
From: Johnston, Sadhu
Sent: Tuesday, February 21, 2017 2:55 PM
To: Direct to Mayor and Council - DL; City Manager's Correspondence Group - DL
Cc: City Manager's Correspondence Group - DL
Subject: Fw: 2017 Provincial Budget Summary

Importance: High

Greetings Mayor and Council/CMT:

Our Director of Intergovernmental Relations, Marnie McGregor was in Victoria today for the provincial budget lockup, and has prepared the following outline of the key themes and messages from the 2017 provincial budget.

I hope this is helpful to you.

Sadhu

Overview:

- This was the provincial government's pre-election budget, and outlined a surplus of approximately \$1.5 billion, with provincial growth projected to be 2.3%
- Home starts across the province are well above normal historic averages— in Vancouver between 2007-2015 the average was 18,000 over this period, and in 2016 the figure was 28,000
- The province is now investing in some families and social services in need, by returning funds to individuals through Medical Services Plan (MSP) premiums, as well as some small cuts to income and corporate taxes
- BC has led Canada with the strongest economic performance, the fifth consecutive balanced budget, and a modest surplus

Affordable Housing:

- \$920 million to support the creation of nearly 5,300 units (5,280 in fiscal plan) of affordable and supportive housing). This isn't new money, all announced in the past year (see breakdown below)
 - Leading up to Budget 2017, the BC government committed an **additional \$65 million over 2016/17 and 2017/18 to fund another 380 affordable housing units to house the homeless and those with mental health or substance use issues**
 - Budget 2016 \$355 million (2,000 units)
 - September/November 2016 Announcement \$500 million (2,900 units)
 - Budget 2017 \$65 million (380 units)
- Rental assistance programs for low-income families and seniors support over 33,000 households each year, and 14, 470 emergency shelter and housing units for those who are homeless or most at risk of homelessness
- **\$159 million to maintain assistance levels for low-income families and seniors** to help make rent more affordable in private market rental units, and services are also maintained for the homeless in the existing permanent shelter system. Included are **almost 1,100 new transitional and temporary year-round shelter spaces** with an annual cost of approximately \$20 million to provide operating and support services
- Partnership with Rick Hansen Foundation to develop an accessibility certification program which will rate, recognize and promote accessibility in our built environment

- Housing Priority Initiatives Special Account was established in summer 2016 funded mainly through property transfer tax revenue approved by the Treasury Board, the account will continue to serve as a flexible vehicle to help fund priority housing/rental/shelter programs and initiatives as and when needed within the Fiscal Plan so that a need for additional taxpayer-supported borrowing is avoided
- Home ownership programs:
 - BC HOME Partnership program will provide over \$700 million in mortgage down payment assistance loans to an estimated 42,000 first-time home buyers over the next 3 years
 - Increasing the threshold for the first time homebuyers' exemption from property transfer tax to \$500,000 from \$475,000

Housing Supply:

- **In the coming year, the government will also explore and implement opportunities to partner and invest with local government to help ensure cities and municipalities have the capacity, incentives and performance targets needed to expedite the processing, approvals and permitting of housing development applications**
 - Partnering with local governments to accelerate housing supply: Timely process and approvals of housing development projects are key in helping address growing population demands in the province as well as housing affordability
 - In the coming years the government intends to implement a number of measures to help expedite housing development applications, approval and permitting processes in partnership with local governments. Key elements include:
 - **Supporting improvements to local government capacity, where needed, to process applications in a more timely way**
 - **Using incentives to reward jurisdictions for achieving efficiencies and target outcomes in the application, approval and permitting processes**
 - **Adopting a performance-based approach in providing provincial assistance**

Minister of Community Sport & Cultural Development Service Plan 2017/2018-2019/2020 goals:

- **Encourage local governments to facilitate the development of affordable market housing options near transit**
- **In partnership with key stakeholders, identify opportunities to leverage increase value of properties adjacent to transit and reinvest that value for the benefit of the region**

Drug Treatment:

- **\$12 million for up to 28 additional specialized youth addictions treatment beds**
- **\$11 million over 3 years for the BC Centre for Substance Use**
- First quarter fiscal update this summer will include federal provincial health agreement signed February 18 2017 (including \$10 million of \$65 million for opioid crisis and matching provincial funding)

Mental Health:

- \$45 million to Ministry of Children and Family Development over 3 years for more mental health counselling and treatment for children
- Up to \$5 million to support mental health services for post-secondary students
- **\$65 million to provide affordable housing for the homeless, including people with mental health or substance use issues (new funding in 2017 Budget)**

Childcare & Child Welfare:

- **Additional \$20 million for child care including up to 2,000 new licensed child care spaces**
 - \$11 million over three years to support projected growth in the number of child care spaces bringing total spending on this program to approximately \$92 million per year
- **\$287 million over the next three years to the Ministry of Children and Family Development, of which \$120 million is to begin addressing recommendations of the Grand Chief Ed John Report on Indigenous Child Welfare**
- \$175 million to provide income assistance supports for those in need, including \$8 million to exempt additional child-related benefits expected to help 600 families and 1,000 children
- \$135 million over three years for community living services, primarily via Community Living BC

- No increase in welfare rates

First Nations/Urban Aboriginal Communities:

- Additional resources to the Ministry of Aboriginal Relations and Reconciliation and other ministries to facilitate this work and ensure that the benefits of a strong economy are shared with all communities and all citizens, including BC's First Peoples.

Communities & Economic Development:

- \$249 million for communities and economic development including \$87 million for the BC TECH Strategy to be announced at the BC TECH Summit March 14-15, 2017

Environmental Protection/Sustainability:

- **\$40 million for the Clean Energy Vehicle program** (1 year top-up funding only, not funded for other 2 years)
- **Maintaining Revenue Neutral Carbon Tax**
- **\$50 million for local government infrastructure projects under Building Canada and the Clean Water Wastewater Fund**
- Minister of Community Sport & Cultural Development Service Plan 2017/2018-2019/2020 goals:
 - Provide targeting funding to local governments to help them achieve and provide water and waste management objectives i.e. Clean Water and Wastewater Fund joint federal/provincial infrastructure funding

Transportation/Transit:

- Nothing specific indicating provincial funding for Mayors' Council Plan Phase Two in the next few years
- Ministry of Transportation Service Plan 2017/2018-2019/2020 goals:
 - **Work with federal government to participate in and benefit from new infrastructure programs and funding for BC communities including for transportation in Metro Vancouver**
 - **Participate with TransLink and the Mayors' Council on Regional Transportation and the federal government to deliver key Phase One infrastructure and service improvements over the next three years**
 - Implement Pacific Gateway Transportation Strategy 2012-2020 Moving Goods & People
 - Increase transit use, cycling and other alternative modes of personal transportation

Sport & Culture:

- Minister of Community Sport & Cultural Development Service Plan 2017/2018-2019/2020 goals:
 - Provide support to initiatives that reduce geographic and financial and other barriers to participate in sport
 - Support the Premier's Awards for Aboriginal Youth Excellence in Sport
 - Continue to expand the Sport Arts & Culture Hosting Program with additional toolkit components and knowledge transfer mechanisms
 - **Invest in hosting opportunities that help develop local economies such as the BC Games, 2017 Telus Cup (hockey), 2017 World Rugby Several Series (men and women), and 2018 Scotties Tournament of Hearts (curling)**
 - Develop the artistic and adaptive capacity of the arts and culture sector in BC
 - Support the richness of Aboriginal artists and communities in BC by acknowledging the contribution of Aboriginal artists and their culture, and support Aboriginal artists and organizations to help them partner with a range of artists and cultural activities

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