



February 25, 2021

478423

His Worship Mayor George V. Harvie
City of Delta
mayorharvie@delta.ca

Dear Mayor ~~Harvie~~: *George,*

Thank you for your letter of January 7, 2021, providing your written submission for the Speculation and Vacancy Tax (SVT) consultation meeting. I appreciate you taking the time to share your ideas and feedback with me.

I have received a variety of feedback from municipal leaders. It is clear that housing affordability remains critically important to all levels of government, and there is not a “one size fits all” approach to addressing it. I want to assure that you that all suggestions and recommendations from Delta regarding the SVT will be considered. When appropriate, any changes to the tax will be implemented for the next SVT tax year (2021).

The SVT was introduced as part of Government’s 30-point housing plan in February 2018. The SVT targets those who are holding their properties vacant, putting pressure on already low vacancy rates and housing supply levels. The SVT also targets foreign owners and satellite families who do not pay their share of income taxes in our province but enjoy British Columbia’s services and high quality of life. Data from the first two years shows that the SVT is contributing towards two main objectives of the tax:

- Turning empty homes into housing for people who live and work in B.C.
- Supporting affordable housing initiatives

The tax applies in B.C.’s core urban centres that, at the time of implementation, were experiencing near zero vacancy rates and housing prices that were disproportionately high compared to local incomes. The province took a regional approach to implementing the SVT, which was to prevent speculation from being pushed from one municipality to another.

.../2

The *Speculation and Vacancy Tax Act* and the *Special Accounts Appropriation and Control Act* require the revenue from the SVT to be spent in the regional district where it is collected. The province took a regional approach with respect to the SVT revenue spending because housing unaffordability doesn't affect one municipality in isolation. What is occurring in one municipality affects an entire region. Requiring the funds to be spent in the regional district ensures that the money will be spent quickly and efficiently on affordability issues affecting the entire region.

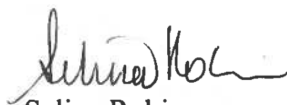
I understand that municipalities would like to see net new social housing units being constructed in their municipality. The revenues from the SVT can be used for new housing initiatives, but funds may also be used to support existing housing, rental or shelter programs, as outlined in the legislation. Our government is making the biggest investment in housing affordability in B.C. history and revenue from the SVT is just a portion of this investment.

The province has also introduced new legislation that took effect in April 2019 that requires local governments to collect data, analyze trends and present housing needs reports every five years that describe current and anticipated housing needs. Housing needs reports help ensure that local governments have up-to-date information about current housing gaps to help us work together to proactively address future challenges.

The Ministry of Municipal Affairs continues to communicate with local governments to ensure they understand the new requirements and are aware of funding opportunities. In your letter, you mention that you are seeking additional opportunities to partner with the Province to create supportive housing, affordable rental housing, and affordable homeownership housing both within and outside the framework currently provided by BC Housing. I encourage local governments to work with the Ministry of Municipal Affairs and BC Housing to discuss the housing priorities in their communities, which may include options for new housing developments.

Thank you again for taking the time to write. Your comments are important to us and I appreciate your input on how we can build a better B.C.

Sincerely,



Selina Robinson
Minister

cc: Honourable David Eby, Attorney General and Minister Responsible for Housing
Honourable Josie Osborne, Minister of Municipal Affairs