



REPORT TO COUNCIL

STANDING COMMITTEE OF COUNCIL ON CITY FINANCE AND SERVICES

JUNE 10, 2020

A meeting of the Standing Committee of Council on City Finance and Services was held on Wednesday, June 10, 2020, at 9:36 am, in the Council Chamber, Third Floor, City Hall. This Council meeting was convened by electronic means as authorized under the Order of the Minister of Public Safety and Solicitor General of the Province of British Columbia – Emergency Program Act, Ministerial Order No. M083.

PRESENT: Councillor Melissa De Genova, Chair
Mayor Kennedy Stewart
Councillor Rebecca Bligh
Councillor Christine Boyle
Councillor Adriane Carr
Councillor Lisa Dominato
Councillor Pete Fry, Vice-Chair
Councillor Colleen Hardwick
Councillor Sarah Kirby-Yung
Councillor Jean Swanson
Councillor Michael Wiebe

CITY MANAGER'S OFFICE: Sadhu Johnston, City Manager

CITY CLERK'S OFFICE: Rosemary Hagiwara, Acting City Clerk
Terri Burke, Meeting Coordinator

WELCOME

The Chair acknowledged we are on the unceded territories of the Musqueam, Squamish, and Tsleil-Waututh Nations and we thank them for having cared for this land and look forward to working with them in partnership as we continue to build this great city together.

The Chair also recognized the immense contributions of the City of Vancouver's staff who work hard every day to help make our city an incredible place to live, work, and play.

1. Legionella Prevention - Vancouver Building By-law Amendments May 13, 2020

Staff from Development, Buildings and Licensing, along with Vancouver Coastal Health, provided a presentation, and along with staff from Engineering, responded to questions.

The Committee heard from three speakers in support of the recommendations.

MOVED by Councillor Kirby-Yung
THAT the Committee recommend to Council

- A. THAT Council approve, in principle, the amendments to the Building By-law generally in the form attached as Appendix C to the Report dated May 13, 2020, entitled "Legionella Prevention - Vancouver Building By-law Amendments", implementing safety improvements to various plumbing and building mechanical systems;

FURTHER THAT Council instruct the Director of Legal Services to bring forward for enactment amendments to the Building By-law generally as set out in Appendix C of the above-noted report, with certain provisions to come into force and take effect on January 1, 2021, and others on January 1, 2022.

- B. THAT Council approve, in principle, the amendments to the Gas Fitting By-law generally in the form attached as Appendix D to the Report dated May 13, 2020, entitled "Legionella Prevention - Vancouver Building By-law Amendments", updating the by-law to reflect the Provincial legislation governing gas safety and making various housekeeping amendments to the Fee Schedule;

FURTHER THAT Council instruct the Director of Legal Services to bring forward for enactment amendments to the Gas Fitting By-law generally as set out in Appendix D of the above-noted report, with provisions to come into force and take effect upon enactment, except the section amending the Fee Schedule (section 4), which will come into force and take effect on October 1, 2020.

CARRIED UNANIMOUSLY (Vote No. 06062)

2. Komagata Maru Apology and Remembrance Day Proclamation

At the Council meeting on June 9, 2020, Council referred the following motion to the Standing Committee on City Finance and Services meeting on June 10, 2020, in order to hear from speakers.

The Committee heard from two speakers in support of the recommendations.

MOVED by Councillor Swanson
THAT the Committee recommend to Council

WHEREAS

1. On May 23, 1914, three hundred and seventy-six British Subjects from India of Sikh, Muslim and Hindu origin arrived in Vancouver Harbour aboard the Komagata Maru, seeking to enter Canada;
2. On July 23, 1914, the Komagata Maru was forced to leave as a result of a discriminatory act by the Government of Canada, without allowing the passengers to disembark;

3. On May 23, 2008, at the request of the Descendants of the Komagata Maru Society, the BC Government apologized for the events of May 23, 1914, stating that “The House deeply regrets that the passengers, who sought refuge in our country and our province, were turned away without benefit of the fair and impartial treatment befitting a society where people of all cultures are welcomed and accepted”;
4. On May 18, 2016, at the request of the Descendants of the Komagata Maru Society, the Canadian Government apologized for the events of May 23, 1914, stating that it was sorry for its indifference and discriminatory laws, and that it was committed “to positive action – to learning from the mistakes of the past, and to making sure that we never repeat them”;
5. The City of Vancouver is committed to protecting British Columbians from hate, racism, and discrimination through legislation, education, and example;
6. The City of Vancouver is home to many diverse cultures where individuals can practice their beliefs and customs while respecting and learning from other traditions;
7. The City of Vancouver promotes multiculturalism and the full and free participation of all individuals in society; and
8. Vancouver Mayor Truman Baxter organized an anti-Asian rally, and the first speaker was the prominent politician H.H. Stevens. “I have no ill-feeling against people coming from Asia personally,” he told the crowd, “but I reaffirm that the national life of Canada will not permit any large degree of immigration from Asia...I intend to stand up absolutely on all occasions on this one great principle—of a white country and a white British Columbia.”
(http://www.vancouverhistory.ca/archives_komagatamaru.htm
[vancouverhistory.ca])

THEREFORE BE IT RESOLVED

- A. THAT Council formally apologizes for the previous Council’s injustices and their cruel effects on individuals and families impacted by the Komagata Maru incident.
- B. THAT the City of Vancouver declare, by proclamation, that May 23rd shall be known as “Komagata Maru Remembrance Day” in Vancouver.

amended

AMENDMENT MOVED by Councillor Swanson

THAT A be struck and substituted with the following:

- A. THAT Council formally apologizes for the injustice of the motion of the June 1914 Council that passed a resolution saying it was “unalterably opposed to the admittance of Hindus and other Asiatic races into this country...” and that “... these people would prove a serious menace to our civilization, both economically and socially ...” and its cruel effects on individuals and families impacted by the Komagata Maru incident.

CARRIED UNANIMOUSLY (Vote No. 06063)

The amendment having carried, the motion as amended was put and CARRIED UNANIMOUSLY (Vote No. 06064).

3. Amending the City’s Municipal Election Year Operating Budget Policies and Principles

At the Council meeting on June 9, 2020, Council referred the following motion to the Standing Committee on City Finance and Services meeting on June 10, 2020, in order to hear from speakers.

MOVED by Councillor Dominato
THAT the Committee recommend to Council

WHEREAS

1. The City of Vancouver is required by the *Vancouver Charter*, Library Act, and Police Act to produce a consolidated operating budget incorporating the separate internal budgets of the Board of Parks and Recreation, the Vancouver Public Library Board, and the Vancouver Police Board, and is required by Public Sector Accounting Standards to include the Vancouver Downtown Parking Corporation (aka EasyPark) in its consolidated financial statements;
2. The City of Vancouver has a policy (Policy Number ADMIN-004: “Budgets – Operating”) which outlines the requirements for Operating Revenues and Expenditures, including authorization requirements. The policy applies to all Operating Revenues and Operating Expenditures undertaken by the City of Vancouver and is intended to supplement and provide operational clarity and promote best practices within the statutory requirements relating to budgeting as set out in the Vancouver Charter, Police Act, and Library Act;
3. Section 219 (1) of the *Vancouver Charter* (“Director of Finance to report on revenue and expenditure”) states: “As soon as practicable in each year and in any event by April 30, the Director of Finance must prepare and submit to the Council a report setting out the Director of Finance’s estimates in detail of the anticipated revenues and expenditures of the City for that year.”;

4. With respect to the requirement for the City to set an Operating Budget, Policy Number ADMIN-004 (“Budgets – Operating”) states, under section 2 (1.1), that “The Director of Finance is to present an Annual Operating Budget for the upcoming year as a report to Council in December of each year.” The policy further states that “On an exception basis, as determined by the Director of Finance, such as may occur in the year of a municipal election, an internal working budget will be developed by December of that year, and a budget will be adopted by Council no later than April 30th of the following year as required by section 219 of the *Vancouver Charter*.”;
5. Additionally, Policy Number ADMIN-004 (“Budgets – Operating”) states, under section 2 (1.2), that “In any year in which the budget is not approved by Council before December 31st, Council may authorize expenditures as are necessary to carry on the business of the City until the budget is adopted, if the following conditions are met:
 - (a) the amounts for that Budget Line Item does not exceed the amount for the Budget Line Item in the prior Annual Operating Budget, and
 - (b) the expenditure is approved by at least two-thirds of City Council.”;
6. There are clearly no statutory requirements relating to budgets, as set out in the *Vancouver Charter*, Police Act, or Library Act, that would necessitate the approval of a City of Vancouver Operating Budget in December of any year, including a municipal election year. An “internal working budget” can be developed by December of a municipal election year – or “In any year in which the budget is not approved by Council before December 31st” – and a final budget adopted by Council no later than April 30th of the following year, with Council empowered to authorize expenditures necessary to carry on the business of the City until the budget is adopted if the amounts for that Budget Line Item does not exceed the amount for the Budget Line Item in the prior year’s Operating Budget and the expenditure is approved by at least two-thirds of City Council;
7. As a point of relevant comparison to the City of Vancouver’s budget policy, the section of the City of Toronto Act (CoTA) 2006 that pertains to Toronto’s “Yearly Budget” (i.e., section 228) includes an exception clause, namely subsection 228 (2), which states that “Despite subsection (1), a budget for a year immediately following a year in which a regular election is held may only be adopted in the year to which the budget applies.”¹

THEREFORE BE IT RESOLVED THAT Policy Number ADMIN-004 (“Budgets – Operating”) Section 2 (POLICY STATEMENTS) be amended to better reflect the budget circumstances of a municipal election year and an incoming Council by striking subsection 1.1. under the heading “Requirement to set a budget” and replacing it with the following amended wording:

¹ Subsection 228 (1) of the *City of Toronto Act (CoTA) 2006* states that “For each year, the City shall in the year or the immediately preceding year prepare and adopt a budget including estimates of all sums required during the year for the purposes of the City, including....”

- Section 1.1. “The Director of Finance is to present an Annual Operating Budget for the upcoming year as a report to Council in December of each year. In the year of a municipal election, an internal working budget will be developed by December of that year, and a budget will be adopted by Council in the year that it applies and no later than April 30th of that year as required by section 219 of the Vancouver Charter.”;

FURTHER THAT Council direct staff to prepare a By-law for the consideration of Council to legally enshrine the intent of this motion, namely, that in the year of a municipal election an internal working budget is to be developed by December of that year and a final budget is to be adopted by Council in the year that it applies and no later than April 30th of that year, consistent with the requirements of section 219 of the Vancouver Charter;

AND FURTHER THAT Council direct the Mayor to write to the Province to seek an amendment to the Vancouver Charter to enshrine a requirement on the part of the City to develop an internal working budget in the year of a municipal election (by December of that year) and a requirement for a final budget to be adopted by Council in the year to which the budget applies and no later than April 30th of that year.

referred

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The Committee recessed at 11:56 am and reconvened at 1 pm.

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REFERRAL MOVED by Councillor Carr

THAT the motion entitled “Amending the City’s Municipal Election Year Operating Budget Policies and Principles” be referred to staff to report back on issues related to grants plus best practices regarding budget briefings for new councils.

LOST (Tie-Vote) (*reconsidered*)
(Councillors Bligh, De Genova, Dominato, Hardwick and Kirby-Yung opposed)
(Mayor Stewart absent for the vote)

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At this point in the proceedings, it was noted that Mayor Stewart was incorrectly classified as absent for the previous vote and therefore was not able to vote. The Chair requested a Council member move a motion to reconsider the vote.

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RECONSIDERATION MOVED by Councillor Fry

THAT the referral motion vote be reconsidered.

CARRIED UNANIMOUSLY

The motion to reconsider having carried unanimously, the referral motion was put again and CARRIED (Vote No. 06067), with Councillors Bligh, De Genova, Dominato, Hardwick and Kirby-Yung opposed.

The Committee adjourned at 1:28 pm.

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**COUNCIL MEETING MINUTES
STANDING COMMITTEE OF COUNCIL ON
CITY FINANCE AND SERVICES**

JUNE 10, 2020

A meeting of the Council of the City of Vancouver was held on Wednesday, June 10, 2020, at 1:30 pm, in the Council Chamber, Third Floor, City Hall, following the Standing Committee on City Finance and Services meeting, to consider the recommendations and actions of the Committee. This Council meeting was convened by electronic means as authorized under the Order of the Minister of Public Safety and Solicitor General of the Province of British Columbia – Emergency Program Act, Ministerial Order No. M083.

PRESENT: Councillor Melissa De Genova, Deputy Mayor
Councillor Rebecca Bligh
Councillor Christine Boyle
Councillor Adriane Carr
Councillor Lisa Dominato
Councillor Pete Fry
Councillor Colleen Hardwick*
Councillor Sarah Kirby-Yung
Councillor Jean Swanson
Councillor Michael Wiebe

ABSENT: Mayor Kennedy Stewart

CITY MANAGER'S OFFICE: Sadhu Johnston, City Manager

CITY CLERK'S OFFICE: Rosemary Hagiwara, Acting City Clerk
Terri Burke, Meeting Coordinator

* Denotes absence for a portion of the meeting.

COMMITTEE REPORTS

Report of Standing Committee on City Finance and Services
Wednesday, June 10, 2020

Council considered the report containing the recommendations and actions taken by the Standing Committee on City Finance and Services. Its items of business included:

1. Legionella Prevention - Vancouver Building By-law Amendments
2. Komagata Maru Apology and Remembrance Day Proclamation
3. Amending the City's Municipal Election Year Operating Budget Policies and Principles

Items 1 to 3

MOVED by Councillor Carr
SECONDED by Councillor Boyle

THAT the recommendations and actions taken by the Standing Committee on City Finance and Services at its meeting of June 10, 2020, as contained in items 1 to 3, be approved.

CARRIED UNANIMOUSLY

UNFINISHED BUSINESS

1. Short Term Landlords – Long Term Protections for Renters and Hotels

At the Council meeting on May 26, 2020, Council referred the following motion to the Standing Committee on Policy and Strategic Priorities meeting on May 27 and June 2, 2020, in order to hear from speakers. Subsequently, on June 2, 2020, Council completed hearing from speakers and referred debate and decision to the Council meeting following the Standing Committee on City Finance and Services meeting on June 10, 2020, as Unfinished Business.

Prior to discussion, Councillor Hardwick declared a conflict of interest as she owns a licenced Airbnb property. Councillor Hardwick left the meeting at 1:35 pm and did not return for the remainder of the item.

MOVED by Councillor Fry
SECONDED by Councillor Carr

WHEREAS

1. Tourism in Vancouver has normally been a strong economic factor, driving:
 - a. Over 11 million overnight visitors annually;
 - b. \$4.8 million in direct spending to Metro Vancouver economy annually;
 - c. Over 70,000 full time jobs;
 - d. Over 12,000 hotel rooms in the Downtown Core¹; and
 - e. At least 5,000 Short Term Rental (STR) listings in the city;
2. The COVID-19 Pandemic has had profound impacts on Vancouver's tourism industries, and BC Public Health Officials suggest limited recovery for this sector may be later in the summer if at all;
3. The collapse of the global travel industry has seen demand for Short Term Rentals decline precipitously, with a sustained negative trajectory for future reservations. Analysts note urban markets face significantly higher risk and fluctuation than leisure destinations.² As a result, Short Term Rental property owners are reportedly seeking the stability of conventional long-term rentals over the uncertainty of short-term tourist apartments;³

4. Independent open data research portal Inside Airbnb documents, 5,806 active STR listings in Vancouver, including links to numerous multiple listing property owners/managers on the Downtown Peninsula, verifiable on the Airbnb platform (for example, Bruce: 50 listings, Rami: 32 listings, Anne: 11 listings, Brad: 10 listings, Vida: 7 listings, Charlie: 7 listings);
5. Short Term Rental data aggregator and market research portal AirDNA reports 5,180 active STR listings in the City of Vancouver, of which 73% are “entire home rentals” and 91% are listed with Airbnb (5% VRBO, 4% on both);⁴
6. Recent data trends from both platforms show a number of the current Short Term Rental stock in Vancouver are newly listed for a minimum 30 day stay;
7. So far in 2020 the City has issued 2,972 STR licenses, down from 4,201 in 2019;
8. The City of Vancouver enables, regulates, and licenses Short Term Rentals through three separate by-laws. Goals of STR license and regulations include:
 - a. Protecting long-term rental housing;
 - b. Enforcing against commercial and illegal operators who are using long-term rental homes as short-term rentals;
 - c. Providing safe and healthy accommodation options to support the tourism industry;
 - d. Ensuring STRs are operating with a valid business license, in principal residences, and are allowed by landlord or strata as applicable; and
 - e. Helping the City to follow up on complaints and nuisance properties;
9. Despite the City’s STR by-law stipulation that licensees require strata permission, some property and building managers’ report an inability to determine illegal STRs because the City’s Open Data license portal redacts address information. Uncertainty about strangers and virus transmission from infected travellers are reportedly heightening anxiety among residents;
10. Despite the goal of STR regulations to provide safe and healthy accommodations to support our tourism industry, there is no appropriate oversight of safe standards in the context of COVID-19. Inconsistent cleaning and related mitigation efforts by STR operators may subject the City to further pandemic outbreaks and reputational damage;
11. Despite the reported trend toward longer-term rentals, the STR license stipulates that units must be rented for less than 30 consecutive days at a time, otherwise owners must apply for a Long Term Rental business license and pay a separate fee;
12. Section 4 of BC’s Residential Tenancy Act (RTA) establishes that vacation or travel accommodations are exempt the RTA. However, in arbitration and legal precedent the undertaking of any residential tenancy is protected. Further, a fixed term tenancy does not implicitly give cause for a landlord to end tenancy;

13. Short Term Rentals extending for Long Term Rentals may be engaged in an ad-hoc manner inconsistent with the City's STR bylaws or the RTA and have the potential to exacerbate further crisis in the rental vacancy market, if and when the tourism industry recovers;
14. Hotels are further distinct from STRs in so far as:
 - a. Hotels pay significantly higher property taxes as Class 6 (business, other) relative to STRs taxed at Class 1 (residential) at a ratio of \$2.93 to \$6.73 per \$1000 taxable value;
 - b. Hotels and premises are subject to safety and health inspections by WorkSafe BC and the BC Hotel Association (BCHA), as well as standards set by the City of Vancouver and Vancouver Coastal Health;
 - c. Hotels employ a number of full- and part-time workers;
 - d. Hotels aren't a threat to the long-term rental market; and
 - e. Hotels are purpose built and zoned for that purpose.

THEREFORE BE IT RESOLVED

- A. THAT Council direct staff to review Short Term Rental licensing, fees, regulation and safety in the context of COVID-19 and overall health of City rental vacancies and hotel industry recovery.
- B. THAT Council direct staff to prepare and circulate memos to all 2019 and 2020 Short Term Rental license holders advising:
 - a. that the conditions of their short term rental by-law limits rentals to less than 30 consecutive days at a time; and
 - b. that to rent a residential property for 30 days or more at a time, a rental property business licence is required.
- C. THAT Council direct staff to report back on the feasibility and fairness of assessing and taxing Short Term Rentals (STR) as Class 6 Business, other, rather than Class 1 Residential;

FURTHER THAT staff distinguish in this report any distinctions between multiple STR listing owners or brokers and single listing individual STR owners.
- D. THAT Council direct staff to create a mechanism whereby strata, building and property manager can request and receive access to the Open Data records of Short Term Rental licenses and locations in their properties.
- E. THAT Council direct staff to work with stakeholders to amplify any cleaning protocols and public information campaigns developed by the hospitality accommodation industry, in consultation with the Provincial Health Officer, health authorities and WorkSafe BC which might signal safe readiness to COVID-19 response and public health if and when tourism industry recovers;

FURTHER THAT staff consider and report back on methods for inspection or implementation of safety and cleaning standards in Short Term Rentals (STRs) and common areas as applicable;

AND FURTHER THAT staff report back on any reputational, legal or other liability the City might face as licensors and regulators of STRs (and common areas by extension and as applicable) should they be source of a COVID-19 outbreak.

- F. THAT Council direct staff to identify ways to support Hotel recovery and work with the Vancouver Economic Commission Task Force on same.

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1. Tourism Vancouver Fast Facts <https://www.tourismvancouver.com/media/corporate-communications/vancouvers-tourism-industry-fast-facts/>
 2. Impact of the Coronavirus on Global Short-Term Rental Markets <https://www.airdna.co/blog/coronavirus-impact-on-global-short-term-rental-markets>
 3. The Guardian: Airbnb Slump means Europe's cities can return to residents, says officials <https://www.theguardian.com/technology/2020/may/09/airbnb-slump-europe-cities-residents-barcelona-dublin>
 4. AirDNA Market Minder (retrieved May 10, 2020) <https://www.airdna.co/vacation-rental-data/app/ca/british-columbia/vancouver/overview>
 5. Inside Airbnb (retrieved May 10, 2020) <http://insideairbnb.com/vancouver>

referred

REFERRAL MOVED by Councillor Dominato

THAT Council refer the motion entitled "Short Term Landlords – Long Term Protections for Renters and Hotels" to City staff to consider as part of their regular work on Short Term Rentals, with specific attention given to addressing COVID-19 related items in the short term.

CARRIED

(Councillors Carr, Fry, Wiebe and Swanson opposed)

(Councillor Boyle abstained from the vote)

(Councillor Hardwick absent for the vote due to conflict of interest)

ADJOURNMENT

MOVED by Councillor Carr
SECONDED by Councillor Fry

THAT the meeting be adjourned.

CARRIED UNANIMOUSLY

The Council adjourned at 2:05 pm.

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