



IBEW British Columbia Provincial Council

March 3, 2018

Ministry of Municipal Affairs and Housing
102 – 1108 Austin Ave
Coquitlam, BC V3K 3P5

Attention: Honourable Minister, Selina Robinson

Re: Affordable and Social Housing

Dear Minister:

Introduction

The International Brotherhood of Electrical Workers in BC, constitute 12,000 trade unionists represented by five distinct local unions. We work in the diverse electrical industry, from generation, transmission, distribution, ICI construction, data/tel, security, communications, environmental controls, marine, manufacturing, all three levels of government, and more. For the purposes of putting this letter into context, we power up and help construct school/hospital/ and residential projects including short and long-term care.

The Issue

We are writing you over an important issue that primarily impacts the most densely populated areas of our Province, however, almost every community in British Columbia is affected to some degree. Housing and Affordable Housing has been the subject matter of media, municipalities, our Provincial government, and concern of many households throughout British Columbia. Social or Affordable Housing is of paramount importance to our economic and moral well-being as a Province and Society. Vancouver's percentage of household average income is approaching 90% (In contrast to other major Canadian cities of 40%-60%) going to housing costs. British Columbian's don't have any residual income, which results in needs spending habits, as opposed to disposable income that supports our local economy like restaurants, bars, movie theatres and retail business' all who pay their fair share in taxation and support local economies through job creation. British Columbian's simply don't have the money to go out anymore.

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We participated in a survey group last month who were asked to identify their primary issues or concerns occupying their lives. Routinely, Affordable Housing was the primary theme, followed by transportation (due to a lack of affordable housing in the area they worked in, resulting in them having to find housing further away), a lack of better paying jobs and cost of living (due to the high costs of housing or rent), then finally, a lack of green spaces (environment) around the area they lived and worked. Child-care and health care were issues as were others, however they were ranked further down the survey's hierarchy.

The housing market can be broken into two main areas of rental stock and home ownership. Home ownership is a much more difficult and a systemic problem of relatively fast rising house prices during long periods of focused suppression of workers' wages, and therefore a much more difficult problem to overcome. Our cause as declared by the IBEW's Constitution, is the cause of human justice, human rights and human security. We believe "security" should include a roof over the head of you and your loved ones, and "justice" is provided when a community provides for a working wage that provides for a foundation that supports that roof. Government can and should make every effort to allow for the upward economic mobility of workers both public through open and market driven negotiations in collective bargaining, and private sector workers through continued support in areas within Government control, such as anti-scab laws, an open and accessible Labour Relations Board and accessible Employment Standards Branches with a focus on servicing local workers. Without that engaged support in BC's communities' workers will continue to suffer and stay victims to their economic condition and continue to suppress the economic well-being of BC's communities through lack of disposable income.

The lack of available affordable housing has hit an all-time high in BC, and we would like to begin by thanking the current NDP Government for giving this issue the attention it deserves within the 2018 budget. The lofty goal of supplying 114,000 social/affordable housing units over the next decade will take a strong commitment along with good planning and a deep understanding of what got us here, and how to dig ourselves out of the predicament that many British Columbian's find themselves in to realize success.

We will also need to develop a plan of how to slow or stop us from being in this situation again. So, an Affordable Housing Plan looking forward. We believe this issue is of enough importance, there should be a panel of subject matter experts as a sitting committee to oversee the roll-out of a diverse multi-ministry approach to help off-set the various challenges in aid, to relieve as much of the problem as government can.

We will begin with what we see as obvious areas, to lift the lid of the boil.

Short-Term Rental Stock
BC's Post-Secondary Institutions

We are advocating for a large roll-out of University and College mixed rental apartment and “bachelor” style dormitory units. Many of BC’s Universities and Colleges have been increasing the percentage of international student population without any housing to off-set the pressures of local rental accommodation. Many of these educational institutions already have access to unused land on campus to build dormitories for international students and geographically displaced domestic students, and therefore, would require no purchase of land which otherwise would be a major drain on those institution’s finances. These mixed dormitories having a multiple approach floor plan, could actually be factored in to providing revenue to our educational institutions which could also be used to off-set future costs of education for a portion of our society that a higher education would otherwise be unobtainable. For those Institutions who do not have available on-campus land, and/or prove to be struggling financially could rely on the BC Government to purchase nearby land and build mixed dormitories as an investment in ongoing institutional infrastructure, renewing the capabilities of our post-secondary schools, and over time these dorms will pay themselves off. At that time, the assets could be turned over to our colleges and universities costing the Province nothing.

By building these “mixed dorms” to accommodate international and displaced students, the immediate result would be freeing up local basement suite rental units for the local population, which will have a freezing effect or softening of the rental rates currently being demanded for those suites. In any event we believe that capitalizing on the international student market without providing housing for them is accepting the benefits of paying-students without considering, or at least taking on the responsibility of the negative effects that comes from accepting international students, while the local population suffers from the consequences. Therefore, we would like to see immediate action by putting our post-secondary institutions on notice that international students’ population by 2021 will be limited to 75% of their total dormitory capacity. Sending the signal that continuing to reap the benefits of educating students from out of region without accepting responsibility for the pressures put on the local housing market will no longer be acceptable. It will refocus BC’s post-secondary institutions by pulling them into the solution and not allowing them to ignore the fact they are part of the problem, and should as responsible citizens, by taking responsibility for the problems they are causing, and be part of the solution. By the Province stepping up investment in our educational institutions in this manner will help BC post-secondary institutions be best-positioned for ongoing future success.

BC's Regional and area Hospitals

Many of our Regional Hospitals can also take on a similar role as the post-secondary institutions. In days past, a nursing student would be housed near the hospital they were serving their on-the-job training. Hospitals that have available land can build dorm style

residences for the in-training nursing staff, and those hospitals without available land can be retrofitted and built-out today with dorm style affordable housing. When these dorms are not being used by trainee nursing staff, they could also be used as temporary private rooms for hospital patients in busy patient times, as opposed to hallways, closets and stairways, as reported over the more recent years.

BC's Senior Housing and Assisted Living Facilities

As a large portion of BC's population continues to age, the requirements around social affordable housing will change. British Columbians are living longer, well into years where they need help with daily routine tasks. Today, aging residents are often put on wait lists that stretch out towards two years. Over the short coming years, as a large portion of our population reaches this time in their life, that will exacerbate the problem to reach crisis proportions, and so we believe BC needs to consider those needs today and for tomorrow and determine how best to approach those needs with a plan in community strategy. In part, it will mean buying up smaller parcels of land on the outskirts of growing communities, this year, and get started on developing the building plans on similar style buildings for every growing community in BC. This land should be earmarked for the purpose of building Assisted Living projects over the next ten to twenty years.

Assisted Living is a business, and the Province could help by building and maintaining Senior Housing and Assisted Living developments, all the while helping to regulate the costs, by operating as a non-profit entity. Building these Facilities will help facilitate the transition of our elderly into Units staffed with qualified care givers, and move them out of their current homes, freeing up much needed rental and housing stock.

Transition Housing

The phenomena of women and children fleeing abusive relationships have been underserved by the former government, and requires immediate temporary stock using modular construction, however the IBEW believes this is not a long-term solution in the needs of those most vulnerable, experiencing violence in their lives. We believe in building, buildings not shoring up temporary trailer parks as needs pop-up in our schools or transitional housing.

"Transitional" is intended to define the needs of the people that need them, not the need for the building. Unfortunately, unless we address the violence and the reasons behind it, (financial frustration, early parenthood, major changes in one's life) the need is here for the long-term, and so should the housing intended to help the families who need it.

Mixed Affordable Housing within every Condominium Project and Suburban Development

The IBEW-BC believes affordable housing shouldn't be taken on as mega-structures taking up large tracts of land in any one area or community. That's been tried in too many cities throughout the world's history, one of the most prominent communities that comes to mind was "The Projects" in New York City's Harlem. We believe if we don't learn from failed experiments such as these, we will be building the future ghettos of BC. The IBEW-BC believes that the right approach is blending affordable housing within every new condominium or community, that a percentage of blended affordable units built in every condominium project and every planned suburban development, and that a portion of those units can simply be outfitted with less costly finishes, without compromising on structure, envelope or building integrity.

These designated "blended affordable units" should see an approximate 10% reduction due to their cheaper finishing's (no subsidization). Further subsidy by the rest of the development by 20%, essentially a collective neighborhood subsidization by 1% each home/condominium (or one "blended affordable home" for every twenty). Finally, a 10% subsidy by the Province, (subsidized in part for those developers refusing to participate, see below) with an overall subsidization of 40%.

The Unit must remain recognized as a "subsidized unit" and any future sale must be sold at no more than 60% of comparable units or area homes, and must be sold to another BC resident who qualifies. To be qualified to purchase a "blended affordable home" a person or family must earn 10% less than the median annual income in British Columbia. Any developments not building any affordable housing within their planned developments will pay an additional tax of 2% upfront by the developer. To go towards blended affordable housing in the area.

Where blended affordable housing appears to not be able to adequately address the problem for communities, and therefore requires a larger portion of affordable housing developments we are suggesting the approach of a BC Affordable Housing Authority Trust be set up to help oversee the Province's owned Affordable Housing Stock. In those areas we believe area medical clinics and adequate local Day Care Centre's should be included in all of these projects intended to cater to young families. We believe properly decided court decisions which result in confiscated houses owned and/or used in the trafficking or illegal production of drugs should be properly cleaned, inspected, renovated if necessary and turned over to the BC's Affordable Housing Authority Trust to be added as Affordable Housing Stock.

Foreign Buyer Tax

We believe that the BC Government should consider *implementing a tax on foreign exchange transactions*, which we believe will help suppress further the volatility in real estate prices, the

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Canadian Centre for Policy Alternatives released a document related to this issue.

<https://www.policyalternatives.ca/publications/monitor/tobin-tax>

The “Tobin Tax” provides for a broad overview, related to capital movement. As we have witnessed in BC, real estate and housing are more and more influenced by international as well as domestic speculation, and we need a counter-vailing strategy.

The “Tobin Tax” is designed to penalize short-run-oriented transactions. There are more than a trillion dollars of gross transactions in foreign exchange markets every day in the world. The great majority of those are the beginnings of round trips that take only a week or less. They are essentially short-term “round trips” from one currency to another.

Our proposed exchange transactions tax is the same amount for every transaction. So, it automatically, in the simplest possible manner, discriminates between short- and long-run round trips. Suppose the exchange tax is 0.5% for each transaction, half a percent of its total value. If you’re going to move from Toronto to New York in order to exploit an interest rate differential and you come back within the same week that costs you 1% for the round trip. If the advantage is only a few basis points of difference in the short-run interest rates on an annual basis, the tax will erase the gain.

This Tax could, directly support a BC Affordable Housing Authority Trust program for construction and maintenance of social housing would act to offset the disruption that capital flow causes and derive funding from that source.

Jobs for Skilled Trades

We believe all of these projects, whether they be school dormitories, Assisted Living projects, Hospital additions, Transition House, and all Provincially owned Affordable Housing Stock should be constructed or renovated under a Community Benefits Agreement and should provide things like; real training on every site with an appropriate mix of qualified local Red Seal Trades Journey Men/Women and Industry Training Authority Registered Apprentices, as well as qualified Indigenous Peoples from local bands, and a qualified local visible minority diverse workforce. We believe that those in our community less fortunate and seeking affordable housing should be provided economic and investment counseling, and a basic budgeting education so they are more able to continue down the path of financial success, and be better prepared to sustain home ownership.

Home ownership for the vast majority of British Columbians is becoming unobtainable and we need some bold moves in helping struggling families who are often young families, get a start. We need our Provincial Government to show transitioning British Columbians whether due to their age or circumstances their government cares. Lastly, we need our Provincial Government to champion the issues most important to the citizens who elected them, and in our opinion that

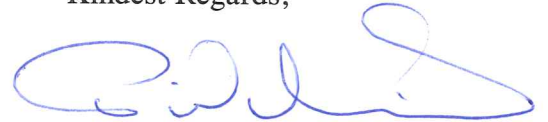
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includes solutions to our problems in housing. We believe we have offered some implementable solutions in this document that will help offset this growing problem. We stand ready to help you with the goals of creating a better BC through a comprehensive affordable and/or social housing plan.

Kindest Regards,



Phil Venoit, Chair
IBEW-BC

cc. Honourable, John Horgan, Premier
Honourable, Carole James, Finance Minister & Deputy Premier
Honourable, Melanie Mark, Minister Advanced Education
Honourable, Adrien Dix, Minister of Health

PMV/jc
MoveUP