

Rainer H. Borkenhagen, M.D. F.C.F.P.

Mr. Gil Kelley
General Manager Planning, Urban Design, and Sustainability
Vancouver City Hall
453 West 1`2th Ave
Vancouver BC V5Y 1V4

Feb 9/2021

Re: SFU Dialogue Series : “ The Future We Want: The Change We Need”
Request submission

Dear Mr. Kelly

Thank you for having organized this second of a series of dialogues for public input, towards an updated City Planning Document **Vancouver 2050**. This will likely cover many of the concerns addressed in the previous 10-year and 3-year plans. The pandemic however, has highlighted the new issue of a city’s “resilience”, making an update timely.

I am the lead of the advisory committee of a group of concerned citizens, the **Unjust Property Tax Coalition**, impacted by a particular inequity of the current Empty Homes tax. Vancouver remains an integral part of most of our member’s lives and commitments as taxpaying citizens. Despite failure to sway city administration’s opinion with two previous suggestions for EHT amendment over the past four years, we continue to believe that active engagement with the city administration and council is the most productive way forward.

Synopsis:

- Despite growth, the city’s demographic is predicted to age. The demand for health support services will climb. The focus below is on **seniors**.
- the pandemic has shown seniors residences have a number of serious liabilities. Concepts that allow seniors to age if not in “place”, at least in their neighbourhood, are needed.
- new paradigms of intergenerational family living need to replace the “nuclear” family, to allow for better caregiver support. This comprises part of a city’s resilience.
- “Family” care viewed fully, covers support for grandchildren, school-age children and finally grandparents. This spans 2-3 decades
- The EHT for a subsection of Canadian taxpayers prevents planning ahead for family caregiving and support, into retirement. By fining this cohort of seniors with the EHT on their secondary homes, the city is losing their substantial contributions to the community. These homes are occupied and should not be deemed vacant. Many such homes are also part of a family resource for the complex problem of mid-career professionals deciding between staying or moving further away from aging family.

Background

Vancouver clearly has challenges: affordable housing, the shrinking middle class, and the resultant difficulty in keeping post-baby boomer mid-career professionals in the city. A significant stressor is rising wealth inequity. Vancouver has the added disadvantage of having the lowest average income of any of Canada’s major cities, yet the highest housing costs. Even if this mid-career demographic can find the means to remain, inadequate income levels is a disincentive to having children. Short-term, migration patterns may result in Vancouver’s sustained population growth, long term, given

declining birth rates globally, the prediction is that the city's population will peak and age within a few decades.

One of the defining key metrics for a vibrant city is the ability to attract and retain human capital, business entrepreneurship and innovation, ie young "pioneering" residents. Many cities are undergoing intense debate on what parameters need to change, as a result of both post-pandemic adjustments to workplaces, and urban divides due to socio-economic disparities. Key will be how to augment urban value.

Resilience:

Designing resilience prioritizes adaptability, recognizing that Covid-19 is one of a number of potential future disruptions. This means retrofitting neighbourhoods by re-creating the urban environment into something more equitable, by rezoning many single-family to mixed-use zoning and focusing on localizing lifestyles. This type of redesign should consider the advantage of fostering strong intergenerational ties in close proximity to each other.

Vancouver's planning to date:

Within the city's planning imperatives, and part of its 10-year strategy, is housing support for the growing population of elderly, and ownership options for downsizing seniors. A key issue is housing accessibility and addressing the "complex, intersectional needs for services and supports". Currently, "moderate-income seniors are often over- housed in single-family homes across the city, but have limited options within the city even if they choose to sell their home and move."

It is a tough decision, for retirees to move rather than age-in-place. This takes time and changing needs, with family encouragement. Ideally, this will depend on proximity to intergenerational family support. Often, the cohort of mid-career professionals that the city is trying to retain, is part of the family support network, as they balance the decision to move away, or stay. For the middle class, secondary condos (when affordable) can be a **decision buffer**, and serve multiple purposes both for seniors and the family as a whole. By far, the majority of the 150 current participants in the Unjust Property Tax Coalition, advocating against an inequity of the EHT, comprise people/professionals nearing, or in retirement.

There is growing recognition that **the model of the nuclear family is imperfect**, and much can be learned from a variety of ethnic groups and indigenous communities about embedded supports in family living. Newer, more resilient models do not necessarily promote living under one roof, but at least multiple generations living in close proximity. An example is Singapore, with a projected explosive growth of elderly - 47% of population by 2050. Eighty-two percent of its citizens live in co-invested public housing that they are eligible to purchase. A discount is given to young couples when living within a set distance perimeter of their parents.

Impact of the Empty Homes Tax:

The primary purpose of EHT was to influence owners of secondary homes primarily held for investment, to place them in the rental market. However, it continues to impact a subgroup of tax-paying Canadians unfairly, those who use such condos regularly for multiple purposes. Currently these homes are arbitrarily designated "unoccupied" and thereby subject to the EHT.

Our coalition recently conducted a survey amongst 150 participants. Of the responders, in the past 3 years, 54% have sold their condo rather than rent out part-time. Some have subsequently rented a condo in the same area. This outcome defeats the purpose of the tax. The tripling of the tax rate in 2022 will seriously exacerbate this scenario. Others have left the city entirely, to the detriment of the community, as many of these residents have been solid community anchors, for intergenerational family support needs, community engagement on nonprofit boards, professional associations, and

volunteering in a number of other capacities. **The city needs to accommodate middle-income, family transitions.** Up to a generation ago, children often left their community to find opportunity. Sometimes parents followed, leaving their social and support base. In a more favourable scenario, children return but with a healthy balance struck between family distance and proximity, allowing for a graceful supportive environment in a senior's declining years.

Our request:

We request exemption to the EHT for Canadian taxpaying adults over age 55 in life transition, who own a secondary home in Vancouver. Their primary residence may be currently outside of Vancouver, but with remaining family in the metropolitan area, they are repositioning themselves long-term. It allows them a **time-buffer** for a healthy family synergy across generations in the transition through evolving professional, intergenerational, retirement and medical demands, positioning themselves for as independent an elderly lifestyle, with as strong family ties and supports as possible, using new living paradigms. On the other end of the family scale, such family connections encourage their children (mid-life career professionals) to remain in the city, a key goal of Vancouver's planning priorities.

This is not primarily a legal "entitlement" issue of use of a secondary home. The shrinking middle class is a city liability. They are the primary crucible for economic stability and upward mobility on the ladder of the income divide. Supporting middle class efforts in maintaining proximity is thereby a valuable goal that benefits the city, as such families undergo longitudinal transition in a world of future disruptions demanding flexibility.

We are available to provide specific legal wording for a simple amendment to the Vacancy tax bylaw to accommodate this purpose

Submitted

Rainer Borkenhagen MD FCFP (retired)

Cc: Mayor Stewart Kennedy
City Councillors