

From: ["Mochrie, Paul" <Paul.Mochrie@vancouver.ca>](mailto:Paul.Mochrie@vancouver.ca)

To: ["Direct to Mayor and Council - DL"](#)

Date: 2/22/2022 5:32:01 PM

Subject: [Summary of the BC 2022-23 Budget Release](#)

Attachments: City of Vancouver - Submission to Select Standing Committee on Finance and Government Services - Budget 2022 Consultation.pdf

Dear Mayor and Council,

Today, Minister of Finance Selina Robinson tabled the Government of British Columbia's budget for the 2022-23 fiscal year, which was largely focused on responding to challenges related to climate change and expanding resources for communities. Minister Robinson acknowledged that residents of BC are directly being impacted by climate change with the recent increase in natural disasters – including wildfires, flooding and the heat dome - and the government needs to be investing more natural disaster prevention, response and resiliency. Other key themes included reducing childcare costs, reconciliation, delivering a comprehensive approach to respond to and prevent homelessness and growing an inclusive and sustainable economy.

On the state of the economy, the Finance Minister noted that B.C. is in a strong economic position for recovery from the COVID-19 pandemic and recent climate-related disasters, and signalled that the government is not planning to reduce spending on services. The province's economy expanded by an estimated 5.0% in 2021 and is forecast to expand by 4.0% in 2022 and 2.5% in 2023. Budget 2022's three-year fiscal plan presents declining deficits, with a projected \$5.5-billion deficit in 2022-23 declining to \$3.2 billion in 2024-25.

A number of the commitments announced align with the City's requests submitted to the Provincial Budget Consultation (attached), including the new \$76-million Local Government Climate Action Program (3x more funding than the discontinued CARIP program that staff advocated to have replaced), as well as new funding to create and preserve non-market housing. Additionally, staff have been working closely with the Province on the Complex Care housing framework. IGR staff will review and analyze the budget in more detail to determine how responsive the government has been to our requests.

Detailed commitments in the Budget Announcement that align with City priorities are outlined below.

1) Childcare

- ☐ Investment of an additional \$284 million in provincial funding for childcare services over three years, including \$118 million to reduce parent fees for preschool and before/after school care.
- ☐ Reduce fees for full-day infant and toddler care by 50% to an average of \$20 a day by the end of 2022. \$3.2 billion to be delivered over five- years under ChildCareBC.

2) Strengthening Health Care and Mental Health Services

- ☐ \$3.2 billion in additional funding to improve health-care services:
 - \$148M to reduce emergency call wait and response times by adding more paramedics and dispatchers to support the BC Emergency Health Services Action Plan;
 - Continue to support actions on the Pathway to Hope plan to expanded mental health and addictions care; and
 - Adding new urgent and primary care centres and working in partnership with the First Nations Health Authority to continue creating up to 15 First Nations primary care centres.
- ☐ \$875 million additional investment for 2022/23 pandemic recovery contingencies:
 - Continued investment in COVID immunization and testing;
 - PPE for health-care workers; and
 - Enhanced measure to limit risk of COVID-19 for vulnerable residents in long-term care and assisted facilities.

3) Responding to and Preventing Homelessness

- \$633 investments for three-years to expand services and shift approach to homelessness from reactive to proactive:
 - \$600 a month rent supplements will be introduced for more than 3,000 people over the next-three years to help them find stable housing with integrated wrap around supports;
 - \$164 million for at least 20 more Complex Care housing sites, to support up to 500 people experiencing homelessness who have severe mental health, substance-use issues or traumatic and acquired brain injuries; and
 - \$264 million over three-years to help up to 3,000 people, who were temporarily housed in leased or purchased hotels during the pandemic, transition to permanent housing.

4) Fighting Climate Change and Protect People from Climate-Related Disasters

- \$1 billion in new funding for CleanBC and Roadmap to 2030:
 - \$30 million in grants available for local government to improve active transportation infrastructure;
 - Develop a Clean Transportation Action Plan to reduce emissions in the transportation sector;
 - \$76 million to establish a new Local Government Climate Action Program that will help local government take action to reduce emissions and prepare for climate change; and
 - \$13 million to further develop the Circular Economy Strategy.
- PST exemptions for heat pumps (effective April, 2022) and used electric vehicles starting now until 2027.
- \$2.1 billion investment from 2021 for the next-three years to support efforts to build back better from recent natural disasters:
 - \$1.5 billion to help communities and build critical infrastructure damaged by wildfires and floods, including \$1.1 billion earmarked for contingencies for disaster recovery costs over the next three-years to have the flexibility to be responsive and support communities as the costs of recovery become better known;
 - \$600 million in operating and capital funding for continuing the response to climate-related disasters, disaster prevention and recovery projects like improving the public alerting system;
 - \$210 million to support community climate-change preparedness and emergency management, including through the FireSmart program, the Community Emergency Preparedness Fund, Indigenous-led emergency management priorities; and
 - \$83 million to begin implementation of a new Climate Preparedness and Adaptation Strategy.

5) Advancing Reconciliation

- \$12 million to create a new Declaration Act Secretariat, which will assist the government to meet its obligation to ensure legislation is consistent with the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP).

6) Building more Affordable Homes

- \$166 million in additional funds to support the Homes for BC 10-year housing plan to deliver 114,000 affordable homes:
 - \$100 million in 2022/23 to non-profit housing providers to accelerate the construction of mixed-income housing through the Community Housing Fund.

7) Transportation

- Preliminary planning on the Millennium Line extension to UBC is underway with funding to support

planning costs from the federal and provincial governments, CoV, UBC and MST.

- Building more resilient infrastructure with landmark projects, including the Broadway Subway and the Surrey Langley Skytrain.

For additional details, please see the BC Government's Budget 2022 [press release](#) or the full [Budget 2022 report](#).

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 səliłwətał (Tsleil-Waututh) Nations.

Written Submission for the Government of British Columbia Budget 2022 Consultation

By: City of Vancouver
Submitted September 29, 2021

The City of Vancouver is pleased to present our *2022 Provincial Budget Priorities and Funding Recommendations* document to help inform your budget consultation.

The top overarching priority that we would like the Province to consider, as part of its 2022 Provincial Budget Consultation, is the creation of a more resilient funding framework for local governments through municipal finance, taxation and assessment reforms.

Over the past decade, municipalities have been faced with expanded mandates such as affordable housing, childcare, overdose crisis response and responding to the climate emergency. In addition, municipalities are faced with a widening infrastructure deficit and increased public expectations.

Municipalities need a more adaptive and resilient funding framework that aligns appropriate revenue sources with programs and services, and reflects the evolving economy (e.g. e-commerce). Specifically, redistributive type services such as housing should be funded by progressive taxes (e.g. income taxes) rather than property taxes, as relying on year-over-year tax increases is not sustainable and erodes affordability for residents and businesses, as well as cultural and non-profit organizations.

The City's top priorities for municipal finance, taxation and assessment reforms are:

- Develop a workable solution, in consultation with local governments, to address the longstanding assessment and taxation issues arising from unbuilt density impacting small business, cultural and non-profit tenants.
- Eliminate assessment loopholes that enable property owners to exploit temporary conversion of vacant land to parks and gardens to avoid provincial taxes (e.g. Speculation and Vacancy Tax) and shift property taxes to other tax payers.
- Adjust the distribution of school tax across the province to address the outsize tax burden taken on by businesses operating in Metro Vancouver.
- Develop a coordinated, sustainable approach across local governments, Translink, and Metro Vancouver to address infrastructure needs to support regional growth.

- Engage local governments to move forward with the recommendations in the UBCM policy paper *Ensuring Local Government Financial Resiliency: Today's Recovery and Tomorrow's New Economy*, to improve the local government financial system.

In addition to municipal finance, taxation and assessment reforms, our submission below provides an overview of current funding and partnership opportunities across our top five priority areas:

1. Creating and preserving non-market housing
2. Expanding rapid transit infrastructure
3. Addressing the climate emergency
4. Investing in community and cultural infrastructure
5. Expand access to a safer supply of prescription drugs

Recommendation 1: Government of BC commit to increase funding for non-market housing

Priorities:

- Commit \$1 billion over 10 years between all three levels of government to replace all of the Single Room Occupancy stock (owned by the City, privately or by non-profit) in Vancouver (7,000 units) with self-contained social housing.
- Provide capital funding envelope (at least approximately \$100k/door, 1,300 units) to develop new social housing as dirt sites are secured from private developers.
- Commit early to fund priority social housing projects serving at-risk populations (e.g. Central and Alexander Hotels replacement, Women's Legacy Project and 525 Powell).
- Establish through BC Housing a Property Transfer Tax Offset Grant Program for long-term leases for affordable housing projects, including co-operative housing that would help preserve and grow affordable housing.

Key Benefits:

- These investments will help achieve the BC Government's goals in the Homes for BC Plan, including extending the life of existing affordable housing and reducing carbon emissions from older buildings.
- Commitments from all three levels of government to protect existing tenants from homelessness, while eliminating inadequate SRO buildings through redevelopment and renovation, would enable discussion about adding additional density for low-and middle-income rental housing.

Overview: The housing crisis in Vancouver has had the most acute impact on the city's most vulnerable and marginalized residents, many of whom rely on privately-owned SRO rooms in ageing hotels and rooming houses as their last option before homelessness.

A significant portion of privately owned SROs are at risk of being lost to disrepair or increasing rents from speculative investment, and the City is proposing entering into a tripartite agreement between all three level of government to protect the SRO buildings in the Downtown Eastside (DTES).

Recommendation 2: Government of BC commitment to complete the Millennium Line SkyTrain Extension to the University of British Columbia (UBCx)

Priority: Deliver on existing commitment to fund 40% of the development of the UBCx business case.

Key Benefits:

- UBCx is a critical piece of regional infrastructure connecting over 1 million people within a 60-minute transit trip to UBC.
- Will help address a number of pressing challenges in Metro Vancouver Region, including reducing congestion and carbon pollution, creating thousands of jobs and enabling the creation of more affordable housing along the Broadway Corridor, including the Jericho Lands, and on UBC's campus.

Overview: As Vancouver and the Metro Vancouver Region continue to grow, our top transit priority is extending the Broadway Subway rail connection from Arbutus Station to UBC. Seamlessly completing the Millennium Line all the way to UBC is broadly supported by the public and regional partners, and the City has signed an historic Memorandum of Understanding with UBC and the Musqueam, Squamish and Tsleil-Waututh Development Corporation, advocating for its completion.

Recommendation 3: Support municipal climate action by replacing the Climate Action Revenue Incentive Program (CARIP) and increase financial support for green infrastructure

Priority 1: Replace CARIP to continue crucial support for local government climate action.

Key Benefits: CARIP was a critical enabler of local government climate action and leadership by providing predictable and flexible funding since 2010. CARIP also encouraged more transparent reporting and greater accountability in local government climate plans.

Overview: CARIP was the primary funding source for the City's climate action initiatives, which also directly support initiatives in CleanBC. The City's significant policy work including the Zero Emissions Building Plan and Climate Emergency Action Plan has influenced climate policy well beyond Vancouver, and a 15% reduction in GHGs since 2007 is mostly due to the availability of the reliable and flexible funding source that CARIP provided.

We request that the Province:

- Develop the new program to support local government climate action with urgency so that funding is available in 2022 to avoid a gap when CARIP funding lapses.
- Incorporate the key strengths of CARIP in that new program, including ensuring that funding provides a high degree of flexibility in how local governments advance climate action; is predictable so local governments can plan their work in advance; and dependable so that local governments build their climate programs accordingly.
- Improve upon CARIP by increasing funding in order to ramp up actions and better support CleanBC objectives.

Priority 2: Provide \$8 million to fund blue-green systems and district-scale green rainwater infrastructure in Vancouver.

Key Benefits: Investment in green rainwater infrastructure creates growth enabling infrastructure capacity to service current and planned future development. Additionally, this type of infrastructure yields many co-benefits for communities related to reducing pollution discharge to water bodies, climate mitigation and adaptation, access to nature, as well as enhancing habitat and biodiversity in urban areas.

Overview: Green infrastructure is an approach to water management that protects, restores, or mimics the natural water cycle. Intensified green rainwater infrastructure corridors are foundational to the City's plan to deliver core water infrastructure services, while also creating the infrastructure required to support new developments and housing densification.

Recommendation 4: Enhance funding for social, cultural and recreational amenities

Priority 1: Provide \$20 million to help fund Marpole-Oakridge Community Centre renewal and expansion, and the addition of an outdoor community pool (estimated to cost approximately \$60 million) in this growing neighbourhood. A childcare centre with a minimum of 69 spaces will also be co-located on site.

Key Project Benefits:

- Renew and enhance ageing community centre (Marpole- Oakridge is Vancouver's oldest community centre, built in 1949).
- Construct the new facility to zero emission building standards, reducing current GHG emissions by ~100 tonnes per year.
- Provide a range of community services including recreation, leisure, social and cultural programming.
- Increase access to childcare and early education, which is a priority to advance women's equity, a productive labour force, and affordability for families.

Overview: Vancouver is growing steadily, with 5,000 to 6,000 new residents per year, which requires new infrastructure and facilities to maintain acceptable levels of service for residents and businesses. Over the next five years, the City is planning to start construction on five community centre expansion and renewal projects valued at approximately \$400 million.

Priority 2: Provide \$47 million to renew and expand the Urban Native Youth Centre.

Key Benefits: Construct a multi-storey, mixed-use development that includes a Native Youth Centre, childcare spaces and approximately 180 affordable housing units.

Overview: As a city of reconciliation, the City of Vancouver has made a strong commitment to supporting additional services for local First Nations and urban Indigenous communities and supporting this project is our top priority in this area.

Recommendation 5: Expand access to a safer supply of prescription drugs

Priority: Work with health authorities, regulatory colleges, and service providers to expand access to a safe supply of prescription drugs for people at risk, and make permanent the recent public health order expanding the number of health professionals authorized to prescribe.

Key Benefits: Safe supply programs reduce harm by providing drug users with a known dose of a known drug, thereby reducing the risk of overdose. BC's safe supply policy will help ensure that people who use substances are supported and less reliant on the toxic drug supply.

Overview: The COVID-19 pandemic exacerbated the mental health, substance-use and overdose crises facing the City of Vancouver. A tragic number of people are dying daily from the toxic drug supply, while too many have suffered consequences such as brain injury or are suffering from other mental health and substance-use issues. These challenges existed before the pandemic, but have been made worse by the toxic drug supply, the increased level of pandemic-related homelessness and encampments, and increasing stigma.

While there are no easy solutions to these interlinked problems, we know that safer supply can save lives. We therefore urge the Province to quickly expand its safer supply policy to all provincial health authorities and scale-up service to smaller communities. The City of Vancouver requests that the provincial safer supply policy be made permanent, and to work with the federal government to maintain its *Controlled Drugs and Substances Act* exemption and financial support.