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MOTION ON NOTICE

1. Request for a Provincial review of the Homeowner Grant Program

MOVER: Acting Mayor Louie

SECONDER: Councillor Meggs

WHEREAS

1. The Home Owner Grant is a Provincial program that reduces the amount of property tax paid by a property owner on their principal residence. The Province reimburses the grant amount to the municipalities, thus keeping municipal taxes whole. The current basic grant is \$570. Seniors (age 65 and older), veterans, people with disabilities (and people living with a person with a disability) may qualify for an additional grant of \$275, for a total of \$845. The amount of the grants (both basic and additional) has remained unchanged since 2006 when both were increased by \$100;
2. The grant is gradually reduced by \$5 for every \$1,000 of assessed value above a threshold, which for 2016 was set at \$1.2 million. This means the basic grant will be fully reduced for homes valued at \$1,314,000 for 2016 (ie. $\$570 \div 5 \times \$1,000 = \$114,000 + \$1,200,000 = \$1,314,000$);
3. The 2016 increase of \$100,000, to \$1.2 million, is the first increase since 2013, followed by a reduction in 2014. This 9.1% threshold increase is significantly less than the average increase in property values in the Greater Vancouver Regional District which ranged from 15% to 25% for a single family home as reported by BC Assessment;
4. An additional grant of \$200 is available to homeowners in the northern and rural areas of BC (those outside of Greater Vancouver, Fraser Valley and Capital Regional Districts);
5. In 2016, the Province set the threshold such that 91% of qualified property owners in BC would be eligible to claim the full Home Owner Grant. Since 2013 the percentage of BC home owners eligible to claim the full Home Owner Grant has declined from 95.5% to 91%;
6. The number of Vancouver homeowners eligible for the Home Owner Grant has steadily declined in recent years and is well below the Provincial target of 91%. This decline is attributable to the significant increase in residential property values in the City and Greater Vancouver Regional District as compared to other areas;
7. For Vancouver in 2006, 84.5% (10.5% less than the Provincial average) of homes were below the threshold. In 2016 the percentage has decreased to 64.7% (26.3% less than the Provincial target). The number of properties below the threshold has declined from 132,312 to 119,751

during the same period of time, despite the increase in number of folios each year. An estimate of the value of HOGs that would be eligible to Vancouver taxpayers (assuming the basic grant) if 91% of homeowners did receive a grant is approximately \$30 million;

8. This significant loss of Homeowner Grant impacts not only homeowners but their renters due to any pass through costs;
9. The number of Vancouver properties that qualify for the Basic Home Owner Grant of \$570 has decreased from 84.5% in 2006 to 64.7% in 2016, while the Provincial target for these years was 95% and 91% respectively. The Home Owner Grant threshold increases have not kept pace with residential property assessment increases being experienced across the Lower Mainland;
10. The City of Burnaby has engaged UBCM in the discussion regarding home owner grants. In a memo to the Executive Director of UBCM dated April 6, 2016 from the City of Burnaby stated that:

"The current practice of establishing one assessment threshold value for such disparate catchment areas inadequately adjusts for regional disparities in real estate values across the Province."

And,

"Burnaby City Council at the 2016 April 4 meeting passed the following motion: THAT Council request that the UBCM petition the Minister of Finance to undertake a Provincial review of the Homeowner Grant Program to determine if a more equitable distribution of the Grant across all regions of the Province can be achieved."

THEREFORE BE IT RESOLVED THAT the City of Vancouver formally request the Province of British Columbia undertake a review the Homeowner Grant Program in its entirety, including the equity and fairness of a single threshold model for the entire province.

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