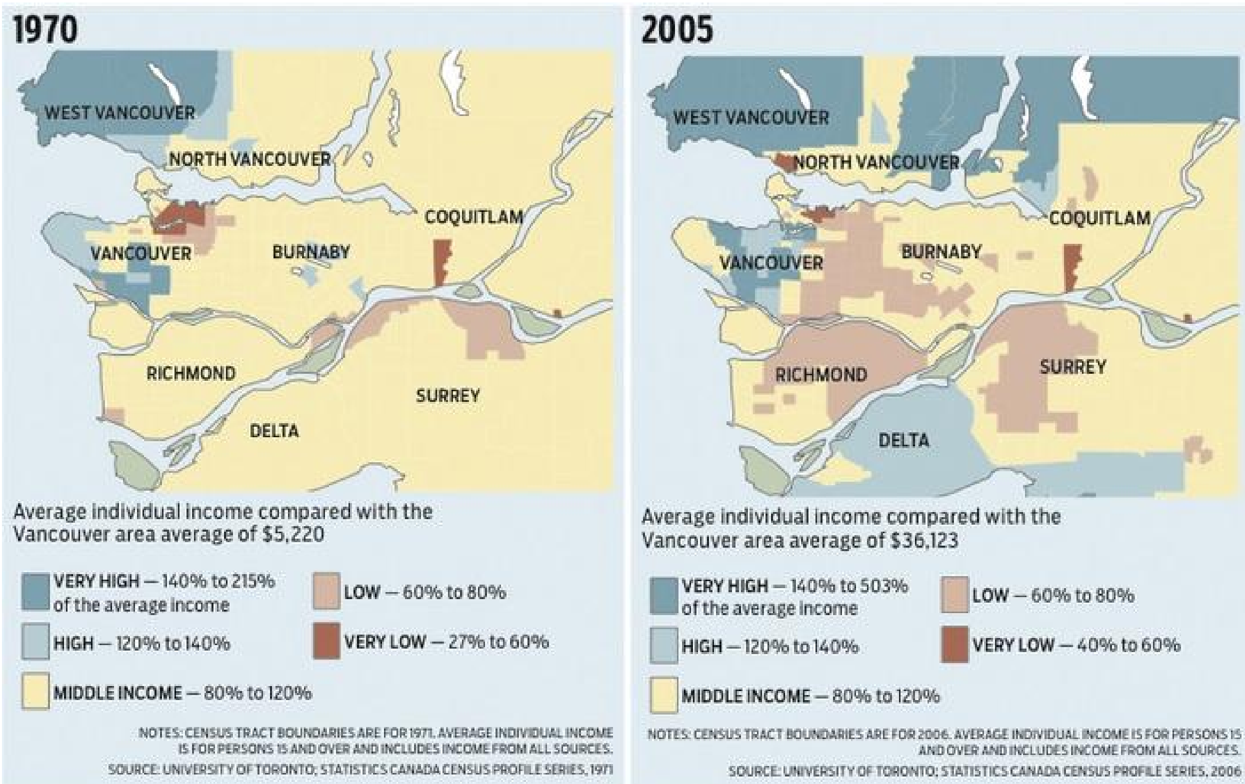
Walks' research is concerned not only with the overall level of income inequality in a city or region, but also with the spatial segregation of income – i.e. neighbourhood polarization. Walk's research demonstrates that neighbourhood polarization has been increasing in all Canadian cities for the past 35 years, and has consistently been highest in the Toronto, Montreal, Winnipeg, Hamilton and Calgary CMAs[3].



Note: Adapted from Walks, Table 10

[3] As measured by the Gini-coefficient.

Neighbourhood polarization in Vancouver, though not as high as any of the aforementioned cities, is also on the rise, increasing by nearly 30% the same time-period[4]. As a result, Metro Vancouver's high-income residents are increasingly concentrated in Vancouver's west-side as well as the suburbs of Delta and West Vancouver[5]. In contrast, low-income residents are concentrated geographically in Vancouver's Eastside, as well as the suburbs of Surrey, Coquitlam, and North Vancouver.



Source: https://www.biv.com/article/2015/6/million-dollar-homes-become-symbol-growing-inequal/

While neighbourhood polarization is not as pronounced in the Vancouver CMA as other large cities, Vancouver does have a high incidence of low-income individuals[6]. As of 2005, nearly 21% of Vancouverites were designated as low-income, second only to Montreal. While the incidence of low-income tends to be tied to the business cycle, Vancouver's incidence of low-income individuals continued to grow as economic conditions improved in the mid-2000s.

[4] Ibid.

[5] Ley, D., & Lynch, N. (2011). *Divisions and Disparities: Socio-Spatial Income Polarization in Greater Vancouver, 1970 - 2005*. Vancouver.

[6] As measured by the Low-Income Cut Off.

Table 5: Incidence of Low Income (for Population in Private Households), by CMA

CMA	1980	1985	1990	1995	2000	2005
Halifax	19.2	14.3	14.1	17.8	15.5	14.3
Québec	23.0	19.1	18.5	22.8	18.9	16.0
Montréal	24.6	21.5	22.0	27.3	22.2	21.1
Ottawa-Gatineau/Hull	18.8	14.0	14.5	18.9	15.0	14.7
Oshawa	14.5	10.1	9.3	12.4	9.4	9.3
Toronto	17.8	13.1	14.6	21.1	16.7	18.4
Hamilton	19.1	15.1	15.1	19.0	16.7	15.7
Kitchener	17.8	13.1	11.7	14.6	11.3	10.5
London	19.7	15.3	13.6	17.3	15.1	13.7
Winnipeg	22.6	18.5	20.3	23.0	19.2	18.8
Calgary	17.3	16.1	17.2	19.8	14.1	13.4
Edmonton	17.8	17.3	18.8	21.3	16.2	14.1
Vancouver	19.4	18.8	17.4	23.3	20.8	20.8
Victoria	18.8	17.6	13.6	15.4	14.4	13.2

Source: Census of Canada, various years

Explaining Vancouver's Income Inequality and Neighbourhood Polarization

Increasing income inequality in Vancouver (and British Columbia more generally) has been linked to several changes in economic conditions and government policy, including[7][8]:

- The failure of provincial minimum wages to keep up with inflation, while executive pay in the private and public sector has increased exponentially
- The increase in "flexible" work arrangements, including contract work, self-employment, and work-share, and a decline in full-employment positions
- Structural changes in the demand for low-skilled occupations, along with an increase in the supply of high-skilled labour due to increases in post-secondary and trades enrollment rates
- De-unionization of Canadian labour
- The weaker impact of redistribution through taxes and transfers due to changes in both provincial and federal policies

[7] Organization for Economic Cooperation and Development. (2015). *Why Less Inequality Benefits All … in Canada*.

[8] Lee, B. M. (2004). *New Perspectives on Income Inequality in BC*. Victoria.

Other Cities with Living Wage Policies in Place

Jurisdiction	**London**
Living Wage (Prevailing Min Wage) Difference (%)	£9.15 (£6.50) 40.8%
Coverage:	City Services Contracts Local Gov't Employees Accredited Living Wage Employers
Details	All firms that are contracted directly or subcontracted by the City to provide services on City premises to pay their employees who perform the services a Living Wage as calculated by the Living Wage for Families Campaign London is pushing for private corporations to become accredited Living Wage employers. Private companies become accredited once they pledge to pay all employees (part-time and full-time) and all contractors a living wage; however, they can become accredited on a rolling basis, if they pledge that as contracts are renewed, the new contracts will be payed based on the living wage.
Exemptions	Lower rates for young people, people in training, and a few other exceptions.
Calculation	The Living Wage is calculated based on a 1.15% of a Poverty Threshold The Poverty threshold is calculated by an average of two approaches: ● Family Budget Unit (FBU),1 estimates the costs of a 'Low Cost but Acceptable' (LCA) budget for a selection of households and calculates the wage required to meet these costs. ● The second – the "Income Distribution" approach – calculates the wage required for 11 household types in London (appropriately weighted) to attain an income equivalent to 60 per cent of the median income for London, with that median 'equivalised', that is, adjusted appropriately to reflect the household type.
Date	2006

Link:

Jurisdiction	**New Westminster**
Living Wage (Minimum Wage) Difference (%)	$19.62 ($10.25) 91.4%
Coverage:	City Services Contracts Local Gov't Employees
Details	All firms that are contracted directly or subcontracted by the City to provide services on City premises to pay their employees who perform the services a Living Wage
Exemptions	Grandfathered old contracts (i.e. before Jan 1, 2011) until they come back up for negotiation City employees, Service Provider and Sub-contractor employees with the following exclusions: ● Students seeking work experience credits for educational purposes; ● Volunteers; ● Employees of organizations (for-profit or not-for-profit) that lease space / property from the City.
Calculation	Calculated by the Living Wage for Families Campaign
Date	January 1, 2011

Link:
http://www.newwestcity.ca/database/files/library/CNW_DOCS_156183_v2_POLICY_Living_Wage(1).pdf

Jurisdiction	**New York City**
Living Wage (Minimum Wage) Difference (%)	\$11.50 - with health insurance (\$7.25) 58.6%
Coverage:	City Services Contracts
Details	Any private development project directly accepting \$1 million or more in taxpayer subsidies must now pay employees a living wage of \$11.5/hour with supplemental health benefits or \$13.13/hour without benefits. Mayor De Blasio is working on an initiative to gain the right to set a municipal minimum wage, which would be set equal to the Living Wage and increase to \$19 per hour by 2019
Exemptions	● Small Businesses: businesses with gross income below \$3 million ● Affordable Housing projects – those with 75% or more affordable units or manufacturers ● Future developments in Hudson Yard, though this was eliminated under executive order 2014
Calculation	Living Wage is adjusted annually based upon the Consumer Price Index published by the Bureau of Labor Statistics of the United States Department of Labor.
Date	● City Council on the Fair Wages for New Yorkers Act June 28th, 2012, overturning a veto vote by Mayor Bloomberg ● Amended by Executive Order Sept 30th, 20

Link:

Jurisdiction	**Chicago**
Living Wage (Minimum Wage) Difference (%)	$11.78 ($8.25) 42.8%
Coverage:	Public Contracts/ City Service Contracts City Wide Minimum Wage
Details	Applies to all contractors and subcontractors with more than 25 employees City Wide Minimum Wage increase to $13 by 2019
Exemptions	● Does not apply to City contractors with less than 25 FTEs ● Not-for-Profit Corporations: If the Contractor is a corporation having Federal tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and is recognized under Illinois not-for-profit law, then the provisions of Section A through D above do not apply.
Calculation	The Living Wage is amended annually based on the most recent federal poverty guidelines for a family of four as published annually by the U.S. Department of Health and Human Services
Date	July 1998 by Ordinance, but vetoed by Mayor/City Council July 1, 2013 Ordinance (called the 'base wage' ordinance) Minimum Wage Ordinance (December 2, 2014)

Link:
http://www.cityofchicago.org/content/dam/city/depts/dps/RulesRegulations/ChicagoLivingWage_July2013.pdf

Jurisdiction	**Los Angeles**
Living Wage (Minimum Wage) Difference (%)	$12.42 ($8.00) 52.0%
Coverage:	● City Services Contracts ● Local Gov't Employees ● Businesses receiving economic development financial assistance through the Los Angeles Community Redevelopment Agency
Details	Living wage applies to contracts that are for amounts of $25,000+ <u>and</u> longer than 3 months A separate living wage applies to Los Angeles airport workers
Exemptions	● Any agreement less than $25,000, or less than 3 months in length ● Exempt are those leasing land from the city ● Employers (contractors, subcontractors, financial assistance recipients) organized under IRS Code, Section 501(c)(3) whose chief executive officer's hourly wage rate is less than eight times the hourly wage rate of the lowest paid worker are be exempt. However, this exemption does not apply to child care workers. ● Lessees or licensees who have no more than a total of seven employees and who have annual gross revenue of less than $440,792 (effective July 1, 2008). The qualifying annual gross revenue is adjusted every July. ● One-person contractors, lessees, licensees or financial assistance recipients who employ no workers.
Calculation	-Basic needs budget = Food cost + child care cost + (insurance premiums + health care costs) + housing cost + transportation cost + other necessities cost **-Living wage = Basic needs budget + (basic needs budget*tax rate)** **http://livingwage.mit.edu/resources/Living-User-Guide-and-Technical-Notes-2014.pdf**
Date	June 1997, amended 1999 Amended 2015

- Link: http://bca.lacity.org/site/pdf/lwo/lwo%20q%20&%20a%20rev%208_06.pdf

Jurisdiction	Boston
Living Wage (Minimum Wage) Difference (%)	$13.89 ($8.00) 73.4%
Coverage:	● City Services Contracts
Details	Applies to public contracts of $100,000 or more; subcontracts of $25,000 or more
Exemptions	● Contracts less than $100,000 and sub-contracts of $25,000 or less are exempt ● Exemptions for for-profit employers less than 25 FTEs in size and not-for-profit employers 100 FTEs in size
Calculation	Living wage level is set to the higher of 100 percent of the federal poverty level for a family of four or 110 percent of the state minimum wage (indexed to inflation)
Date(s)	● Sept. 1997, ● Amended Sept. 1998, ● Expanded Oct. 2001

Link: http://www.cityofboston.gov/tridionimages/livwageord_tcm1-693.pdf

Jurisdiction	San Francisco
Living Wage (Minimum Wage) Difference (%)	For-Profit: $13.02 Nonprofit: $12.25 ($10.55) 23.4%
Coverage:	● City Services Contracts ● City Wide Minimum Wage
Details	City contractors and certain tenants must provide their covered employees with (a) no less than the MCO (Minimum Compensation Ordinance) hourly wage in effect; (b) 12 paid days off per year (or cash equivalent); and (c) 10 days off per year without pay per year. Where the minimum wage depends on whether the organizatioon/ company is a nonprofit or for-profit City Minimum Wage to increase to $15.00 by 2018 (raises with CPI)
Exemptions	● Employees that work less than 4 hours per week
Calculation	The MCO rate is adjusted on January 1 each year, based on the prior year's change, if any, in the Consumer Price Index for urban wage earners and clerical workers for the San Francisco-Oakland-San Jose metropolitan statistical area
Date(s)	● September 2000

Minimum Compensation Ordinance:

link: http://sfgsa.org/Modules/ShowDocument.aspx?documentID=8323

Summary of Exemptions

Living Wage cities often make exceptions to the LW requirements in order to encourage socially-beneficial contracts. These exceptions include:

- Setting a different living wage for nonprofits than for-profits (San Francisco)
- Exempting small for profits and medium/small non-profits based on number of FTEs
- Exempting small businesses and nonprofits based on the previous year's revenues
- Employees that work less than 4 hours per week
- Contracts less than $100,000 and sub-contracts of $25,000 or less are exempt
- Exemptions for for-profit employers less than 25 FTEs in size and not-for-profit employers 100 FTEs in size
- Any agreement less than $25,000, or less than 3 months in length
- Exempt are those leasing land from the city
- Small Businesses: businesses with gross income below $3 million
- Affordable Housing projects – those with 75% or more affordable units or manufacturers

BRIEFING NOTE
TO: City of Vancouver Mayor's Office
FROM: Katelyn McDougall, Principal and Managing Director, OfCity Consulting
SUBJECT: Australia's Approach to Regulating Foreign Investment

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Introduction
As of December 1, 2015 the Commonwealth Government has implemented significant reforms to Australia's foreign investment framework, intended to strengthen the integrity of framework the by reforming the *Foreign Acquisition and Takeovers Act 1975.* The following briefing note provides a summary of the foreign investment framework, and the recent changes made to this body of legislation.

Context: Australian Economy and Housing Prices
The Australian economy has grown steadily in recent decades, for the most part managing to avoid recession and deflation. However, housing choice and affordability have declined noticeably for many low and middle income households (Hulse et al). At a broad level, the forces that impact housing prices can be divided into three categories—short term, institutional and long term (Berry & Dalton).

Short Term	• Falling Interest rates & Residential mortgage rates • Investment demand & Advanced new mortgage lending • Economic climate (rising average incomes and lower unemployment levels)
Institutional	• Financial deregulation and innovation • Land supply and the land-use planning system (development costs, the structure of the land development industry and the relative returns from non-housing uses) • Government taxes, levies and charges
Long Term	• Demographic changes (population growth) • Immigration • Economic growth • Wealth levels and distribution (increase in consumption expenditure)

As many of Australia's cities transition away from a manufacturing economy, inward foreign investment in property has increasingly become an important driver of economic activity. While some believe that foreign investment expands the new residential housing supply in Australia, the public discourse often trends towards a perception of "aggressive foreign buyers" outbidding local residents. For example, Japanese investment was perceived as inflating the price of the real estate market on the Gold Coast of Queensland in the 1990s, and more recently Chinese investors acquiring "significant" rural land holdings for resource and agricultural production and development have been viewed with suspicion (Ross).

Legislation and the Foreign Investment Review Board

Despite both media attention and public interest in foreign investment, only the State of Queensland maintains a register of foreign land ownership. Queensland's register is administered by the Department of the Environment and Resources and the annual reports[1] are produced by the Registrar of Titles. Most State Governments have absolved themselves of monitoring foreign investment beyond what is provided federally.

The Commonwealth Government bears the most responsibility for monitoring foreign investment through its Foreign Investment Review Board (FIRB) processes. A summary of all changes to the FIRB are described in the table below.

Year	Changes to the Foreign Investment Framework for Residential Real Estate.
1976	• Foreign Investment Review Board established. • The *Foreign Acquisitions and Takeovers Act 1975* provides the legislative framework for screening regime. • Advise the Treasurer and the Government on Australia's Foreign Investment Policy and its administration. • Provides annual reports that provide information on the operation of Australia's foreign investment review arrangements. • The FIRB reviews and considers proposals by foreign persons to invest in Australia in the context of the Act and Australia's foreign investment policy. • In considering a proposal, the FIRB must be satisfied that the proposed investment is not contrary to the national interest[2]. • The Board's functions are advisory only. • Responsibility for making decisions on the Policy and proposals rests with the Treasurer. • All purchases from foreign investors require the board's approval, and non-residents are prohibited from purchasing an existing home.
1978	• All acquisitions of real estate by a single foreign interest or associated foreign interests up to a cumulative value of less than $250,000 (since 8 June 1978) did not require approval. • Proposals from foreign developers to construct and sell real estate developments (including exclusively to Australians) were subject to a minimum 50 per cent Australian equity participation.
1981	• All acquisitions of real estate by a single foreign interest or associated foreign interests up to a cumulative value of less than $350,000 (since 8 June 1978) did not require approval.
1985	• All acquisitions of real estate by a single foreign interest or associated foreign interests up to an aggregate value of less than $600,000 (since 8 June 1978) did not require approval. • Requirement of 50 per cent Australian equity participation removed for developments that are minor (less than $10 million) or short-term in nature (less than five years to complete).
1987	• $600,000 threshold was abolished, with all proposed acquisitions of urban (including residential) real estate by foreign interests requiring approval regardless of size or value. • Advanced-off-the-plan category was introduced with a minimum requirement of four or more dwellings in a development provided that no more 50 per cent of the units in any

1 https://www.dnrm.q d.gov.au/our department/corporate pub cat ons/annua reports fore gn ownersh p and

2 **National interest considerations** can nc ude nat ona secur ty, compet t on, Austra an Government po c es, mpact on the economy and the character of the nvestor

	one project were bought by non-residents and subject to an undertaking by the developer to report all sales six monthly so that compliance with the 50 per cent restriction could be monitored.
1989	• *Foreign Takeovers Act 1975* renamed *Foreign Acquisitions and Takeovers Act 1975*. • Statutory backing given to the Government's Foreign Investment Policy, with existing restrictions requiring foreign persons to seek approval for the purchase of Australian urban real estate replicated in the Act.
1999	• Advanced-off-the-plan certificates: only developers seeking advanced approval to sell up to 50 per cent of a development with ten or more (previously four or more) dwellings to foreign investors could apply for advanced approval.
2008	• The requirement for temporary residents to obtain foreign investment approval for real estate purchases was removed. • The 50 per cent rule for the advanced-off-the-plan category was removed and replaced with a new requirement that the developer must market the development domestically and the minimum number of dwellings required in a development was increased to 100.
2010	• The requirement that temporary residents need approval for real estate purchases was reinstated.
2015	• The aim of the FIRB reforms was to modernize and simplify the foreign investment framework to: 1. incorporate foreign investor rules into the legislative framework; 2. promote legal certainty; 3. adapt to modern business practices; 4. and closer align with other Commonwealth legislation. • Reforms see the introduction of application fees, increased penalties for non-compliance, a land register and increased scrutiny surrounding foreign investment in agriculture. • Reforms also seek to better enforce regulations that were not being followed (e.g. foreign investors purchasing real estate and not living there).

FIRB 2015 Reforms

Significant reforms the foreign investment framework have come into effect as of December 2015. The previous legislative framework attempted to direct foreign investment into new dwellings to increase construction activity to boost housing supply and employment. For example, the previous laws allowed:

- foreign developers to build new residential dwellings for sale to domestic and foreign buyers;
- individual foreign investors and temporary residents to purchase new dwellings;
- and temporary residents with visas—which extend beyond 12 months and include many foreign student visas—to purchase one established home provided it is used as their principal place of residence while in Australia and is sold when they leave the country.

This legislative framework was regarded as complex and outdated. The new legislation is intended to strengthen the integrity of the foreign investment framework. The FIRB reforms will be introduced through a host of legislation:

- the *Foreign Acquisitions and Takeovers Legislation Amendment Act 2015*;
- the *Foreign Acquisitions and Takeovers Fees Imposition Act 2015*; and
- the *Register of Foreign Ownership of Agricultural Land Act 2015*.

In summary, these reforms[3] see the introduction of application fees, increased penalties for non-compliance, a land register and increased scrutiny surrounding foreign investment in agriculture[4]. These reforms incorporate foreign investor rules into the legislative framework, promote legal certainty, adapt to modern business practices and closer align with other Commonwealth legislation. Some key changes arising from the FIRB reforms will effect the following areas:

1. New Application Fees

An ‘administration fee’ will be payable by all foreign persons applying to the FIRB for approval to purchase Australian real estate. There will also be an ‘administration fee’ payable by developers when applying for an advance off-the plan approval. The fee will be calculated by reference to the value of the property being purchased as shown in the table below.

Type	Property Value	Application Fee
Residential	Residential properties valued at $1 million or less	$5,000
	Residential properties valued at greater than $1 million	Calculated as follows: *purchase price number x $10,000* where the *purchase price number* is the amount worked out using the following formula: $\frac{\text{consideration for the acquisition}}{1,000,000}$
Commercial	Commercial real estate	$25,000
	Vacant commercial land	$10,000
Rural	Rural land valued at $1 million or less	$5,000
	Rural land valued at greater than $1 million	Calculated as follows: *purchase price number x $10,000* where the *purchase price number* is the amount worked out using the following formula: $\frac{\text{consideration for the acquisition}}{1,000,000}$
	Agribusiness acquisitions	$25,000 (or $100,000 for agribusiness acquisitions where the value of the transaction is greater than $1 billion)
Other	Advance off-the-plan approvals	$25,000 upfront, with a six monthly reconciliation of properties sold to foreign persons based on rates above
	Exemption certificates (a new version of the old Annual Program Certificates)	If the application specifies that the consideration for the acquisition will be $1 billion or less, $25,000, otherwise $100,000
	Exemption certificates (for foreign buyers of established dwellings)	To be calculated in accordance with the residential section of the table above

[3] https://f rb.gov.au/f es/2015/09/FIRB_fact_sheet_res dent a .pdf
[4] http://www. exo ogy.com/ brary/deta .aspx?g=d6b9d73e 9498 4769 bfa8 ff87e9025139

2. New Penalties
The reforms to the legislation now provide a new regime of civil penalties, and the existing criminal penalty regime has been expanded. The maximum criminal penalties have been increased to $127,500 for individuals and $637,000 for companies and include up to three years imprisonment. These criminal penalties will extend to developers with advance off-the-plan approvals who fail to advertise new dwellings in Australia in accordance with the conditions of their approval[5].

Civil penalties include penalties for foreign persons who fail to notify FIRB about the acquisition of an existing dwelling, or who don't comply with a condition of the acquisition. These penalties will be calculated on the greater of:

1. the amount of capital gain;
2. 25% of the purchase price; or
3. 25% of the market value of the property.

These penalties potentially extend to third parties who assist a foreign person to breach the Act.

3. New Compliance Regime
A new unit within the Australian Taxation Office (ATO) will be established to monitor compliance and enforce the penalty regime. The ATO has been selected to carry out this role due to its sophisticated data matching systems, which can draw on land titles data from the States and Territories, immigration movement and taxpayer data[6]. The Government is currently negotiating with state and territory governments to use their land titles data to expand the register to include all land (including residential real estate).

4. Abolishing the $5 Million Threshold for Heritage Listed Commercial Real Estate
Under the previous framework, commercial developed property that was heritage listed was subject to a lower non-indexed threshold of $5 million[7]. The 'Foreign Investment Reform Package' will abolish this lower threshold and will allow the $55 million threshold to apply to heritage listed developed commercial real estate.

5. New Definition of "Substantial Interest"
Under the previous framework, a foreign person was deemed to hold a 'substantial interest' in a company if the foreign person controlled 15 percent or more of voting power in that company or holds 15 percent or more of the shares in that company. This 15 percent threshold was inconsistent with the Government's takeover rules, contained in the *Corporations Act 2001*, which considers a change of control to occur when a 20 percent threshold is reached. The 'Foreign Investment Reform Package' amended the definition of' substantial interest' so that the definition is consistent with the *Corporations Act 2001*.

6. Reduced Penalty Period
The ATO and the Government announced a reduced penalty period for foreign persons who voluntarily informed the ATO of breaches of the foreign investment rules for residential real estate. This period ended on 30 November 2015. Investors who voluntarily disclosed were:

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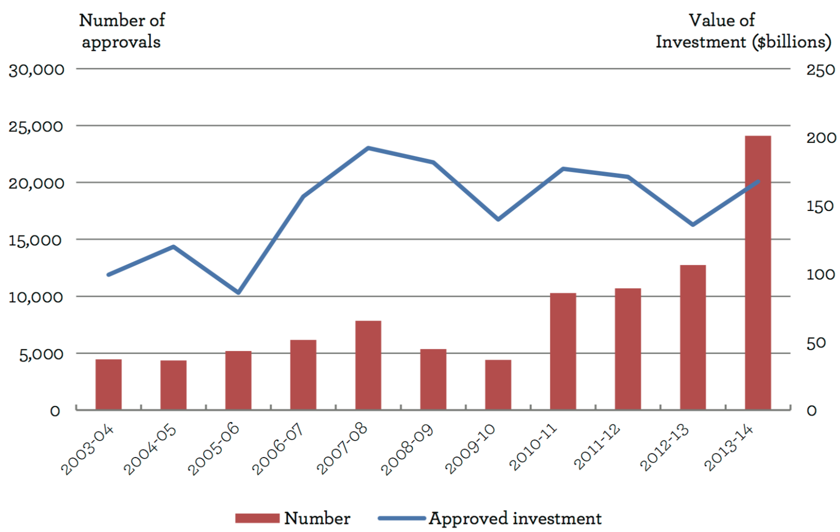
[5] Th s may change how deve opers and rea estate agents need to nteract w th prospect ve fore gn person purchasers, part cu ar y n the fast paced env ronment of res dent a sa es.
[6] On 1 Ju y 2015 the ATO estab shed a reg ster re at ng to fore gn ownersh p of agr cu tura and. The ATO ntends to estab sh a reg ster re at ng to fore gn ownersh p of res dent a rea estate on 1 Ju y 2016.
[7] Th s thresho d was a h stor ca requ rement wh ch ex sted pr or to the ntroduct on of Commonwea th and State eg s at on wh ch mposed t ghter reg mes on her tage sted property.

1. given 12 months to divest the asset rather than a shorter period determined by the Treasurer; and
2. were not referred to the Commonwealth Director of Public Prosecutors for criminal prosecutions.

Criminal penalties have increased from $90,000 to $135,000 for individuals. Infringement notices for less serious breaches of the residential real estate rules also apply. Third parties who knowingly assist a foreign investor to breach the rules are now subject to civil and criminal penalties.

Impacts on Real Estate
In 2014 the value of local housing property in Australia acquired by foreigners exceeded $30 billion, about 40% higher than what was reported in 2013[8]. Foreign investment approvals in 2013-14 were given for $167.4 billion of proposed investment. This represented a 23% increase on the $135.7 billion in proposed investment approved in 2012-13. In 2013-14 there were 24,102 proposals that received approval, as compared with 12,731 in 2012-13.



Dwelling values across Australia's combined capital cities rose 2% in the June 2015 quarter, and 9.8% for the 2014/15 financial year. The growth was just below the record 10.1% recorded in the previous financial year[9]. However, it is thought that low interest rates have pushed the market higher, particularly in Sydney and Melbourne.

Change in real estate values is a complex outcome of structural, institutional and conditional factors described earlier in this briefing note (Ross). Policy interventions aimed at changing housing market outcomes can have a range of effects, some positive, some unintended, and some contradictory. The FIRB reforms aim to strike a balance between strengthening the integrity of Australia's foreign investment framework and ensuring that framework remains conducive to foreign investment that is not contrary to its national interests.

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[8] http://thenewda y.com.au/money/2015/10/05/auss e homebuyers crunched ch nese nvestors expert/

[9] https://www.nab.com.au/content/dam/nab/campa gns/persona /austra an hous ng market report/austra an hous ng market report.pdf

It is too soon to tell how the most recent reforms to the FIRB will impact foreign investment and ownership. In the past, these kinds of changes have had a limited effect on demand. However, it is anticipated that the Australian community will have greater confidence in the foreign investment framework, particularly with increased scrutiny surrounding agricultural investment and a stronger compliance regime.

The lack of quality data, and disaggregated data sets that don't fully account for the spectrum of property markets, will continue to pose a barrier to developing policy solutions. Without more expansive and comprehensive data source(s) it will be challenging to measure the impacts of new emerging policies, and their influence on global capital flow into local housing markets.

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DATE: August 17, 2015
TO: Mayor's Office, City of Vancouver
FROM: Katelyn McDougall, Principal and Managing Director, OfCity Consulting
RE: Rent Control/ Stabilization and First Right of Return Regulations in Large Urban Cities

BACKGROUND

Vancouver's unaffordable housing rental market often garners international attention. High prices combined with a low supply of housing stock tend to amplify the conditions that create an unaffordable housing market in the first place. According to CMHC the vacancy rate in Vancouver dropped as low as 1.4 % in April of 2015, compared to 1.8 % in April of 2014.

The Provincial rent control caps increases to rent for current tenants at inflation plus 2%. Also, landlords must use the approved form "Notice of Rent Increase" before actually increasing the rent. However, new tenants to a unit are not protected under this policy, and landlords have been reported as charging upwards of 10 to 20 percent increases on new renters that enter a unit[1].

Other cities world-wide face many of the same housing struggles as Vancouver. Some cities have used rent control, rent stabilization, and first right of return policies to help curb gentrification and to better stabilize the cost of rental housing. Rent control and rent stabilization policies both involve rent regulation, but are implemented and regulated differently as to allow different types of caps on rent increases. First right of return policies aim to help financially support, or re-home residents who have been temporarily displaced from their rental unit by their landlords. Together, these policies can ensure that the rental housing stock remains more affordable. These policies can also help balance the power dynamic between landlords and tenants. Below is a summary of some of the various policy tools used in other cities such as Toronto, Montreal, Berlin, Los Angeles, New York and Vienna.

It is important to note that cities have different legal capabilities with respect to implementing rent control and first right of return legislation. Some of these jurisdictional differences include:

- Home Rule in the US, which is the legislative authority granted to local governments by state (varies from state to state).
- Canadian cities can affect rents and right of return policies through by-laws that control zoning (e.g. demolitions, renovations and conversions). Otherwise, rent control and stabilization is controlled by the provinces[2].
- Both Vienna and Berlin are both City-States, meaning they are formally seceded urban regions with full sovereignty.
- Vienna is one of the nine autonomous federal provinces that form the Republic of Austria. As a federal province, Vienna has a right to its own legislation and provincial executive body. Legislation in Vienna is in the hands of the Vienna Provincial Parliament[3]**.**

[1] http://www.vancouversun.com/Rent+prices+jump+indicating+coming+crisis/11247145/story.html
[2] http://www.cmhc-schl.gc.ca/en/co/reho/yogureho/fore/replli/replli_003.cfm
[3] https://www.wien.gv.at/english/administration/organisation/authority/

RENT CONTROL

City	Toronto
Policy	Second Generation Rent Control *Bill 19, Residential Tenancies Amendment Act*
Details	Limits the amount that rent can increase annually to a rate set by the Ministry of Municipal Affairs and Housing; The amount may be no greater than 2.5%. Landlords may increase rents once every 12 months for sitting tenants by the guideline amount without seeking approval from the Landlord and Tenant Board. Landlords must provide 90 days written notice using the prescribed LTB Form N1. Ontario landlords have the benefit of vacancy de-control which means when a rental unit becomes vacant they can adjust the rent current market levels when renting to a new tenant.
Types of Building Included	Most buildings, see exemptions
Exemptions	The provisions of the RTA that deal with the maximum amount by which rents can be increased do not apply with respect to a rental unit if: • it was not occupied for any purpose before June 17, 1998 - meaning it is either in a new building (often a condominium building) built since 1998, or an older building with a new unit or never occupied, residentially or otherwise, before June 17, 1998; • it is a rental unit no part of which has been previously rented since July 29, 1975 - meaning only the owner has used or occupied the unit since 1975; or • no part of the building, mobile home park or land lease community was occupied for residential purposes before November 1, 1991 - meaning the building was probably commercially used before 1991 and then was converted to residential use.
Date Implemented	Originally introduced in 1975. Current form of rent control implemented in 2006 under the Residential Tenancies Act. Amended in 2012.
Link/ Source	http://www.landlordselfhelp.com/RentIncreaseGuideline.htm
Notes	Rent regulation was first introduced in Ontario under the National Housing Act 1944. After lobbying by business it was repealed in under a decade. The modern history of rent controls began in July 1975 when the Residential Premises Rent Review Act 1975.

City	Montreal
Policy	Controlled Rents determined by Tribunal (Régie du logement)
Details	The legal basis of the rent control system is defined in the Civil Code of Québec, which stipulates that the tribunal (the Régie) determines the rent payable taking into account the standards set by the Regulation respecting the criteria for the fixing of rent. Except in the case of preferential rent, the tribunal adjusts the rent on the basis of the income and expenses for the building that are applicable to the reference period, which is the calendar year preceding the end of the lease. Where applicable, the tribunal can take into account the quality of services or the use of an appliance or appurtenance for the building or dwelling concerned. In accordance with the regulation, the expenses considered for fixing the rent are: Operating expenses; Major Repairs and Improvements.
Types of Building Included	All rented units with leases worth $70,000 or less
Exemptions	Leases valued at $70,000 or greater
Date Implemented	1974
Link/ Source	http://www.rdl.gouv.qc.ca/en/publications/nonreconduction.asp
Notes	

City	Los Angeles
Policy	Rent Stabilization Ordinance of the City of Los Angeles (Section 151.00 of Chapter XV of Municipal Code)
Details	Regulates rents so as to safeguard tenants from excessive rent increases, while at the same time providing landlords with just and reasonable returns from their rental units.
Types of Building Included	• Apartments, • condominiums, • town homes, • duplexes, • two or more dwelling units on the same lot, • mobile homes, • mobile home pads, • rooms in a hotel, motel, rooming house or boarding house occupied by the same tenant for 30 or more consecutive days
Exemptions	• Properties located in other municipalities or within unincorporated areas within the County of Los Angeles; • One detached single family dwelling on a lot; • Properties (except mobile homes and mobile home pads) with a first Certificate of Occupancy issued after October 1, 1978 (new construction), excluding replacement units built after July 16, 2007; • Mobile homes or mobile home pads when the park was issued a permit to operate after February 10, 1986; • Government owned properties; • Units occupied by an owner or family member where no rents are collected; • Vacant units (10 days to register upon rental of the property); • Luxury Housing Accommodations issued a Luxury Exemption Certificate; Schools/Hospitals; Hotel/Motels - with tenancy under 30 days
Date Implemented	5/1/1979
Link/ Source	http://www.amlegal.com/nxt/gateway.dll?f=templates&fn=default.htm&vid=amlegal:lamc_ca
Notes	

City	New York City
Policy	Rent Control
Details	Rent control limits the rent an owner may charge for an apartment and restricts the right of any owner to evict tenants. Tenants are also entitled to receive essential services. Owners are not required to offer renewal leases, as tenants are considered "statutory" tenants.
Types of Building Included	Rent control applies only to buildings built before 1947 and for an apartment to be under rent control, the tenant (or their lawful successor such as a family member, spouse, or adult lifetime partner) must have been living in that apartment continuously since before July 1, 1971. An apartment in a one- or two-family house must have a tenant in continuous occupancy since April 1, 1953 in order to be subject to rent control.
Exemptions	Buildings that have not been occupied continuously since 1971, and buildings that were constructed post 1947. When a rent controlled apartment becomes vacant, it either becomes rent stabilized, or, if it is in a building with fewer than six units, it is generally removed from regulation (i.e. goes to market). If the legal rent of an apartment exceeds $2,500 following a vacancy, the apartment will be deregulated (i.e. go to market)
Date Implemented	1943
Link/ Source	http://www.nycrgb.org/html/resources/faq/rentcontrol.html
Notes	NYC has 38,000 rent controlled apartments compared to about one million rent stabilized apartments. The City is phasing out rent controlled apartments in favour of rent stabilization

City	New York City
Policy	Rent Stabilization
Details	Rent stabilized tenants are protected from sharp increases in rent and have the right to renew their leases.
Types of Building Included	• Rent stabilized apartments are generally those apartments in buildings of six or more units built between February 1, 1947 and January 1, 1974. • Tenants in buildings of six or more units built before February 1, 1947 and who moved in after June 30, 1971 are also covered by rent stabilization. • A third category of rent stabilized apartments covers buildings with three or more apartments constructed or extensively renovated since 1974 with special tax benefits. Generally, these buildings are stabilized only while the tax benefits continue.
Exemptions	There are numerous exceptions to both of these general categories. For example, if the legal rent exceeded $2,500 following a vacancy the unit may be deregulated. Or, if the unit was in a building converted to a co-op it may be deregulated upon vacancy.
Date Implemented	1969
Link/ Source	http://www.nycrgb.org/html/resources/faq/rentstab.html
Notes	

City	Berlin
Policy	*Mietpreisbremse* (or, "rental price brake")
Details	The policy applies to applicable units rented in an area with a "tense housing" market. Upon a re-letting of existing living space rent should not be higher that the comparative local rent plus 10%.
Types of Building Included	The law works by essentially capping rent neighborhood-by-neighborhood, so that landlords are prohibited from charging more than 10 percent above each district's median rental price.
Exemptions	• Once legally agreed, rent must not be lowered during the re-letting (landlords are not required to reduce current rents or let any vacant apartments at rents below the level at which the previous tenant was paying). • The restriction is not applicable during the letting of new buildings (occupied for the first time after 1 October 2014) and thoroughly renovated and modernized existing residential assets.
Date Implemented	6/1/2015
Link/ Source	http://www.faz.net/aktuell/finanzen/meine-finanzen/mieten-und-wohnen/die-mietpreisbremse-scheint-in-berlin-zu-wirken-13688588.html
Notes	Areas with tense housing market occur when supply of affordable rental housing for the population in a commune or part of a commune is insufficient. The municipality should be able to prove these factors. The indicators for the insufficient supply should be identified and listed. They include such as above-average rent increase, above-average household current rents, above-average growth of population in comparison to construction activity and low vacancy rate in comparison to high demand.

City	Vienna
Policy	Three Types of Rent Control: 1) Angemessener Mietzings ("adequate rent") 2) Kategoriemietzins "category rent" 3) Richtwertmietzings ("standard value rent")
Details	The Austrian legal system has two main sources of tenancy law: the ABGB (General Civil Code) and the MRG (Tenancy Statute). In general, the most important differences between full, partial and non-applicability of the MRG are that for tenancy agreements, where the MRG is a. Fully applicable: the tenant is protected by strict rent limits and against unwarranted eviction b. Partially applicable: the tenant is protected only against unwarranted eviction c. Not applicable: the tenant is neither protected by strict rent limits nor against unwarranted eviction. Where rent controls apply, there are three systems: 1) Angemessener Mietzins" (adequate rent): The adequate rent is a normative rent control system that limits free market rents depending on size, type, location, maintenance condition and furniture of a dwelling. In pending court cases first of all a property valuer as court expert evaluates the common rent by comparison of the dwelling to other dwellings of similar kind, type and location. Then surcharges or discharges for maintenance condition and furniture will also be listed by the court expert and the adequate rent will determined by the judge (eventually by exercising discretion). 2) Kategoriemietzins" (category rent): The Kategoriemietzins limits free market rents through classification of dwellings according to their equipment level (standard). 4 categories ranging from A (best category) to D (worst category, sub-standard) are relevant. 3) Richtwertmietzins" (standard value rent): According to this system of rent control, a standard dwelling ("mietrechtliche Normwohnung") is defined and for this standard premise a certain basic rent per m²
Types of Building Included	See exceptions
Exemptions	Short term rentals for up to six months
Date Implemented	"Allgemeine Bürgerliche Gesetzbuch 1811" (ABGB, General Civil Code), and the "Mietrechtsgesetz 1982" (MRG, Tenancy Statute)
Link/ Source	http://www.tenlaw.uni-bremen.de/Brochures/AustriaBrochure_09052014.pdf
Notes	In case the MRG is non/partially applicable to the tenancy agreement, the parties are usually free to agree on every clause on rent increase. Nevertheless there is no possibility for the landlord to increase the rent one-sidedly, e.g. by taking legal action for an "adequate" increase of rent. The landlord certainly can give notice of termination and make a new agreement with the tenant, if the contract is unlimited in time. If the tenant refuses to consent to the increased rent requested by the landlord, but continues to use the rented dwelling, he is obliged to pay an adequate compensation for use. In case the MRG is fully applicable to the tenancy

	agreement, an agreement on rent increase by the parties is only valid within the strict limits of the MRG. This means that the contracting parties are in principle free to agree on any clause of rent increase, but the rent after rent increase is not allowed to exceed the limits for adequate rent, category rent or standard value rent, depending on which system of rent control is applicable to the concrete rented dwelling.

FIRST RIGHT OF RETURN

City	Toronto
Policy	Toronto City BY-LAW No. 885-2007
Details	Conditions imposed may include: (2) In the case of a demolition, requirements to replace the rental units with rental units at similar rents, and for tenant relocation and other assistance, including the right to return to the replacement rental housing.
Types of Building Included	This chapter applies to living accommodation (a member unit of a non-profit housing co-operative) as described in clause 5(c) of the Residential Tenancies Act, 2006.
Exemptions	This chapter does not apply to a residential rental property that: (1) Contains less than six dwelling units; (2) Is a condominium governed by the Condominium Act, 1998; or (3) Is organized as a life lease project.
Date Implemented	7/19/2007
Link/ Source	http://www.toronto.ca/legdocs/bylaws/2007/law0885.pdf
Notes	-

City	Montreal
Policy	No Right of Return Policy. Indemnity Policy Only.
Details	Generally speaking, in Québec, the tenant of a dwelling has the right to maintain occupancy. That right entitles the tenant to renew the lease and stay in the dwelling as long as he or she complies with the obligations related to the lease. However, the law provides for exceptions to this rule. Under certain circumstances, the landlord may “resiliate” a lease and put an end to its renewal, in other words terminate the tenant’s possibility of renewing the lease. Accordingly, the law provides that an owner may evict a tenant in order to change the destination of a dwelling. The landlord must pay the evicted tenant an indemnity of three months’ rent and reasonable moving expenses, whether the tenant has contested the eviction or not.
Types of Building Included	N/A
Exemptions	N/A
Date Implemented	12/16/2011
Link/ Source	http://www.rdl.gouv.qc.ca/en/outils/eviction2011.asp
Notes	-

City	Los Angeles
Policy	SEC. 151.27. ELLIS ACT PROVISIONS - RE-RENTAL RIGHTS OF DISPLACED TENANTS. (Added by Ord. No. 177,901.)
Details	Displaced tenants have a right of first refusal on the unit from which they were displaced for a period of 5 years after the withdrawal of that unit from the market, provided they request the offer in writing within 30 days after the landlord has filed the Notice of Intention to Re-Rent with HCIDLA. For a period of 5 years, the initial rent for that unit is restricted to the rent in effect at the time the Notice of Intent was filed plus any automatic adjustment allowed by the RSO. This 5-year period begins on the later of (1) the date a Notice of Intent pertaining to a given rental unit was filed with HCIDLA or (2) the date of actual Ellis Withdrawal Procedures Page 3 of 10 7/2013 withdrawal of that rental unit. Once a Notice of Intent is filed, the initial rent is subject to this restriction regardless of whether the Notice of Intent is rescinded or the withdrawal is completed.
Types of Building Included	Same as Rent Control
Exemptions	Same as Rent Control
Date Implemented	9/29/2006
Link/ Source	https://law.resource.org/pub/us/code/city/ca/LosAngeles/Municipal/chapter15.pdf http://hcidapp.lacity.org/lahdinternet/Portals/0/Rent/Withdrawal%20Procedures%207-1-10.pdf
Notes	-

City	New York City
Policy	No Right of Return Policy. Reallocation Benefits Policy
Details	Reallocation benefits depend on whether the tenant is rent controlled or rent stabilized: if the tenant is rent stabilized the landlord may refuse to renew the lease if s/he seeks in good faith to demolish the building and construct a new one. The landlord must obtain the Division of Housing and Community Renewal's (DHCR) approval following a hearing. If the DHCR approves the demolition, the owner must pay reasonable moving expenses and a stipend or the owner will be required to relocate the tenant. The DHCR maintains a schedule for compensating tenants in these situations. If the tenant is rent controlled the landlord must secure approvals for demolition from the DHCR and must show: • that the new building will contain 20% more housing than the demolished building; and that adequate arrangements have been made to relocate the tenants; and • that all the necessary building permits have been obtained. If the landlord obtains a certificate of eviction from the DHCR, s/he must provide relocation assistance. The actual amount of benefits is not specified in the law. Benefits are determined by the NY State Division of Housing and Community Renewal, under an Operational Bulletin.
Types of Building Included	All those that are rent stabilized or rent controlled. See rent control regulations.
Exemptions	Unregulated tenants are not generally entitled to any benefits.
Date Implemented	1969
Link/ Source	http://www.nycrgb.org/html/resources/faq/rentcontrol.html
Notes	-

City	Berlin
Policy	No Such Policy
Details	
Types of Building Included	N/A
Exemptions	N/A
Date Implemented	N/A
Link/ Source	
Notes	Despite a lack of policy, news media in Berlin are increasingly seeing “rennovictions” as a problem: "The real threat facing Berlin at the moment, he says, is not gentrification, but "gentrification without a rise in living standards". Incremental reforms of German tenancy law have enabled landlords to force through "energetic modernisations" of their properties and pass down up to 11% of their costs to the tenants. In upcoming areas such as Prenzlauer Berg, Neukölln and Kreuzberg, there have been numerous reports of landlords abusing the "energetic modernisation" rule: flushing out old tenants by announcing expensive renovations, only to then immediately put the flats on the market at a higher price without having made any significant improvements". Source: http://www.theguardian.com/cities/2014/feb/11/unaffordable-cities-berlin-rent-green-laws

City	Vienna
Policy	No Policy
Details	Vienna does not have a policy or regulation giving First Right of Return to former tenants. However, Vienna does generally have pro-tenant evictions policies and regulations (In case the MRG is not applicable to the tenancy agreement, the landlord may terminate contracts unlimited in time by ordinary or extraordinary notice. Contracts limited in time may be terminated by extraordinary notice only. Important reasons for the extraordinary notice are the harmful use of the dwelling or arrears of rent. Individually set limits in the contract to the possibility to give notice are lawful and common. In case the MRG is partially or fully applicable to the tenancy agreement, the landlord may terminate contracts unlimited and limited in time only by extraordinary notice).
Types of Building Included	N/A
Exemptions	N/A
Date Implemented	N/A
Link/ Source	http://www.tenlaw.uni-bremen.de/Brochures/AustriaBrochure_09052014.pdf
Notes	Despite lack of first right of return policies, some Austria news media report that "renovictions" are increasingly being seen as a problem: "Bestandsfreimachung is a term that only recently became popular in the vocabulary of the Austrian media that refers to a practice of landlords to not re-rent apartments until the last tenant has moved out in order to renovate the whole building and increase rents accordingly." Source: http://www.rc21.org/conferences/berlin2013/RC21-Berlin-Papers-4/08-1-RT-Verlic_HousingNeoliberalizationVienna.pdf

The acquisition of goods and services for delivering City operations represent approximately 30% of total City expenditures; a strategic focus on procurement provides a significant opportunity to ensure value for money for Vancouver residents and is an important responsibility for the City. Under the stewardship of the Supply Chain Management (SCM) department, the City negotiated and awarded $202 million worth of contracts for goods and services in 2013, and $130.1 million worth of contracts for goods and services in 2014.

The vast majority of contracts awarded were valued at $75,000 or less (77.3% in 2013 and 78.2% in 2014). However, contracts awarded at $2.0 million or more comprise almost two-thirds of total value of contracts each year (see Table 1 and 2 below).

Table 1. Contracts Awarded by Value in 2013

Value Range	**Number of Agreements (%)**	**Contract Value in Range (%)**
Less than $75,000	638 (77.3%)	$14,704,142.64 (7.3%)
$75,000 to $499,999	132 (16.0%)	$25,598,926.96 (12.6%)
$500,000 to $1,999,999	32 (3.9%)	$30,106,243.98 (14.9%)
$2,000,000 or greater	23 (2.8%)	$132,077,477.98 (65.2%)
Total	825 (100.0%)	$202,483,761.56 (100%)

Table 2. Contracts Awarded by Value in 2014

Value Range	**Number of Agreements (%)**	**Contract Value in Range (%)**
Less than $75,000	562 (78.2%)	$11,733,956.79 (9.0%)
$75,000 to $499,999	121 (16.9%)	$24,240,517.47 (18.6%)
$500,000 to $1,999,999	20 (2.8%)	$21,103,587.24 (16.2%)
$2,000,000 or greater	15 (2.1%)	$73,019,282.72 (56.2%)
Total	718 (100%)	$130,097,344.22 (100%)

The Majority ($) of Contract Approvals by Department

- 2013: Engineering ($78 million), Real Estate & Facilities Management ($32 million), Information Technology ($18 million)
- 2014: Engineering ($90 million), Real Estate & Facilities Management ($17 million), Financial services ($11 million)

The City's Sustainable and Ethical Procurement (SEP) Program has helped to shape the overall supply chain management, supporting ethical labour practices throughout contract negotiations and procurement processes.

In 2013, the vast majority of contracts (99%) were awarded using the competitive procurement process, with 1% awarded on a sole source basis (valued at $2,143,829). Similarly, in 2014, 98.4% of all contracts were awarded based on the competitive procurement process, with 1.6% ($1.44 million) award based on a sole source basis and 0.5% ($0.59 million) awarded on an emergency basis.

Local companies continue to provide a significant amount of good and services to the City. In 2014, 20% of contracts (awarded by value) were to companies with a presence in Vancouver, 88% in Metro Vancouver, and 99% had a presence in Canada.

Living Wage Contract Exceptions

In regards to the living wage, other cities often make exceptions to the living wage requirements in order to encourage socially-beneficial contracts. These exceptions include:

- Setting a different living wage for nonprofits than for-profits (San Francisco)
- Exempting small for profits and medium/small non-profits based on number of FTEs
- Exempting small businesses and nonprofits based on the previous year's revenues

Exemptions are particularly important to consider for social enterprises and nonprofit organizations who seek to secure contracts with City, but might not be fully capable of employing works at a living wage. A good example of this might include a non-profit low income housing provider, or a social enterprise that works with the City to employ residents with extreme barriers.

DATE: July 22, 2015
TO: Mayor's Office, City of Vancouver
FROM: Katelyn McDougall, Principal and Managing Director, OfCity Consulting
RE: Provincial Funding for Transportation Agencies in Major Cities Across Canada

Purpose

The following document describes the shape and scope of the different local and regional Transportation agencies in major cities across Canada. This document investigates the financial relationship between transit authorities and their provincial counterparts by reviewing the agencies' operating budgets and the amount of financial support received from the provincial government per agency – be it core funding, or capital grants. The financial information detailed in this report has been gathered from the various annual reports, operating budgets, or financial statements of the individual agencies for the 2014 year, unless otherwise indicated[1].

Background

Public transportation is an important part of the transportation network, and is essential to the economic and social well-being of citizens. Across the different municipalities analyzed, transportation agencies provide varying public transportation services. The core function of these agencies is to ensure the provision and management of public transit within a certain geographic zone, however sometimes these agencies plan, finance, and construct roads, bridges, and other multimodal infrastructure projects. The role and responsibility of the organization is important to consider when comparing operating budgets across agencies, since organizations that serve larger populations and regions, and provide a greater number of services, have much larger budgets.

Overview of Transportation Agencies Reviewed

Agency	Description	Operation/Management
Metro Vancouver TransLink	Responsible for the planning, financing and managing of all public transit in addition to major regional roads and bridges, regional transit, cycling and commuting options and intelligent Transportation System programs.	**Regional:** TransLink is Metro Vancouver's regional transportation authority. TransLink has a governance structure that includes: the Board of Directors, the Mayors' Council on Regional Transportation
Calgary Transit	Providing safe, accessible, reliable and courteous public transportation services.	**Municipal:** Calgary Transit is the largest, most public facing business unit in The City of Calgary.

1 The financial information for Halifax Transit has been gathered from their 2015 operating budget.

Regina Transit	Provides safe, reliable, affordable and accessible transportation, through a regularly scheduled, fixed-route transit system, and Paratransit services.	**Municipal:** The City of Regina's Transit Department
Winnipeg Municipal Transit	Bus only operations.	**Municipal:** the public transit agency at the City.
Toronto MetroLinx	Provide leadership in the co-ordination, planning, financing and development of an integrated, multi-modal transportation network, and to act as the central procurement agency for the procurement of local transit system vehicles, equipment, technologies and facilities and related supplies and services on behalf of Ontario municipalities.	**Regional:** A crown agency that manages and integrates road transport and public transportation in the Greater Toronto and Hamilton Area. The organization was created by the Government of Ontario under the name Greater Toronto Transportation Authority
Halifax Transit	Public transport agency operating buses and ferries in Nova Scotia's Halifax Regional Municipality. Halifax Transit's operations area is the urban core in the western part of the municipality.	Operated by the Regional Municipality.

Operating Budget and Funding Analysis

Reviewing the 2014 financial statements of these transportation agencies, there are a few noteworthy things. The first is that operating budgets range in size considerably between agencies, as demonstrated by Figure 1 below. This is because the role and scope of services provided by different agencies varies significantly. For example, TransLink provides, plans, and builds a compressive multimodal transportation network for all of Metro Vancouver, whereas Regina Transit manages bus services for the local municipality only.

Figure 2 demonstrates that there is no standard amount of funding provided to these agencies by provincial governments. The proportion of total revenues that are derived from provincial governments ranges from as low as 0% in Calgary, to 18.5% in Winnipeg. Other sources of revenue for these transportation agencies are detailed in the attached appendix. They include federal transfers, fares, taxation revenue, and other types of levy. Fares and taxes are the most heavily relied upon sources of revenue, though not all agencies have tax revenue sources available to them, such as Regina, Halifax, and Toronto. Taxes make up 51% of the operating revenue for both Calgary Transit and TransLink. Halifax Transit receives 76% of their revenue from fares, and MetroLinx receives 44% of their total operating revenue from fares.

Figure 1:

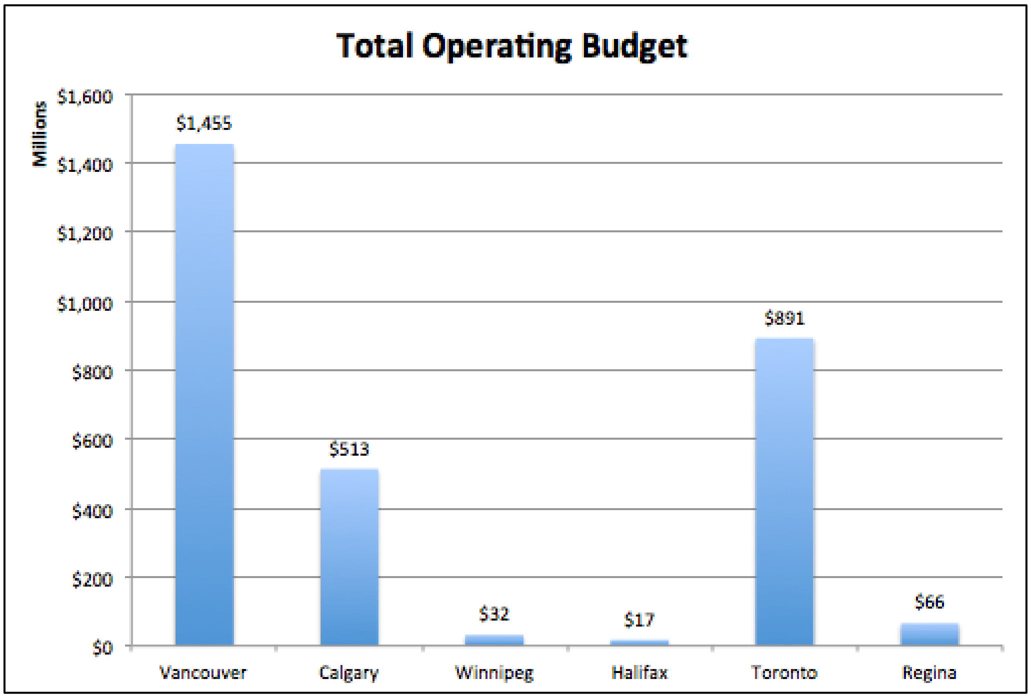
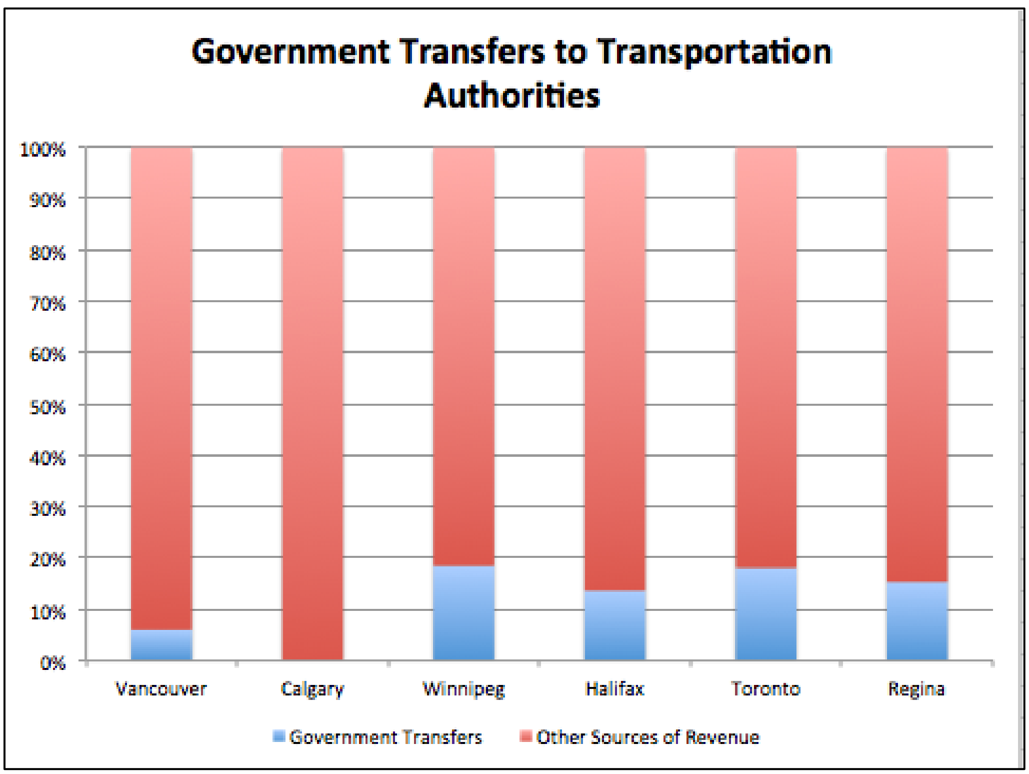


Figure 2:



Conclusion

Canadians, on a per capita basis, are among the world's biggest consumers of transportation[2]. In a rapidly changing economic environment where global supply chains, technology and market conditions are constantly evolving, transportation system can best support Canada's future growth and prosperity[3]. Furthermore, sustainable public transportation help government to achieve climate targets and reduce overall emissions.

Provincial governments should play a vital role in planning, creating, and maintaining sustainable public transportation networks. Whether providing core funding, financial capital for infrastructure projects, or creating a level of autonomy at the local level to make decisions about sources of revenue, provincial governments have many different options to enhance the level of financial support provided to transportation agencies.

2 http://www.tc.gc.ca/eng/ctareview2014/discussion-paper.html
3 http://www.tc.gc.ca/eng/ctareview2014/discussion-paper.html

Appendix: Comparable Public Transportation Budgets - Revenue by Authority

Table 1. Metro Vancouver Translink – Revenue (2014)

Transit Revenues	Value ($)	% of Total
Taxation*	$736,396,000	50.6%
Transit	$518,001,000	35.6%
Golden Ears Bridge Tolls	$39,648,000	2.7%
Real Estate	-	
Emissions Testing	$12,846,000	0.9%
Transfers from Other Governments	$88,147,000	6.1%
Amortization	$23,337,000	1.6%
Interest Income	$34,321,000	2.4%
Misc.	$2,063,000	0.1%
Gain on Disposal	-	
TOTAL	**$1,454,759,000**	**100.0%**

*Taxation Breakdown	Value ($)	% of Total
Fuel tax	$335,274,000	23.0%
Property and Replacement tax	$306,689,000	21.1%
Parking rights tax	$53,207,000	3.7%
Hydro levy	$19,243,000	1.3%
TOTAL	$736,396,000	**50.6%**

Source: http://www.translink.ca/-/media/Documents/about_translink/governance_and_board/board_minutes_and_reports/2014/january/2014%20Business%20Plan%20Operating%20and%20Capital%20Budget%20Summary.pdf

Table 2. Calgary Transit – Revenue (2014)

Transportation Revenues	Value ($)	% of Total
Tax Support	$180,300,000	51.4%
User Fees/ Other Sales	$161,600,000	46.1%
Fines & Penalties	$700,000	0.2%
Internal Recoveries	$8,300,000	2.4%
Tax Support	$180,300,000	51.4%
TOTAL	**$350,900,000**	**100.0%**

Table 2.1. Funding for Capital Projects Requiring Approval

Funding	Value ($)	% of Total
Federal Gas Tax Fund	$22,880,000	26.0%
Fuel Tax - Revenue Sharing	$59,304,000	67.4%
Revenue/Reserves	$1,056,000	1.2%
Community & Recreation Levy	$764,000	0.9%
Pay As You Go	$4,041,000	4.6%
Lifecycle Maintenance & Upgrade Reserve	$0	0.0%
TOTAL	**$88,045,000**	**100.0%**

Source:

http://www.calgary.ca/_layouts/cocis/DirectDownload.aspx?target=http%3a%2f%2fwww.calgary.ca%2fCA%2ffs%2fDocuments%2fPlans-Budgets-and-Financial-Reports%2fBusiness-Plans-and-Budgets-2012-2014%2fApproved%2fBusiness-Plans-Budgets-2012-2014-Approved-TRANS.pdf&noredirect=1&sf=1

Table 3. Regina Transportation and Utilities Budget – Revenue (2014)

Transportation and Utilities Revenues*	Value ($)	% of Total
Fees and Charges	$24,166,000	36.9%
Government Transfers	$10,070,000	15.4%
Licenses, Fines and Levies	$457,000	0.7%
Other	$1,269,000	1.9%
Contribution of Tangible Capital Assets	$29,617,000	45.2%
TOTAL	**$65,579,000.00**	**100.0%**

*Transportation and Utilities is responsible for ensuring the City's infrastructure systems are effectively preserved, funded, and operated. This division preserves and operates municipal infrastructure involving roadways, traffic, water, drainage, waste water and solid waste to meet regulatory requirements and community needs.

Source: https://www.regina.ca/opencms/export/sites/regina.ca/residents/city-administration/.media/pdf/2014annual-report-lowres-final2.pdf

Table 4. Winnipeg Transit Capital Projects Budget - Revenue (2014)

Transit Revenues	Value ($)	% of Total
Transit Building Replacement		
Innovative Transit Program	$800,000	2.5%
Cash to Capital	$4,226,000	13.3%
Federal Gas Tax	$2,200,000	6.9%
Other Provincial Funding	$1,132,000	3.6%
Retained Earnings	$7,557,000	23.8%
SUBTOTAL	**$15,915,000**	**50.1%**
Transit Busses		
Cash to Capital	$6,279,000	19.8%
Federal Gas Tax	$3,840,000	12.1%
Other Provincial Funding	$4,748,000	14.9%
Retained Earnings	$500,000	1.6%
SUBTOTAL	**$15,367,000**	**48.4%**
Fuel Storage Expansions	**$500,000**	**1.6%**
TOTAL	**$31,782,000**	**100%**

Source: http://winnipeg.ca/Finance/files/2014PreliminaryBudgetVolume1.pdf

Table 5. Toronto MetroLinx Budget - Revenue (2014)

Transit Revenue	Value ($)	% of Total
Commuter Revenue	$393,573,700	44.0%
Non-Fare Revenue	$26,181,900	2.9%
Presto Revenue	$18,768,800	2.1%
Provincial Contributions	$161,480,000	18.1%
Federal Contributions	-	
Amortization	$291,147,100	32.6%
Gain on Disposal of Capital Assets	$2,457,000	0.3%
TOTAL	**$893,608,500**	**100.0%**

Table 6. Halifax Transit Budget - Revenue (2015)

Transit Revenue	Value ($)	% of Total
Area Rate	$40,300	0.2%
Transfers from other Gov'ts	$2,386,855	13.7%
Fee Revenues	$13,256,000	76.0%
Other Revenues	$1,748,400	10.0%
TOTAL	**$17,431,555**	**100.0%**