

From: ["Mochrie, Paul" <Paul.Mochrie@vancouver.ca>](mailto:Paul.Mochrie@vancouver.ca)
To: ["Direct to Mayor and Council - DL"](#)
Date: 11/3/2021 9:32:53 AM
Subject: [Update RE: 2021 Property Tax Sale](#)
Attachments: Memo to Council - 2021 Property Tax Sale.pdf

Dear Mayor and Council,

Please disregard the previous memo, as it included an appendix in error. The correct memo is attached here. Apologies for any confusion.

As an update, the Legion made their payment yesterday.

Best,
Paul

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



The City of Vancouver acknowledges that it is situated on the unceded traditional territories of the xʷməθkʷəy̓əm (Musqueam), Skwxwú7mesh (Squamish), and səlilwətał (Tsleil-Waututh) Nations.

From: Mochrie, Paul <Paul.Mochrie@vancouver.ca>
Sent: Tuesday, November 02, 2021 1:30 PM
To: Direct to Mayor and Council - DL
Cc: City Manager's Correspondence Group - DL ; Impey, Patrice <Patrice.Impey@vancouver.ca>
Subject: 2021 Property Tax Sale

Dear Mayor and Council,

The purpose of this memo is to provide you with information on this year's Property Tax Sale. The tax sale is an annual occurrence and Council is not generally updated, however there are 2 aspects that are unique this year. In 2020, due to the pandemic, the province allowed municipalities to defer the tax sale, as such we have 2 years of properties to consider in 2021. As well this is the 1st year that EHT will be on the tax bill and considered in the tax sale. These factors have led to a higher than average number of properties up for auction.

The memo provides background on the process and this year's sale. It highlights 2 properties that are currently on the tax sale worth mentioning:

- West Point Grey Legion has a tax arrears balance owing of \$532,468. The Legion had a similar problem a few years back and the property sale was averted with a late payment prior to the auction. The legion has indicated that they will be making a payment this week.
- 7084 Beechwood St- (emergency aquifer repair by the City) has a tax arrears balance owing of \$5,354,642. This balance reflects some of the costs to recover the emergency repair in addition to other outstanding balances under litigation. Given balance outstanding, we anticipate that there will not be much bidding interest on this property and the City will be the default owner.

Staff do not anticipate any issues with this year's auction, as it is a process that has been followed over many years, however we wanted to give you some of this background if you receive any questions from property owners.

Should you have any questions regarding the above memo, please feel free to contact me or Patrice Impey at Patrice.Impey@vancouver.ca / (604) 873-7610.

Best,
Paul

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



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MEMORANDUM

November 3, 2021

TO: Mayor and Council

CC: Paul Mochrie, City Manager
Karen Levitt, Deputy City Manager
Katrina Leckovic, City Clerk
Lynda Graves, Administration Services Manager, City Manager's Office
Maria Pontikis, Director, Civic Engagement and Communications
Anita Zaenker, Chief of Staff, Mayor's Office
Neil Monckton, Chief of Staff, Mayor's Office
Alvin Singh, Communications Director, Mayor's Office
Julia Aspinall, Director Financial Services

FROM: Patrice Impey
CFO/General Manager, Finance, Risk and Supply Chain Management

SUBJECT: 2021 Property Tax Sale information

RTS # N/A

Dear Mayor and Council,

The purpose of this memo is to provide you with information on this year's Property Tax Sale. The tax sale is an annual occurrence and Council is not generally updated, however there are 2 aspects that are unique this year. In 2020, due to the pandemic, the province allowed municipalities to defer the tax sale as such we have 2 years of properties to consider in 2021, as well this is the 1st year that EHT will be on the tax bill and considered in the tax sale. These factors have led to a higher than average number of properties up for auction.

BACKGROUND

As per the Vancouver Charter, the City of Vancouver is required to carry out an annual property tax sale where properties have delinquent tax balances that are 3 years in arrears. The 2021 annual property tax sale is scheduled on November 10th, starting at 10:00 am PST.

Last year, due to COVID19, a provincial ministerial order issued under the Emergency Program Act allowed all municipalities to defer their annual property tax sale in 2020. This order was not extended into 2021 and therefore, municipalities are required to carry out their annual tax sale in

2021. As a result of the tax sale deferral in 2020, staff are anticipating a larger number of property folios to be presented at the upcoming auction. Furthermore, 2021 is the first year in which folio balances have empty homes taxes in arrears. The list of properties for auction will be made public one week prior to the auction date; November 03, 2021.

The auction must be held at City Hall and there is currently no authority under the Vancouver Charter to allow for telephone or Internet based bidders. Due to COVID19, we are anticipating capacity restrictions of up to 120 potential bidders and additional 30 observers with safety and legal considerations contemplated into the logistical planning.

2021 AUCTION

The current number of folios as of Oct 29, 2021 enlisted for the auction is 145 properties. These folios have property taxes and/or empty homes tax outstanding from 2018. The number of properties with exclusive empty homes taxes in arrears is a small number, currently at 11. Staff has been conducting extensive outreach to all property owners to notify of their tax account status and an opportunity to pay the arrear balances leading up to the auction date.

As we approach closer to the auction date, staff anticipates the number of folios up for auction will continue to decrease up and including on the day of the tax auction; however, the number of folios is expected to remain higher than average compared to prior years. The year 2003 was the most comparable year in which 120 properties were listed for auction and there were 57 successful bidders. Over the past several years, there have been 20 or fewer properties ultimately sold at the auction annually. After the tax sale, the incumbent owner is provided one year to redeem their property by paying the full arrears amount to the City and 6% annual interest rate to the bidder to avert the process of transferring of the property to the successful bidder. It has been unusual for a property to actually change hands as a direct result of the tax sale.


Of the current properties that are on the tax sale, there are a couple of properties worth mentioning:

- West Point Grey Legion has a tax arrears balance owing of \$532,468. The Legion had a similar problem a few years back and the property sale was averted with a late payment prior to the auction. The legion has indicated that they will be making a payment this week.
- 7084 Beechwood St- (emergency aquifer repair by the City) has a tax arrears balance owing of \$5,354,642. This balance reflects some of the costs to recover the emergency repair in addition to other outstanding balances under litigation. Given balance outstanding, we anticipate that there will not be much bidding interest on this property and the City will be the default owner.

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Should you have any questions regarding the above memo, please feel free to contact me at (604) 873-7610 or patrice.impey@vancouver.ca or Julia Aspinall at 604.871.6281 or Julia.aspinall@vancouver.ca.

Best Regards,



Patrice Impey
Chief Financial Officer/General Manager, Finance, Risk and Supply Chain Management
604.873.7610 | patrice.impey@vancouver.ca