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To: "Direct to Mayor and Council - DL"

Date: 7/28/2025 11:00:27 AM

Subject: Submission from the City of Vancouver to the Provincial Select Standing Committee on Finance and Government Services Pre-Budget Consultation Process - Budget 2026

Attachments: City of Vancouver Provincial Government Budget 2026 Consultation .pdf

Dear Mayor and Council,

On June 20, 2025, the City submitted its written brief to the BC Select Standing Committee on Finance and Government Services' pre-budget consultation process for Budget 2026.

The Committee considers the priorities expressed by British Columbians through its consultation and develops recommendations for the next provincial budget. The Committee's recommendations are included in a report to the Legislative Assembly that is publicly released.

The City's written brief includes three recommendations to the Government of BC:

1. Invest in the replacement of Single Room Occupancy (SRO) Buildings in Vancouver.
2. Partner with municipalities to develop a stable, long-term funding model for essential infrastructure, including water, sewer, and community amenities, to support housing delivery in the right locations and foster the creation of complete, resilient communities.
3. Address the erosion of community wellbeing and safety by focusing on underlying social factors such as mental health, substance use, housing instability, and economic and social marginalization that contribute to erosion of mental health, increase risk of repeat victimization, and drive people to unsafe situations, such as mental health, substance use, housing instability, and economic and social marginalization.

Should you have any questions, please email me and we'll work on a response through the weekly Q&A.

Thanks,

Karen

Karen Levitt, Deputy City Manager
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The City of Vancouver acknowledges that it is situated on the unceded traditional territories of the xʷməθkʷəy̓əm/Musqueam, Skwx̱wú7mesh/Squamish and səliłwətał/Tsleil-Waututh nations

June 20, 2025

**Submission from the City of Vancouver
to the Select Standing Committee on Finance and Government Services
Annual pre-budget consultation process for Provincial Budget 2026**

Summary of Recommendations:

The City of Vancouver is recommending that the Provincial Government:

1. Replace SRO buildings with self-contained units through sustained provincial investment and intergovernmental partnerships. This support is critical to ensuring low-income residents have access to safe, secure, and dignified housing—while preserving affordability and livability in one of BC's most vulnerable communities.
2. Modernize infrastructure funding to enable housing delivery. That the Government of BC partner with municipalities to develop a stable, long-term funding model for essential infrastructure, including water, sewer, and community amenities, to support housing delivery in the right locations and foster the creation of complete, resilient communities.
3. Address the erosion of community wellbeing and safety by focusing on underlying social factors such as mental health, substance use, housing instability, and economic and social marginalization that contribute to erosion of mental health, increase risk of repeat victimization, and drive people to unsafe situations, such as mental health, substance use, housing instability, and economic and social marginalization.

Overview of Recommendations:

1. Replace SRO buildings with self-contained units through sustained provincial investment and intergovernmental partnerships. This support is critical to ensuring low-income residents have access to safe, secure, and dignified housing—while preserving affordability and livability in one of BC's most vulnerable communities.

Single Room Occupancy (SRO) buildings consist of small 10 by 10 rooms with shared kitchen and bathrooms. They serve as housing of last resort before homelessness for many marginalized residents. Roughly half of the SRO stock in Vancouver is owned by government or non-profits (~4,000 rooms), and the other half is privately owned (~3,700) or Chinese Benevolent Society-owned (~200 rooms). SROs are an outdated housing typology. The vast majority of buildings are over 100 years old and in significant need of repairs (including major building and mechanical systems). City of Vancouver 2024 research on seismic risk in privately owned buildings has also shown that SROs are prone to partial or complete collapse, with severe impacts to sidewalk occupants and streets from falling debris.

In partnership with BC Housing and the Ministry of Housing and Municipal Affairs, Vancouver is working to establish a joint, long-term approach to prioritize investments in replacing SROs with self-contained, affordable social housing for low-income residents, while also improving the condition and affordability of the existing stock to prevent displacement during the transition. Implementation of the first tranche of priority buildings is already underway and is estimated to replace approximately 560 rooms across six buildings. 20 additional priority SROs have been identified for assessment to identify a replacement pathway and associated costs and funding for these buildings.

Vancouver is requesting an ongoing commitment from the Government of BC to invest in the ongoing replacement of SRO buildings with self-contained units. Currently available funding programs are not structured to support this unique housing type, given the advanced age of the buildings and their inability to carry debt while maintaining low rents. There is a clear need for both federal and provincial granting programs that enable repair and retention of this stock in exchange for long-term affordability.

2. Modernize infrastructure funding to enable housing delivery. That the Government of BC partner with municipalities to develop a stable, long-term funding model for essential infrastructure, including water, sewer, and community amenities, to support housing delivery in the right locations and foster the creation of complete, resilient communities.

Vancouver continues to lead in housing innovation, taking bold steps to increase supply. The Broadway Plan, for example, leverages major transit investments to enable over 30,000 new homes along the corridor by 2050. The Vancouver Housing Development Office (VHDO) is also advancing market rental housing on City land, with five initial projects set to deliver at least 4,300 new rental units.

Despite these efforts, infrastructure limitations such as water, sewer, utilities, transportation, and amenities remain a significant barrier to new housing delivery. The shift to rental and non-market housing, along with rising land and construction costs, has made the “growth pays for growth” model unsustainable, threatening the financial viability of new development.

Infrastructure like roads, bridges, libraries, and community centres is critical not just for safety and economic health, but also for supporting vibrant, livable communities.

Recent provincial housing mandates and caps on municipal financing tools have further constrained the City’s ability to fund essential infrastructure. Tools like Development Cost Levies (DCLs), Community Cost Charges (CCCs), Amenity Cost Contributions (ACCs), density bonusing, and inclusionary zoning have been weakened, particularly due to generous DCL waivers for rental housing, which have led to \$55 million in forgone revenue over the past three years.

To realize the Vancouver Plan’s vision of complete, connected, and culturally rich communities, sustained and predictable provincial investment is essential, not only for housing and transit, but also for schools, parks, community centres, and green spaces that meet the needs of all residents.

To meet the Government of BC’s housing objectives, it is essential that infrastructure funding aligns with land use and housing policy. Vancouver is delivering new housing at scale, but without reliable, provincial and federal government investment in infrastructure, this growth cannot be sustained.

3. Address the erosion of community wellbeing and safety by focusing on underlying social factors such as mental health, substance use, housing instability, and economic and social marginalization that contribute to erosion of mental health, increase risk of repeat victimization, and drive people to unsafe situations, such as mental health, substance use, housing instability, and economic and social marginalization.

The Government of BC's work to accelerate the delivery of new mental health and addictions care beds is essential to improving access to recovery and treatment, and to ensuring secure, dignified involuntary care under the Mental Health Act. At the same time, while overall crime rates in Vancouver have declined, high-profile incidents of unprovoked and violent attacks continue to erode public confidence and place additional pressure on city services.

Despite the introduction of reverse onus provisions in Bill C-48 (bail reform), violent repeat offending persists. High-risk individuals continue to reoffend while awaiting trial, putting communities at risk. Delays in charge assessments also mean that individuals who may pose a public safety risk are released into the community without adequate conditions. Faster charge approvals support quicker bail hearings, early identification of individuals requiring detention or diversion, and better outcomes for victims, including access to supports. Improved real-time data sharing across jurisdictions is also urgently needed to ensure individuals charged in one province or territory and reoffending in another are not mistakenly treated as first-time offenders.

To restore public confidence, enhance community wellbeing, and ease pressure on emergency response services, the City of Vancouver urges the Province to:

- Work with the federal government to strengthen bail and sentencing provisions for repeat, violent offenders;
- Increase provincial investment in Crown counsel to reduce charge assessment delays and accelerate bail hearings;
- Expand the use of diversion courts to better address complex needs; and
- Strengthen data sharing between jurisdictions to better track repeat offending.

The City of Vancouver remains committed to building a safe, inclusive, and vibrant city. Achieving this goal requires urgent, coordinated investments across justice, health, and social systems to prevent crime, support recovery, and promote resilience.