

**Written Submission for the Pre-Budget
Consultations in Advance of the Upcoming
Federal Budget**

By: City of Vancouver

List of Recommendations

- **Recommendation 1:** That the government continue to invest in municipal COVID-19 recovery plans, including emergency operating funding to re-open core services and stimulus funding for shovel-worthy capital projects.
- **Recommendation 2:** That the government expedite and enhance the National Housing Strategy with an expanded focus on acquisitions, repairs and the construction of modular housing.
- **Recommendation 3:** That the government declare a national health emergency and provide Section 56 exemptions of the *Controlled Drugs and Substances Act* to allow cities to implement innovative pilot programs that prioritize diversion to safe supply, as recommended in the safe supply statement endorsed by the Federation of Canadian Municipalities (FCM).
- **Recommendation 4:** That the government commit to a \$50 million federal/provincial/regional cost-sharing formula to complete the business case required to extend the Broadway Subway rail connection from Arbutus Street to the University of British Columbia.
- **Recommendation 5:** That the government provide \$55 million for the renewal and expansion of the Urban Native Youth Centre to include childcare and affordable housing.
- **Recommendation 6:** That, in order to meet our ambitious climate change targets, the government take a portfolio approach to funding repairs and energy retrofits for existing buildings, beginning with buildings that have affordable housing and single-room occupancy hotels.

Body of Submission

Municipal COVID-19 Recovery

The COVID-19 pandemic has had massive social and financial impacts on the City of Vancouver (the City) this year, as well as on our residents, businesses and non-profit organizations. The City's finances have been negatively impacted with an estimated \$124 million revenue shortfall, coupled with \$11 million in additional expenses responding to the pandemic, including supports for vulnerable communities and businesses. Our revenue shortfall estimate has improved since the original estimate of \$152 million at the start of the pandemic, as some revenue generating services have been able to resume sooner than originally anticipated.

The City has taken a number of actions to reduce expenses, including closing over 50 public facilities, temporarily laying off 1,800 staff, implementing salary cuts, and restricting hiring and discretionary spending. Despite these efforts, the City still requires emergency operating funding to maintain public health and safety, and return other essential services to their pre-pandemic service levels, including re-opening community facilities.

The City appreciates the funding in the Safe Restart Agreement that the federal government has designated to support the work municipalities are undertaking to minimize the spread of COVID-19 and deliver the essential services that residents rely on, such as public transit. This funding will be beneficial as the City moves through our three phase plan to recover, restart and rebuild.

As the City advances our recovery plan, partnering with senior levels of government on stimulus funding for job creation and shovel-worthy projects will be critical to keeping municipal services operational, supporting local businesses and boosting economic recovery. The City has identified a number of projects that can begin immediately once stimulus funding is secured. These projects are ready to deliver stimulus funding efficiently in ways that will create jobs, improve infrastructure and community facilities to be more resilient in the event of future emergencies, and tackle pressing challenges such as housing affordability, the overdose crisis and climate change.

By partnering on the shovel-worthy projects mentioned in this submission we can ensure our communities have access to essential services, create jobs and support local businesses to boost economic recovery.

Non-Market Housing

The City recognizes and is grateful for the federal government's historic investments over the last five years to tackle housing affordability across the country. Unfortunately, Vancouver's housing market continues to be one of Canada's least affordable for low-

and middle-income earners. Homelessness and housing instability, particularly for renters, remains at a crisis level with the preliminary results of the 2020 homeless count identifying 2,095 individuals experiencing homelessness in Vancouver. Additionally, the survey also reported that there continues to be an overrepresentation of respondents experiencing homelessness in Vancouver who identify as Indigenous.

The existing vulnerabilities in our housing system have become serious threats with the COVID-19 pandemic. Vulnerable populations have been more severely impacted by COVID-19 due to insufficient housing and supports, and many people lack the adequate housing required to abide by the public health regulations to physically distance.

To address the ongoing housing crisis, the City would like to see the National Housing Strategy (NHS) enhanced in the following ways:

- Accelerate the timeline for committing unused NHS funding to projects;
- Fast-track approvals for projects that have already been submitted; and
- Increase the flexibility of NHS programs to accommodate a wider range and scale of cost sharing proposals.

Implementing these recommendations will increase the City's ability to take advantage of funding from the NHS to address our most pressing non-market housing needs, which include a number of projects that the Government of BC has proposed to cost share with the federal government:

- Building new supportive modular homes to reduce street homelessness – federal cost share to build 600 units - \$97,500,000;
- Hotel acquisition strategy to increase housing for vulnerable residents – federal cost share to purchase additional sites \$91,975,000;
- Repairing and rehabilitating privately-owned single room occupancy buildings – federal cost share of \$120 million; and
- Using a portfolio approach to renew existing non-market housing.

Increase Access to a Permanent Safe Drug Supply

Vancouver is currently combatting two public health crises, the first being keeping all communities safe from COVID-19 and secondly protecting residents who use illicit substances from overdose due to their reliance on toxic illicit-drug supplies.

The overdose crisis in Vancouver is ongoing. The BC Coroners Service reported 175 illicit-drug toxicity deaths in June, 2020. This was the second consecutive month that B.C. reported the highest monthly total for deaths due to illicit substances. In total, 729 lives have been lost to date this year in B.C. due to the toxic drug supply.

Furthermore, the First Nations Health Authority reported that overdose deaths among Indigenous people in B.C. spiked by 93 per cent in the first five months of 2020, compared to the same time period last year. The growing number of recent fatalities clearly shows that all levels of government need to take bold and urgent action to stop this staggering loss of life.

The recent temporary exemption to the *Controlled Drugs and Substances Act*, and new guidelines for physicians to enable take-home supplies of safe drugs and replacement therapies, are having positive public health and safety impacts. While the City recognizes the temporary exemption as a positive initial action, increasing access to a permanent safe supply is vital to ensure that people who use substances are not forced to return to relying on toxic illicit-drug supplies.

In July 2019, Vancouver City Council approved the safe supply statement to advocate for access to a regulated drug supply. The statement was endorsed by FCM, who called on the federal government to support health authorities, doctors, their professional colleges and provinces to safely provide regulated opioids and other substances through a free and federally available Pharmacare program. Additionally, the statement called on the Government of Canada to declare a national public health emergency and provide Section 56 exemptions of the *Controlled Drugs and Substances Act*, so cities and towns can run pilot programs that prioritize a move toward a safe drug supply.

The City also supports the recent public statements from B.C. Premier John Horgan and the Canadian Association of Chiefs of Police to decriminalize the possession of small amounts of illegal drugs for personal consumption.

By committing to decriminalization and making safe supply available permanently, our governments have a genuine opportunity to finally end the overdose public health emergency that was declared four years ago by the Province of B.C. in April, 2016.

Rapid Transit

As Vancouver continues to grow our transportation goals are focused on reducing carbon emissions, congestion and commute times. Our top transit priority for meeting these goals is extending the Broadway Subway rail connection from Arbutus Street to the University of British Columbia (UBC). Once completed, it is anticipated that ridership will grow close to 100,000 people daily by 2030; exceeding the ridership of any other major transportation project in B.C.

Seamlessly completing the SkyTrain line all the way to UBC is broadly supported by the public and regional partners. On January 29, 2020, the City signed an historic memorandum of understanding with UBC and the Musqueam, Squamish and Tsleil-

Waututh Development Corporation, advocating for the completion of the SkyTrain line. The project will support economic reconciliation for the Musqueam, Squamish and Tsleil-Waututh First Nations.

In order for this project to continue, we require the federal government's commitment to a \$50 million federal/provincial/regional cost-sharing formula to further the business case development. This funding is required in a timely manner to streamline the linkage between the completion of the Broadway Subway Project in 2025 and the UBC Extension, which will reduce costs and construction impacts. Securing the extension will also create more than 13,000 person-years of new employment over the next eight to ten years, including well-paying jobs for young people whose career prospects have been adversely impacted by COVID-19.

Indigenous Relations and Reconciliation

The City is supporting the Urban Native Youth Association (UNYA) in pursuing the renewal and expansion of its existing facility. The proposed project is a multi-story mixed-use development, which will include the Native Youth Centre and approximately 180 new homes.

Indigenous people continue to be vastly overrepresented in Vancouver's homeless population, with people of Indigenous identity comprising 39 per cent of the homeless population, while only making up 2.2 per cent of Vancouver's general population. Supporting UNYA with this project is an important first step in providing more housing for Indigenous people and supporting Indigenous youth.

The City of Vancouver requires \$55 million in federal funding to proceed with this project. Construction can start as soon as funding is secured.

Energy Retrofits

Vancouver City Council declared a climate emergency on January 16, 2019. One of the City's key climate emergency priorities is to reduce carbon emissions from existing buildings. Work in this area provides a significant opportunity for the federal government to couple deep de-carbonization and affordable housing together, by using a portfolio approach to funding energy retrofits for buildings with affordable housing.

A portfolio approach is recommended, as past experiences have demonstrated that predictable funding is necessary to ensure buildings with affordable housing are ready when jurisdictions begin to regulate GHGs in existing buildings.

To undertake this work, the City supports the recommendations for investing in climate resilient and energy efficient buildings proposed by the Task Force for a Resilient Recovery.

Conclusion

The City of Vancouver welcomes this opportunity to provide input into the development of the 2021 Federal Budget. Our City Council and staff look forward to continuing to work with the Government of Canada to provide innovative programs and services that will improve the lives of our residents, and make Vancouver a more resilient and sustainable city as we continue to recover the COVID-19 pandemic.