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**To:** "Direct to Mayor and Council - DL"  
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**Date:** 4/29/2019 1:02:03 PM  
**Subject:** Additional questions from council on tax report

Greetings Mayor and Council

We have received the following questions from council:

- 1) Has there been any city-led consultation with residential property owners regarding a shift?  
NO – typically a programmatic approach to tax shift will be led by the Commission (0.5 to 1 yr work) w/ consultation to both business & residents. this can't be done in a couple of mths.
- 2) Are staff concerned that with the Province of BC setting rules and regulations that prohibit rental rates from being raised (beyond inflation) by residential property owners, that this may have negative impact on the rental market?  
If there's a tax shift and the hsg operators will have to bear the cost increase w/o ability to recover some or all of such costs, that's a rental hsg viability issue.
- 3) Do you see a way to find cost savings-equivalent to the "shift" (that likely will be proposed in an amendment that I understand has gone to staff directing implementation) of a 2% shift.  
This will have to be done as part of 2020 budget, won't help 2019.
- 4) Do staff support a shift of 2%? Or any shift?  
Staff do not support using a broad 2% tax shift to target small businesses impacted by development potential, which has been the issue in recent years and what Council asked staff to focus on. Split assessment is a much more targeted approach and is being considered by the Province as we speak. As for businesses at large, staff, based on discussion with the Commission chair, do not believe a tax shift is warranted at this time due to the positive trending of the Commission-recommended metrics.
- 5) Are there any specific concerns that staff have identified with a shift?  
A tax shift will impact residents in Vancouver. Also, same as above...particularly when a tax shift does not target properties that need tax relief (e.g. a downtown AAA office bldg. which has been benefiting from tax reduction in recent yrs will get further tax relief). Provision of a broad 2% tax shift (\$15.8M) to all businesses is costly, when only 21% of the properties are impacted by development potential and require targeted tax relief.

Best

Sadhu

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*The City of Vancouver acknowledges that it is situated on the unceded traditional territories of the Musqueam, Squamish, and Tseil-Waututh peoples.*